



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

Citation: 2013 TMOB 40
Date of Decision: 2013-02-28

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Fetherstonhaugh & Co. against registration
No. TMA535,298 for the trade-mark NORTH COAST in
the name of Nasri Frères International Inc.**

[1] At the request of Fetherstonhaugh & Co. (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 May 17, 2010, to Nasri Frères International Inc., the registered owner (the Registrant) of registration No. TMA535,298 for the trade-mark NORTH COAST (the Mark).

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

Sweaters, T-shirts, jeans, pants, slacks, shorts, blouses, dresses, suits, robes, shirt jackets, parkas, bomber jackets, duffle coats, leggings, leg warmers, snow suits, vests, coats, ponchos, shirts, turtlenecks, tops, skirts, jumpers, capes, shawls, sweatshirts, leotards, tights, bodysuits, culottes, gloves, mitts, hats, caps, tuques, scarves, bonnets, head bands, neck warmers, socks, swimsuits, beach robes and beach jackets.

[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 May 17, 2007 and May 17, 2010 (the Relevant Period).

[4] The relevant definition of “use” in the present case 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 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] It is settled law that evidentiary overkill is not required in order to properly reply to a section 45 notice [*Union Electric Supply Co Ltd v Registrar of Trade-marks* (1982), 63 CPR (2d) 56 (FCTD)]. The test that has to be met by a registrant under section 45 is not a heavy one. All the registrant has to do is establish a *prima facie* case of use [*Cinnabon, Inc v Yoo-Hoo of Florida Corp* (1998), 82 CPR (3d) 513 (FCA)]. However, sufficient facts must be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with the registered wares during the relevant period. Lastly, an adverse inference may be drawn where there is ambiguous evidence [*Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD); *Aerosol Fillers Inc v Plough (Canada) Ltd* (1980), 45 CPR (2d) 194 at 198; *aff’d* 53 CPR (3d) 62 (FCA)]

[6] In response to the Registrar’s notice, the Registrant furnished the affidavit of Ranya Nasri. Only the Registrant filed written submissions, however both parties were represented at an oral hearing.

[7] The main submissions of the Requesting Party are as follows:

- (a) The Registrant has failed to show use of the Mark in association with each of the registered wares;
- (b) Special circumstances have not been demonstrated that would excuse the absence of use; and
- (c) In any event, any use of the Mark does not inure to the benefit of the Registrant.

[8] Bearing in mind the Requesting Party's submissions, I will now review the Registrant's evidence.

[9] In her affidavit, Ms. Nasri indicates that she is an administrator of the Registrant, a business in which her father is the President and other members of her family are actively involved. She indicates that since at least 2005 she has been actively involved on a full-time basis in the affairs of the Registrant.

[10] With respect to the Registrant's business, Ms. Nasri states that the Registrant primarily imports and resells garments to retailers across Canada. She further states that the Registrant used the Mark in association with wares covered by the registration during the Relevant Period. The manner in which the Mark was associated with these wares at the time of transfer, she indicates, was by having a NORTH COAST label or hang-tag attached to each garment. In support, she attaches as Exhibit 1, a representative label and a hang-tag, both of which clearly bear the Mark. She explains that these labels and hang-tags are attached to the garments at the point of manufacture, and that all NORTH COAST garments sold by the Registrant to retailers throughout Canada during the Relevant Period had such labels and/or hang-tags.

[11] Further to this, Ms. Nasri attaches as Exhibits 2 through 7, photographs of a variety of the registered wares. These photographs clearly show the Mark affixed to these wares through the use of labels and hang-tags that appear identical to those shown in Exhibit 1. The registered wares shown in the photographs are: a t-shirt, a sweater, a shirt, a parka, a pair of pants, and a sweatshirt. Ms. Nasri states that all of the garments shown are the same types of garments that the Registrant sold in the ordinary course of business during the Relevant Period to Canadian retailers.

[12] With respect to evidence of sales, Ms. Nasri attaches as Exhibit 8 to her affidavit, a random selection of invoices evidencing sales “of the type of NORTH COAST wares” sold by the Registrant during the Relevant Period. She clearly states that all such sales were in the ordinary course of trade to which each garment sold by the Registrant had NORTH COAST labels and/or hang-tags attached. Based on the description of goods on the invoices, as well as representations made by the Registrant, I accept that the invoices show the sale of the following registered wares: sweaters, t-shirts, jeans, shorts, dresses, coats, robes, tops, skirts, jumpers, leggings, gloves, hats, and scarves.

[13] However, with respect to the wares covered by the invoices, in the absence of a clear sworn statement in the affidavit, I cannot agree with the Registrant’s submissions that an item listed as a “puffy coat w/rmvd hd” in one of the invoices is clearly representative of the registered ware “ponchos”. Similarly, I do not see how it is clear that an item listed simply as “one piece” represents the registered ware “tights”. Furthermore, although the Registrant submits that an item listed as “jacket checkered” in one of the invoices represents the registered ware “bomber jackets”, as there are three types of jackets in the registration and the product description in the invoice is ambiguous as to which one it covers, I am unable to conclude which registered ware is covered by this description. Consequently, this is an ambiguity that must be interpreted against the interests of the Registrant (see *Plough, supra*). Lastly, as “pants” and “slacks” are listed separately in the registration, I agree with the Requesting Party that the Registrant cannot rely on the same evidence to support both wares [see *John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)]

[14] Thus, having regard to the aforementioned, the remaining registered wares which are not shown in the photographs (Exhibits 2-7) nor clearly listed in the product descriptions of any of the invoices in Exhibit 8 are as follows:

Blouses, suits, shirts jackets, bomber jackets, duffle coats, leg warmers, snow suits, vests, ponchos, turtlenecks, capes, shawls, leotards, tights, bodysuits, culottes, mitts, caps, tuques, bonnets, head bands, neck warmers, socks, swim suits, beach robes and beach jackets.

[15] In her affidavit, Ms. Nasri states that she is told by her father and mother that since at least 2000, the Registrant has sold in Canada each and every ware listed in the subject registration in association with the Mark. However, she states that due to market conditions, competitiveness and due to the Registrant being unable during the Relevant Period to obtain all such wares from reliable suppliers at competitive prices, the Registrant did not during the Relevant Period sell in Canada in association with the Mark the following: duffle coats, leg warmers, snowsuits, ponchos, capes, shawls, bodysuits, culottes, caps and tuques.

[16] Ms. Nasri then further indicates that despite such non-use, the Registrant has not abandoned its NORTH COAST trade-mark and plans to resume such use and even expand the range of clothing it offers in Canada in association with the Mark. In fact, Ms. Nasri explains, the Registrant has found a suitable supplier for certain of its NORTH COAST wares, and is considering whether it would be economically practical to sell others.

[17] As further evidence of its non-abandonment, Ms. Nasri attaches as Exhibit 9 to her affidavit a presentation board of the type that is used by the Registrant to showcase to the Registrant's retail customers the NORTH COAST wares that will be offered for the upcoming Spring/Summer seasons. She states that the selection of the wares featured in this presentation began to be offered as early as February 2010, that is, prior to the expiration of the Relevant Period. I note however, that "offering for sale" is not the same as "selling" [see *Michaels & Associates v WL Smith & Associates Ltd* (2006), 51 CPR (4th) 303 (TMOB)].

[18] With respect to Ms. Nasri's statements regarding the explanation for non-use of the Mark with respect to certain Wares, I agree with the Requesting Party that such reasons do not qualify as "special circumstances" that would excuse the absence of use of the Mark [see *Canada (Registrar of Trade-marks) v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)].

[19] The Registrant submits that the evidence is more than sufficient to prove that the Mark was in use in Canada during the Relevant Period in association with all of the registered wares, with exception of the above-noted wares which the Registrant specifically admits were not sold during that time. However, I consider Ms. Nasri's statements regarding use of the Mark during the Relevant Period to be ambiguous. While it is true that she states that certain wares were not sold during the Relevant Period, she does not provide a clear sworn statement in the positive to

clearly indicate which of the registered wares were sold in association with the Mark during that time. Again, I find that I must interpret this ambiguity against the interests of the Registrant [see *Plough, supra*].

[20] Furthermore, as these statements were the only statements in the affidavit regarding the scope of use of the Mark, and the use shown has not been described as “representative”, I am only able to determine such scope based upon the specific references to the wares in the photographs (Exhibits 2-7) and the invoices (Exhibit 8). Consequently, having regard to the aforementioned, I accept that the Registrant has shown use of the Mark in Canada during the Relevant Period in association with the following only:

Sweaters, T-shirts, jeans, pants, shorts, dresses, robes, parkas, leggings, coats, shirts, tops, skirts, jumpers, sweatshirts, tights, gloves, hats, scarves.

[21] As a final argument, the Requesting Party submits that as Ms. Nasri states that the Registrant is an importer and reseller, it is clear that the Registrant is not the manufacturer. Furthermore, the Requesting Party contends that there is nothing in Ms. Nasri’s affidavit to indicate that the garments have been made on the Registrant’s behalf and Nasri does not affix the labels to the garments themselves; this is done at the point of manufacture. The Registrant submits that the law is clear - use of the trade-mark does not inure to the intermediary [see *Manhattan Industries Inc v Princeton Manufacturing* (1971), 4 CPR (2d) 6 (FCTD)]. Consequently, given the facts of this case, the Requesting Party argues that the use of the Mark does not inure to the benefit of the Registrant or, at best, the present case is similar to *Gowling Lafleur Henderson v 3651410 Canada Inc* (2005), 40 CPR (4th) 189 (TMOB) and it is ambiguous as to who is using the trade-mark.

[22] However, I think it is reasonable to accept, in view of the affidavit as a whole, that the garments were produced for the Registrant. Indeed, when Ms. Nasri discusses special circumstances, she refers to seeking out alternate suppliers. This implies that the garments were being produced for the Registrant. In this sense, there is nothing in the present case that offends the principles set out in *Manhattan, supra*. Furthermore, contrary to the circumstances in *Gowling Lafleur Henderson v 3651410 Canada Inc*, I do not find that the Registrant *merely* acted as an importer and distributor of the wares.

Disposition

[23] Accordingly, having regard to the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, registration No. TMA535,298 will be amended to delete the following wares in compliance with the provisions of section 45 of the Act:

Blouses, suits, shirts jackets, bomber jackets, duffle coats, leg warmers, snow suits, vests, ponchos, turtlenecks, capes, shawls, leotards, tights, bodysuits, culottes, mitts, caps, tuques, bonnets, head bands, neck warmers, socks, swim suits, beach robes and beach jackets.

Thus, the wares in the subject registration, as amended, will now read as follows:

Sweaters, T-shirts, jeans, pants, shorts, dresses, robes, parkas, leggings, coats, shirts, tops, skirts, jumpers, sweatshirts, tights, gloves, hats, scarves.

Kathryn Barnett
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office