



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

Citation: 2012 TMOB 147
Date of Decision: 2012-08-10

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Shapiro Cohen against registration
No. TMA596,424 for the trade-mark CARRERA in the
name of Infinité Cycle Works Ltd.**

[1] At the request of Shapiro Cohen (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on March 31, 2010 to A. Mordo & Son Ltd. (the Registrant), the registered owner at that time of registration No. TMA596,424 for the trade-mark CARRERA (the Mark).

[2] The Mark is registered for use in association with the following wares: bicycles.

[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 or 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 such use since that date. In this case, the relevant period for showing use is between March 31, 2007 and March 31, 2010.

[4] The relevant definition of “use” is set out in section 4(1) 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.

[5] In response to the Registrar's notice, the Registrant filed the affidavit of Ion Chivu, sworn on June 29, 2010. I note that subsequent to the filing of evidence, the registration was assigned to Infinité Cycle Works Ltd. (the Current Owner). Both the Requesting Party and the Current Owner filed written representations and attended an oral hearing.

[6] In his affidavit, Mr. Chivu identifies himself as an employee of the Registrant and its interim manager acting under the direction and supervision of Deloitte & Touche Inc., which was appointed as the Receiver and Trustee of the Estate of the Registrant on November 9, 2009. In this respect, attached as Exhibit A to Mr. Chivu's affidavit is a copy of the Receivership Order and the Certificate of Appointment regarding the estate of the Registrant.

[7] Mr. Chivu attests that as the interim manager, he has access to the Registrant's books and records, and states that both before and after the Registrant's bankruptcy in 2009, it sold bicycles in Canada in association with the Mark. In support, Mr. Chivu provides the following evidence:

- Exhibit B consists of 28 invoices, that Mr. Chivu identifies as showing sales of bicycles "all bearing the trade-mark CARRERA and which are also identified by the different model names Crosshatch Duke, Calme Solace, Sabotage, Bliss Ladies, Pinion Men's, Air Time, Glint, Flash and Nomad" in Canada during the Relevant Period. An example of a product description appearing on the invoices is as follows: "SM8-16BMXS-3" followed by "Carrera, Flash". I note that the "Bill To" address on each invoice is to the same entity, FGL – Sport Mart, while there are three different "Ship To" addresses (for entities identified as MTE Calgary, MTB Warehousing (Toronto), and MTE Delta (Vancouver)).
- Mr. Chivu also provides a sales summary sheet for January 2008, attesting that "CARRERA bicycle sales" that month totalled \$590,802.
- Exhibit C consists of 16 invoices, that Mr. Chivu identifies as showing sales of bicycles "all bearing the trade-mark CARRERA and which are also identified by the different model names Convert, Surge, Vault, Glimmer, Rover, Melody and Kicker" during the months of January through April, 2009. More detailed than the Exhibit B invoices, an example of the product description appearing on these more recent invoices is as follows:

“SM9-26DSYMS-7” followed by “Carrera, Convert (was Crosshatch), Men’s Shimano TZ 18 spd, Front Susp”. Again, I note that the “Bill To” address on all the invoices is to FGL – Sport Mart, while there are three different “Ship To” addresses (for entities identified as Direct Distribution (Calgary DC), Top Shelf Storage (Toronto DC), and Direct Distribution (Vancouver DC)).

- Mr. Chivu also provides a sales summary sheet for January through April 2009, attesting that “CARRERA bicycle sales” during that time period totalled \$770,300.
- Exhibit D consists of a single post-bankruptcy invoice dated March 16, 2010, that Mr. Chivu attests “concerns the sale of Algonquin, Grifter, Mali and Octane models of CARRERA bicycles to Maynards Auctioneers Liquidators” by the Registrant. An example of the product description appearing on this invoice is as follows: “R04-ALGONQUIN-L-3” followed by “Carrera Algonquin Ladies Recon 3 (ALGONQUINLDS05#3)”. In this case, the “Bill To” and “Ship To” addresses are the same.
- Finally, Exhibit E consists of copies of proofs for an “April 2009 Sport Mart newspaper flyer” that appears to show the advertisement of two different models of CARRERA bicycles. Mr. Chivu attests that he obtained the proofs from Forzani Group Ltd., which owns or operates over 70 Sport Mart retail outlets in Canada.

[8] Absent from Mr. Chivu’s affidavit are any clear statements regarding the nature of the Registrant’s business; for the most part, the exhibits are left to speak for themselves. Although evidentiary overkill is not required [*Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the wares specified in the registration during the relevant period. In this respect, the registered owner “has a duty to lead the best evidence as to the use of the trade-mark in Canada” [per *Mantha & Associates v Cravatte di Pancaldi SrL* (1998), 84 CPR (3d) 455 (FCTD) at 463; aff’d (2000), 4 CPR (4th) 176 (FCA)].

[9] In attesting that the bicycles bear the Mark and further that the bicycles are also identified by their model name, Mr. Chivu appears to be asserting use of the Mark. However, mere assertions of use are insufficient; what is required is assertions of facts showing use [*Mantha & Associés/Associates v Central Transport, Inc* (1995) 64 CPR (3d) 354 (FCA)]. In this case, conspicuous by its absence is any evidence showing how the Mark was displayed on the bicycles themselves. In the absence of such evidence, the Registrant is required to provide evidence demonstrating that the Mark was associated in some other manner with the bicycles such that notice of the association was given to the person to whom the property or possession was transferred.

[10] In this respect, the Current Owner submits that certain inferences can be made allowing for the conclusion that the requisite notice of association was given by virtue of the exhibited invoices. However, for the reasons discussed below, I am not prepared to conclude based on the exhibited invoices alone that the appearance of CARRERA on such invoices would provide the required notice.

[11] First, absent any clear statements from Mr. Chivu, I am not prepared to conclude that any of the pre-bankruptcy invoices accompanied the bicycles [see *Riches, McKenzie & Herbert v Pepper King Ltd* (2000) 8 CPR (4th) 471 (FCTD)]. Although the Current Owner suggests that an inference can be made that a corporate relationship existed between FGL – Sport Mart and the various entities to which the bicycles were actually shipped, Mr. Chivu makes no such statements to this effect either.

[12] Furthermore, as noted above, Mr. Chivu fails to provide details regarding the Registrant's business, such as whether it was a retailer, distributor and/or manufacturer of bicycles. It is left to the Current Owner's written submissions to suggest that, at best, it can be inferred from the evidence that the Registrant is *not* engaged in the retail sale of bicycles. Nor does Mr. Chivu provide any explicit details regarding how the Registrant's bicycles are typically manufactured and marketed in Canada. Although not strictly necessary, it is important in this case as it would help to explain the significance of the Sport Mart flyer provided at Exhibit E. The Requesting Party submitted that the flyer is wholly unreliable as being hearsay, and the parties agreed that the flyer does not demonstrate use of the Mark by the Registrant. Nonetheless, the Current

Owner points to the flyer as demonstrating that the pre-bankruptcy purchaser, FGL – Sport Mart, was aware of the Mark’s association with the bicycles sold. However, absent further details regarding the Registrant’s normal course of trade, at best the flyer shows use of the Mark in association with the sale of bicycles by Sport Mart. Any further inferences would be to give the affidavit too generous a reading.

[13] With respect to the one invoice post-bankruptcy, unlike the other invoices evidenced, the “Bill To” and “Ship To” addresses are the same. However, as noted in *Guido Berlucci & C Srl v Brouillette Kosie Prince* (2007), 56 CPR (4th) 401 (FC), a registered owner is “playing with fire” if it relies on a single invoice without providing sufficient information about the context of the sale to avoid creating doubts in the mind of the Registrar that could be construed against it. The evidence in this case, as discussed above, does not allow for a conclusion that these invoices typically accompanied the bicycles at the time of transfer. Even if I were to accept that this invoice accompanied the bicycles so as to give a notice of association, I cannot conclude that the association was with the Mark as registered. As with the pre-bankruptcy invoices, the Mark is displayed with other matter in the product description, with nothing serving to distinguish the word CARRERA from what Mr. Chivu identifies as the model name in each case. Again, absent further statements regarding the normal course of trade or evidence regarding how the Mark was displayed on the bicycles themselves, I do not consider the display of “Carrera Algonquin” and the like on the invoice to constitute display of the Mark.

[14] As such, in view of the foregoing, I find that the Registrant has failed to satisfy its *prima facie* burden to show use of the Mark [*Brouillette Kosie Prince v Great Harvest Franchising, Inc* (2009), 77 CPR (4th) 247 (FC)]. It should have been a simple matter for the Registrant to provide photographs as exhibits showing how the trade-mark was displayed on the bicycles. Instead, without providing the necessary statements regarding its normal course of trade, the Registrant relied on third party displays of the Mark and invoices that were deficient with respect to display of the Mark, deficient with respect to association at the time of transfer or deficient in both respects. Accordingly, I cannot conclude that the Registrant has demonstrated use of the Mark in association with bicycles during the Relevant Period within the meaning of sections 4 and 45 of the Act.

Special Circumstances Excusing Non-Use of the Mark

[15] Given the finding above, I will now consider whether there were any special circumstances justifying non-use. Generally, a determination of whether there are special circumstances that excuse non-use involves consideration of three criteria, as set out in *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 trademark 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. The decision in *Scott Paper Limited v Smart & Biggar* (2008), 65 CPR (4th) 303 (FCA) offered further clarification with respect to the interpretation of the second criterion, with the determination that this aspect of the test *must* be satisfied in order for there to be a finding of special circumstances excusing non-use of a mark. In other words, the other two factors are relevant but, considered by themselves in isolation, they cannot constitute special circumstances.

[16] In his affidavit, Mr. Chivu makes no explicit statements regarding special circumstances to excuse non-use of the Mark during the Relevant Period. Nevertheless, I note that, in some cases, the recent acquisition of a trade-mark after the bankruptcy of the previous owner has been found to constitute special circumstances [see, for example: *Burke-Robertson v Swan Recreational Products Ltd* (1990), 33 CPR (3d) 56 (TMOB); *Lapointe Rosenstein v Maxwell Taylor's Grill Inc* (2001), 19 CPR (4th) 263 (TMOB)].

[17] However, the serious 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)]. In this case, while I am sensitive to the fact that the Current Owner was not responsible for furnishing the evidence, there is presently no evidence before me with respect to the third criterion of the *Harris Knitting Mills* test.

[18] As such, I cannot conclude that the Registrant has demonstrated special circumstances to justify non-use of the Mark within the meaning of section 45(3) of the Act.

Disposition

[19] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be expunged.

Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office