



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

Citation: 2013 TMOB 124
Date of Decision: 2013-07-18

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Deeth Williams Wall LLP against
registration No. TMA479,134 for the trade-mark WHY
PAY MORE in the name of Overwaitea Food Group
Limited Partnership.**

[1] At the request of Deeth Williams Wall LLP (the Requesting Party), the Registrar forwarded a notice under section 45 of the *Trade-marks Act* RCS 1985, c T-13 (the Act) on December 13, 2010 to Overwaitea Food Group Limited Partnership (the Registrant), the registered owner of registration No. TMA479,134 for the trade-mark WHY PAY MORE (the Mark).

[2] The Mark is registered for use in association with “supermarket 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 such use since that date. In this case, the relevant period for showing use is between December 13, 2007 and December 13, 2010.

[4] In response to the section 45 notice, the Registrant furnished the affidavit of Gillian Bryant, the “Banner Marketer/Director of Marketing” of the Registrant, sworn on June 29, 2011. Both parties filed written representations and attended an oral hearing.

[5] In her affidavit, Ms. Bryant does not furnish any evidence with regard to use of the Mark during the relevant period; rather, she concedes that the Mark has not been used since 1998. Accordingly, the issue in this case is whether, pursuant to section 45(3) of the Act, special circumstances existed to excuse the absence of use of the Mark in association with the services during the relevant period.

[6] 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 trade-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.

[7] The decision in *Smart & Biggar v Scott Paper Ltd* (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 trade-mark. In other words, the other two factors are relevant but, considered by themselves, in isolation, cannot constitute special circumstances. Further, 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)].

Length of time during which the trade-mark has not been in use

[8] In her affidavit, Ms. Bryant attests that the Mark was assigned from a related company, Great Pacific Industries Inc., to the Registrant in 2006, approximately four years before the section 45 notice was issued. At the oral hearing, the Registrant submitted that the assignment date should be regarded as the date of last use. However, I note that the assignment of a trade-mark, in itself, does not constitute special circumstances [*WIPG AG v Wico Distribution Corp*

(1999), 2 CPR (4th) 388 (TMOB)]. Furthermore, the Requesting Party noted that at paragraph 12 of Ms. Bryant's affidavit, she states that the last recorded use of the Mark was in 1998, approximately 12 years prior to the notice. Accordingly, the Requesting Party submits that the assignment date should not be considered the date of last use as the assignment was between related companies and nothing in the evidence indicates that the reasons for non-use related to that assignment.

[9] I agree with the Requesting Party's submissions and consider the date of last use to be in 1998. Accordingly, in my view, the lengthy amount of time for which the Mark was not in use does not support a finding of special circumstances.

Whether non-use was beyond the control of the Registrant

[10] In any event, whether I consider the length of time as four years or 12 years, I cannot conclude that non-use of the Mark was beyond the control of the Registrant. In her affidavit, Ms. Bryant states that "as a result of the competitive environment, the Registrant's business plans were such that use of the [Mark] was not called for". The Registrant asserts, but does not furnish any evidence demonstrating, the existence of a "very price sensitive consumers market", which she claims to have caused the Mark to fall into disuse; nor does she show how the alleged economic situation created an impediment to using the Mark.

[11] In *John Labatt Ltd v The Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD), "special circumstances" were defined as "circumstances that are unusual, uncommon or exceptional". Market fluctuations, however, are neither uncommon nor exceptional [*Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)] and I agree with the Requesting Party that it is common knowledge that market conditions fluctuate. In any event, in my view, the Registrant's lack of use was a voluntary decision to abandon its marketing strategy. Therefore, I am not satisfied that non-use of the Mark prior to and during the Relevant Period can be attributed to circumstances beyond the Registrant's control.

Whether there exists a serious intention to shortly resume use

[12] Finally, Ms. Bryant states that the Registrant did not abandon the Mark and that it “always had the intent to use the [Mark] again when the appropriate opportunity arose”. In support, she provides a copy of a cease-and-desist letter sent to Loblaws Companies Limited on May 12, 2008 regarding Loblaws’ alleged infringing use of the Mark. Ms. Bryant explains that “[t]he Registrant would not have initiated such action if it was not interested in maintaining the Trade-mark and the Registration”. Indeed, Ms. Bryant attests that the Registrant “recently re-instated use of the [Mark] into its stores”, attaching as Exhibit D to her affidavit a copy of a store flyer displaying the Mark dated January 16 to 22, 2011.

[13] In my view, the Registrant’s cease-and-desist letter does not constitute a serious intent to resume use of the Mark; rather, it simply demonstrates that the Registrant did not want anyone else to use the Mark. I concur with the Requesting Party’s submission that “[t]here 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...” [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)].

[14] Furthermore, I note the Registrant’s use of the Mark in its January 2011 flyer occurred one month after issuance of the section 45 notice and that there is no evidence pertaining to the Registrant’s preparations prior to reinstating its use of the Mark. Without such evidence, use of the Mark appears to be reactive to the notice. As such, I cannot conclude that, prior to the issuance of the section 45 notice, the Registrant had a serious intent to resume use of the Mark.

Disposition

[15] In view of the foregoing, I am not satisfied that the reasons for non-use were beyond the Registrant’s control. Furthermore, the evidence does not support that the Registrant had a serious intention to shortly resume use or that the period of non-use was justified in any event. Accordingly, per *Scott Paper*, I must conclude that the Registrant has not demonstrated special circumstances excusing non-use of the Mark during the Relevant Period within the meaning of section 45(3) of the Act.

[16] Pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be expunged in compliance with the provisions of section 45 of the Act.

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