



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2012 TMOB 136
Date of Decision: 2012-07-12

IN THE MATTER OF SECTION 45 PROCEEDINGS
requested by Johnston Wassenaar LLP against
registration No. TMA662,480 for the trade-mark
BUDDHA-BAR in the name of George V Eatertainment.

[1] At the request of Johnston Wassenaar LLP (the Requesting Party), the Registrar of Trade-marks issued a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) to George v Eatertainment., the registered owner of registration No. TMA662,480 for the trade-mark BUDDHA-BAR (the Mark).

[2] The mark is registered for use in association with the following wares and services:

(1) Parfums, savons, huiles essentielles, nommément parfums destinés à une utilisation personnelle, lotions pour les cheveux, dentifrices.

(2) Joaillerie, bijouterie, horlogerie, instruments chronométriques, nommément montres, chronomètres, pendules, réveils matins, vaisselle en métaux précieux; journaux, magazines, livres, papeterie, nommément cartes postales, photographie, stylos, crayons; ustensiles et récipients pour le ménage ou la cuisine, nommément spatules, fourchettes, couteaux, cuillères, casseroles, baguettes; vaisselle non en métaux précieux, nommément assiettes, plats, vases, seaux à champagne, verres à boire.

(the Wares)

(1) Services de restauration (alimentation).

(the Services)

[3] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and services specified in the registration at any time within the three year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of use since that date. In this case, the relevant period for showing use is between November 4, 2006 and November 4, 2009 (the Relevant Period).

[4] The definition of “use” is set out in section 4 of the Act:

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(3) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

[5] Pursuant to s. 45(3) of the Act, in the absence of use as defined above, a trade-mark is liable to be expunged unless the absence of use has been due to special circumstances excusing such absence.

[6] In response to the Registrar’s notice, the Registrant filed the affidavit Tarja Visan together with exhibits TV-1 to TV-8 attached thereto (Visan Affidavit). Both parties filed written representations; and both parties participated in a hearing.

[7] Upon review of Ms Visan’s affidavit, it is clear that there is no evidence of use of the Mark by the Registrant in Canada during the Relevant Period. Indeed, the Visan Affidavit makes clear that the Mark has never been used in Canada. Instead, the entirety of Ms Visan’s affidavit and documentary evidence concerns the circumstances surrounding the Registrant’s efforts to enter the Canadian marketplace and commence use of the Mark in Canada.

Accordingly, the only issue to be decided in this case is whether the Registrant has shown special circumstances that would excuse the absence of use of the Mark, permitting the maintenance of the registration.

[8] A determination of whether there are special circumstances excusing non-use involves the consideration of three criteria, as set out in *Canada (Registrar of Trade Marks) v. Harris Knitting Mills Ltd.* (1985), 4 CPR (3d) 488 (FCA); the first is the length of time during which the mark has not been in use, the second is whether the reasons for non-use were beyond the control of the registered owner and the third is whether there exists a serious intention to shortly resume use.

[9] The relevance of the first criterion is apparent, as reasons that may excuse a brief period of non-use, may not excuse an extended period of non-use [*Harris Knitting, supra; Re: Goldwell* (1974), 29 C.P.R. (2d) 110 (R.T.M.)]. In determining whether the reasons for non-use are due to circumstances beyond the owner's control, there must be a finding of "circumstances that are unusual, uncommon or exceptional" [*John Labatt Ltd. v. Cotton Club Bottling Co.* (1976), 25 CPR (2d) 115 (FCTD) at p. 123]. In addition, this second criterion of the *Harris Knitting* test must be satisfied in order to there to be a finding of special circumstances excusing non-use of a mark (*Smart & Biggar v. Scott Paper Ltd.* (2008), 65 CPR (4th) 303 (FCA). Lastly, the intent to resume use must be substantiated by the evidence [*Arrowhead Spring Water Ltd. v. Arrowhead Water Corp.* (1993), 47 CPR (3d) 217 (FCTD); *NTD Apparel Inc. v. Ryan* (2003), 27 CPR (4th) 73 (FCTD)].

[10] Applying the test above, I note that the Mark, which was applied for in 2002 and registered in Canada on April 11, 2006 has never been used in Canada. Ms Visan states in her affidavit that during the relevant period, the Registrant sought to find licensees of the Mark and suitable locations for BUDDHA-BAR restaurants and hotels in Canada. In that regard, she attests that the Registrant entered into negotiations and signed a memorandum of understanding with Creative Design FZ LLC and Washington Restaurants, LLC in September 2008 for the parties to pursue and conclude a licence agreement within 90 days regarding a BUDDHA-BAR restaurant in Toronto. Ms Visan further attests that due to difficult economic times, it has not been possible for Washington Restaurants, LLC to enter into a license agreement with the

Registrant concerning the opening of a BUDDHA-BAR restaurant in Toronto. Ms Visan states that this project is nonetheless still active and has not been cancelled. However, no further details are provided concerning the steps taken since 2008 to move this project forward.

[11] Ms Visan also attests that the Registrant negotiated a license agreement during the relevant period with 9172-0912 Québec Inc. for use of the Mark in association with the opening of a restaurant and bar in Montréal, Québec. Attached as exhibits are a proposal for the BUDDHA-BAR hotel, restaurant and spa dated November 2006, preliminary documents prepared by an architectural firm dated February 13, 2007 regarding the restoration and renovation of the proposed site and a request for authorisation to build and renovate on this site dated October 5, 2007. In January 2008, 9172-0912 Québec Inc. the Québec government refused the proposed restoration and renovation on the selected site and this letter which is attached as an exhibit details how the project would need to be amended in order for the proposed project to move forward on the site. Ms Visan states that despite this, the project remains active and the Registrant is confident that the project will move forward in the short term. However, no further details are provided concerning how this project might have moved forward since January 2008.

[12] The Act is clear that once a Mark is registered in Canada, it must be used. Regarding the length of non-use, as pointed out in *Ridout & Maybee v. Sealy Canada Ltd./Ltée* (1999), 87 C.P.R. (3d) 307 (Fed. T.D.), s. 45(1) of the Act is clear, the registered owner must show the date when the trade-mark was last in use. In this case, the registrant did not provide the date the trade-mark was last in use. However, this is not fatal; generally the registration date will be used as the date of last use or, if the mark has been the subject of an assignment, the date of the assignment may be used [*GPS (U.K.) Ltd. v. Rainbow Jean Co.* (1994), 58 C.P.R. (3d) 535 (T.M. Opp. Bd.)]. In the present case, the appropriate date to accept as the last date of use is the registration date, namely, on April 11, 2006. Accordingly, there has been a fairly lengthy period of time within which the Mark has not been used in Canada.

[13] In its written representations, the Requesting Party submits that the only reason for non-use provided by the Registrant was that the owner needed additional time to launch its brand and commence use of its Mark in Canada. In particular, the reasons for the absence of use of the Mark in Canada were all circumstances that were well within the control of the Registrant

including selecting licensees and choosing locations where it would offer its Services and sell its Wares. In other words, deliberate business decisions were made by the Registrant regarding the commercialization of the Mark in Canada that led to the Mark not being used in Canada. I agree with this characterization and, per *Harris Knitting Mills, supra* at page 493, it is difficult to see why an absence of use due solely to deliberate decisions by the owner of a trade-mark to find suitable licensees and locations for its establishments would be excused. In this respect, I note the following observation by Thurlow J. in *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 CPR (2d) 62 (FCA) at paragraph 10:

There is no room for a dog in the manger attitude on the part of registered owners who may wish to hold on to a registration notwithstanding that the trade mark is no longer in use at all or not in use with respect to some of the wares in respect of which the mark is registered.

[14] Absent further information, it appears that the non-use of the Mark in Canada was not as a result of factors beyond the control of the Registrant but rather the result of deliberate business decisions. Given that the entire burden rests with the Registrant, I find the Registrant has failed to satisfy the Registrar that the non-use of the Mark in Canada was due to factors that were beyond its control.

[15] However, in the event that I am wrong in so concluding, the Registrant must nevertheless satisfy the third criterion of the Harris Knitting test; that is, the Registrant must demonstrate a serious intention to shortly resume use [see *Arrowhead Spring Water Ltd. supra*; *NTD Apparel Inc, supra*]. I would note that the Registrant provides no detail regarding the steps being taken to move its projects forward, finalize licences or otherwise commence use of its Mark in Canada. Instead, Ms Visan emphasizes that the Registrant has taken all the steps possible to commence use of the Mark in Canada in association with the Services. With respect to its intention to resume use of the Marks in Canada, the Registrant states that the Toronto BUDDHA-BAR project remains to be firmed-up and has not been cancelled. Likewise, the Ms Visan states that despite everything, the Montreal project is still active and the Registrant is confident that it will move forward with it in the short term. These statements are vague and insufficient; no further timeline is provided and no evidence was filed showing any concrete steps to commence use of the Mark in association with the Wares and Services. Absent any specifics regarding the steps being taken by the Registrant to commence use of the Mark, I cannot conclude that the

Registrant has provided sufficient evidence demonstrating a serious intention to resume use, or in this case, commence use of the Mark in Canada.

[16] Given these findings, I must conclude that the Registrant has not demonstrated special circumstances to justify non-use of the Mark during the relevant period within the meaning of s. 45(3) of the Act. In view of all of the foregoing, I am not satisfied that there was use of the Mark with respect to any of the registered wares and services within the meaning of s. 45 and s. 4 of the Act, there being no special circumstances excusing such non-use.

[17] Accordingly, pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be expunged in compliance with the provisions of s. 45 of the Act.

Darlene H. Carreau
Chairperson
Trade-marks Opposition Board
Canadian Intellectual Property Office