



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

**Citation: 2015 TMOB 76**  
**Date of Decision: 2015-04-22**

**IN THE MATTER OF A SECTION 45 PROCEEDING  
requested by McMillan LLP against registration  
No. TMA370,596 for the trade-mark CACHE POCKET  
in the name of Grand National Apparel Inc.**

[1] At the request of McMillan LLP (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 April 16, 2013 to Grand National Apparel Inc. (the Owner), the registered owner of registration No. TMA370,596 for the trade-mark CACHE POCKET (the Mark).

[2] The Mark is registered for use in association with the following goods: clothing, namely pants, slacks, shorts, jackets, coats, overcoats, shirts, blouses and skirts, each containing a closable internal compartment.

[3] The notice required the Owner to furnish evidence showing that the Mark was in use in Canada, in association with each of the goods specified in the registration, at any time between April 16, 2010 and April 16, 2013. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

[4] The relevant definition of use with respect to goods is set out in section 4(1) of the Act as follows:

4(1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is

marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[5] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc*, (1980) 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v 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 goods specified in the registration during the relevant period.

[6] In response to the Registrar's notice, the Owner furnished the affidavit of Ms. Marita Anthony, Senior Vice President of the Owner, sworn on July 15, 2013 in Weston, Ontario. Both parties filed written representations; an oral hearing was not requested.

#### The Owner's Evidence

[7] From Ms. Anthony's affidavit, it would appear that the Owner is a manufacturer of clothing, located in Toronto. Ms. Anthony attests that the Owner's normal course of trade is to sell its clothing goods to retailers such as Sears Canada, who then resell the products to consumers in Canada.

[8] Ms. Anthony makes a general statement that the Owner used the Mark in association with "one or more" of the registered goods since at least April 1990. She attests that the Owner sold \$35,000 worth of goods bearing the Mark in Canada during the relevant period. She explains that the Owner affixed hangtag labels bearing the Mark to the goods before they were sold. As shown in the exhibits discussed below, the Owner sells various brands of clothing, with the Mark describing a particular feature of the clothing, namely a hidden pocket.

[9] In support, Ms. Anthony attaches the following exhibits:

- Exhibit B consists of four photos, showing three types of hangtag labels that Ms. Anthony attests are representative of hangtag labels used with the Owner's clothing

goods during the relevant period. The first hangtag is in the shape of a pocket and displays WATER-RESITANT CACHE® POCKET. The second hangtag is a folding hangtag for PACIFIC TRAIL clothing items but, when unfolded, opens to describe a number of features; CACHE® POCKET appears next to a description of the clothing item's hidden pocket. The third hangtag, for LONDON FOG TRAVELWEAR items, displays CACHE POCKET®, along with a description of how the pocket can be used to hide valuables.

- Exhibit C consists of six photographs of various clothing goods that Ms. Anthony attests are representative of how the aforementioned hangtag labels were affixed to such goods during the relevant period. The hangtags in the photos differ slightly from the Exhibit B hangtags; for example, the pocket-shaped hangtag displays WATER-RESISTANT CACHE POCKET®, with the registered trade-mark symbol appearing after POCKET, rather than CACHE. As such, the Exhibit C hangtags appear to be from after the relevant period, and are only for the purpose of showing *how* the hangtag labels were affixed to the clothing items at the time of transfer during the relevant period.

The photos are generally close-ups of hangtags attached to pockets, but I am able to identify a jacket, two shirts, and a pair of pants or shorts. Notably, the LONDON FOG hangtag from Exhibit B, with the clearest display of the Mark, does not also appear in Exhibit C.

- Exhibit D consists of two invoices that Ms. Anthony attests are representative of invoices detailing sales to retailers in Canada. Both invoices are dated within the relevant period and show sales from the Owner to Sears Canada Inc. The dollar amounts have been blacked out, but the invoices show sales of large quantities of clothing items with descriptions such as: NYLON ELAST SHORT “KITSAP”, RIVERBANK S/S W/WTR RESIST PKT, and TRAVELLER L/S W/WTR RESIST PKT.
- Exhibit E consists of screenshots that Ms. Anthony describes as “sample Internet pages showing the Products offered for sale on various third party websites”. She attests that the screenshots are “representative of how the Products are offered for sale online in Canada”. The screenshots show PACIFIC TRAIL shorts and shirts offered for sale on

the websites *shoptoit.ca* and *ebay.com*. The Mark is not referenced or clearly visible on the screenshots, but hangtags similar to those in Exhibits B and C are visible in a photo on one of the screenshots.

- Exhibit F consists of pages from three PACIFIC TRAIL catalogues from Fall 2010 and Spring 2011. Ms. Anthony attests that these catalogues were provided to Sears Canada, who used it to order goods from the Owner for Sears stores in Canada. She explains that the catalogues are representative of the catalogues circulated to authorized dealers across Canada for clothing products bearing the Mark. The catalogues show drawings of various styles of jackets, shirts, shorts, and pants. Consistent with the Exhibit B labels, CACHE® POCKET is displayed on a reproduction of a sample folding hangtag. The Mark also appears at the bottom of some pages to highlight a feature of the depicted clothing item.

### Analysis

[10] With respect to the manner in which the Mark was displayed, the Requesting Party notes that the LONDON FOG hang tag depicted in Exhibit B does not appear elsewhere in the evidence. Focusing on the other two Exhibit B hangtags, it first submits that these hangtags do not display the Mark as registered because the trademark symbol appears after the word CACHE. It argues that such placement of the registered trade-mark symbol supports display of the trade-mark WATER RESISTANT CACHE or the trade-mark CACHE, but not the Mark as registered.

[11] The Owner submits, however, that the terms WATER RESISTANT and CACHE POCKET appear on two separate lines, indicating that the term WATER RESISTANT does not form part of the trade-mark. Further, it submits that the Requesting Party is “relying on a technicality by merely looking at the placement of the symbol ® on some labels”, noting that, for example, all the Exhibit C hangtags display the ® symbol after the Mark.

[12] However, as noted above, it is not clear that the Exhibit C labels were used during the relevant period. Further, the Owner provided no evidence showing the LONDON FOG TRAVELWEAR hangtag on any clothing items.

[13] Nonetheless, I note that the placement of a trade-mark symbol is not necessarily determinative; it may, for example, merely reflect trade-mark rights in a portion of a displayed trade-mark, apart from the trade-mark as a whole [see, for example, *Barbera 1870 SpA v Barbera Caffé SpA*, 2012 TMOB 99, 102 CPR (4th) 49; and *Fraser Milner Casgrain LLP v LG Electronics Inc*, 2014 TMOB 232, CarswellNat 5618]. In this case, although the placement of the trade-mark symbol may indicate that the word CACHE is itself a trade-mark, the Mark as registered is displayed in its entirety on the exhibited hangtags, and separate from the descriptive term WATER-RESISTANT on the pocket-shaped hangtag. As such, a consumer may perceive both CACHE and CACHE POCKET as trade-marks.

[14] In any event, it is well established that where the trade-mark as used deviates from the trade-mark as registered, the question to be asked is whether the trade-mark was used in such a way that it did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade-marks) v Cie International pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA)]. In deciding this issue, one must look to see if, as a question of fact, the “dominant features” of the registered trade-mark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].

[15] In the present case, the Mark describes a feature of the clothing items, namely a hidden pocket. As such, the POCKET portion of the Mark is descriptive, leaving the first portion of the Mark, CACHE, as the dominant feature. In my view, this dominant feature is maintained in the trade-mark displayed on the Exhibit B pocket-shaped and folding hangtags, constituting display of the Mark.

[16] The Requesting Party also submits that some of the exhibited labels, such as the folding hangtag in Exhibit B, prominently feature the trade-marks PACIFIC TRAIL and READY FOR ANYTHING, rather than the Mark. It submits that a trade-mark “needs to be used so as to *distinguish* the Registrant’s products, which is not the case of a mark reproduced in a portion of the product which is not immediately visible to consumers at the time of transfer”. In support, the Requesting Party cites the following from *Cullman Ventures Inc v Quo Vadis International Ltée*, 2000 FCJ 1763, 9 CPR (4th) 330 (FCTD) at paragraph 46:

The conclusion, it seems to me, is inescapable. Quo Vadis is not using the trade-marks which are the subject of this appeal for the purpose of distinguishing its agendas. AGENDA PLANNING® was its chosen mark for such purpose. The use of the trade-marks as registered on one or two pages inside two of the five agendas of the French language agendas exhibited and one English language agenda are not sufficient to overcome the dominance of AGENDA PLANNING® as the distinguishing mark notwithstanding the fresh affidavit ... That affidavit is speculative as to consumer behaviour and does not establish, to my satisfaction, trade-mark use.

[17] However, the cited case is difficult to reconcile with the subsequent decision by the Federal Court of Appeal in *United Grain Growers Ltd v Lang Michener*, 2001 FCA 66, 12 CPR (4th) 89. In that case, the Court of Appeal found that the Registrar erred in considering whether the trade-mark in question actually served to distinguish the goods in that case. It stated the following at paragraphs 13 to 15:

[13] ... the Registrar was of the view that it was necessary to evaluate whether the words COUNTRY LIVING would be perceived as a trade-mark to distinguish the COUNTRY GUIDE magazine. In this, the Registrar had regard to s. 2 which defines a trade-mark as:

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,

Citing a decision of this Court, *Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.), the Registrar concluded that the words COUNTRY LIVING were not used to distinguish the appellant's magazine, and thus not used as a trade-mark. It was for this reason that she expunged COUNTRY LIVING from the Register.

[14] In our respectful opinion, in embarking upon an inquiry as to whether the words COUNTRY LIVING were used to distinguish the appellant's magazine, the Registrar misinterpreted her function under s. 45 and erred in law. No words in s. 45 direct the Registrar to re-examine whether the registered trade-mark is used for the purpose of distinguishing, or so as to distinguish, wares. Rather, the Registrar's duty under s. 45 is only to determine, with respect to the wares specified in the registration, whether the trade-mark, as it appears in the Register, has been used in the three years prior to the request.

[15] In this case, it is undisputed that the registered trade-mark COUNTRY LIVING was marked on the magazine COUNTRY GUIDE at the time of transfer of property in or possession of the magazine in the normal course of trade. We think once it was determined that the registered trade-mark, as it appears in the Register, was used in association with the wares specified in its registration, the inquiry under s. 45 was at an end.

[18] As noted by the Federal Court of Appeal, the trade-mark in that case was printed in the magazine itself at the time of publication. This clearly constituted the trade-mark having been “marked on the goods themselves” pursuant to section 4(1) of the Act. As there was no question of deviation, the trade-mark was deemed to have been used in association with the magazine goods.

[19] Applied to this case, it is not the correct approach to determine which of the trade-marks appearing on the exhibited hang tags constitute the “dominant” trade-mark or trade-marks so as to determine which trade-mark actually distinguishes the Owner’s clothing goods from those of others. It is well-established that nothing prevents an owner from using two or more trademarks on a single good [see *AW Allen Ltd v Warner-Lambert Canada Inc*, 1985 FCJ 824, 6 CPR (3d) 270 (FCTD)]. Furthermore, as noted by the Owner, multiple trade-marks displayed on hangtags affixed by the manufacturer in this manner has been held to constitute use of such trade-marks [citing *Loro Piana SPA v Canadian Council of Professional Engineers*, 2009 FCJ 1344, CarswellNat 3400 (FC)].

[20] In any event, contrary to the assertion of the Requesting Party, notwithstanding the location of the Mark on the “inside” of a folded hangtag, the trade-mark would not be “invisible” to a consumer at the time of purchase. While the Mark may not be visible at a glance, a consumer would have the opportunity to examine the hangtag prior to and at the time of purchase.

[21] As for the remaining exhibits, I agree with the Requesting Party that the exhibited invoices do not constitute evidence of use of the Mark in and of themselves. However, as discussed further below, I do accept that the invoices demonstrate transfers of some of the goods bearing the exhibited hangtags in Canada during the relevant period. Similarly, the exhibited catalogues are simply corroborative of the other exhibits and Ms. Anthony’s statements regarding the Owner’s normal course of trade.

[22] With respect to the “third party” website screenshots, I will note that this evidence is largely irrelevant. Absent clarification and further details, it is not clear that any such offerings formed part of the Owner’s normal course of trade. In any event, the exhibited screenshots only

show goods available for sale after the relevant period, and thus do not constitute evidence of transfers during the relevant period in Canada or otherwise.

[23] As for which of the registered goods were transferred in Canada during the relevant period, Ms. Anthony attests that the Owner sold over \$35,000 worth of clothing products. However, she does not specify which of the registered clothing goods are represented in this amount. Indeed, she generally asserts use of the Mark only in association with “one or more” of the registered clothing goods and states that the Owner delivered the exhibited invoices with “one or more” clothing items bearing the Mark to Sears Canada.

[24] This “one or more” language is inherently vague. Further, I note that some of the registered clothing goods, such as blouses and skirts, are not specifically attested to by Ms. Anthony nor do they appear anywhere in the supporting exhibits. Accordingly, I am not prepared to infer transfers in this case where there is no supporting evidence of such transfers.

[25] In this respect, the only evidence of actual transfers is the exhibited invoices to Sears Canada (at Exhibit D). Although Ms. Anthony does not clearly identify which particular goods are listed on the invoices, the descriptions include SHORT, L/S and S/S, which indicate that the invoices are for shorts, long sleeved shirts and short sleeved shirts. These descriptions are also consistent with how such goods are referenced in the exhibited catalogues.

[26] If the Owner sold additional goods in Canada during the relevant period – such as the depicted pants and jackets from after the relevant period – there is no clear evidence of such before me. I note, for example, that the jackets and pants shown in the exhibited catalogue pages are drawings and not photographs. As such, it is reasonable to conclude that these items may have been made-to-order and that some clothing items, while offered for sale, were never actually sold or transferred in the normal course of trade during the relevant period. In any event, given Ms. Anthony’s ambiguous statement that “one or more” of the registered clothing items were delivered to Sears Canada during the relevant period, this ambiguity must be resolved against the Owner’s interests [per *Plough, supra*].

[27] In view of all of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark only in association with “shirts” and “shorts” within the meaning of sections 4 and 45 of



the Act. Furthermore, there is no evidence of special circumstances excusing non-use of the Mark before me.

Disposition

[28] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, the registration will be amended to delete the following from the statement of goods: "... pants, slacks ... jackets, coats, overcoats ... blouses and skirts..."

[29] The amended statement of goods will read as follows:

Clothing, namely shorts and shirts, each containing a closable internal compartment.

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