



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

**Citation: 2013 TMOB 165
Date of Decision: 2013-10-01**

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Hudson's Bay Co. against registration
No. TMA522,655 for the trade-mark BAYWATCH in the
name of The Baywatch Production Company**

[1] At the request of Hudson's Bay 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 March 22, 2011 to The Baywatch Production Company (the Registrant), the registered owner of registration No. TMA522,655 for the trade-mark BAYWATCH (the Mark).

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

WARES: Aftershave lotion, cologne, perfume; air fresheners; fan club newsletters; comic books; children's books; postcards; educational picture books; stickers; ball-point pens, binders, exercise books, picture books, notebooks, series of fiction and non-fiction books, pencil boxes, bumper stickers, calendars; trading cards; pen, pencil cases; daily planners, diaries, pencil sharpeners, posters, paper stationery for letters and correspondence; athletic bags, all purpose sports bags, gym bags, beach bags, knapsacks, backpacks, fanny packs; key fobs made of non-metal; non-metal and plastic key rings; ornamental novelty buttons; towels; clothing namely aprons, athletic shoes, footwear namely shoes, boots, slippers, basketball shoes, sandals; bandannas, sweatbands, wristbands, bathing caps, swimwear, beach and bathing coverups, bikinis, belts, bermuda shorts, blazers, blouses, coats, gloves, gym shorts, leather coats, jackets, parkas, play suits, polo shirts, ponchos, pullovers, rain coats, shirts, skirts, slacks, sweatpants, sweatshirts, sweatshorts, sweaters, t-shirts, tank tops, tops, wet suits, jackets, jeans, suits and jogging suits, warm up suits, jogging suits, sweat suits, bodysuits, leotards, leg warmers, ski suits, ski pants, ski bibs, ski jackets, suits, trousers, shorts, tops, coats, sport coats, sport shirts, knit shirts, vest, jumpsuits, overcoats, wind resistant jackets, headwear namely hats, caps, visors, hoods, ear muffs, berets; neckwear, namely neckties, neckerchieves, scarves; sleepwear namely

nightgowns, robes, pajamas, nightshirts; rainwear namely gloves, mittens, galoshes; lingerie, panties, underclothes, underwear, briefs, underpants, boxer shorts, undershirts, suspenders, hosiery, socks; inflatable bath toys; inflatable ride-on toys; dolls, beanbag dolls, paper dolls, rag dolls, soft sculpture dolls, dolls' accessories and playsets therefor, including doll cases, doll clothing, doll house, furnishings, doll costumes; electronically operated toy motor vehicles; toy trucks; inflatable swimming pools for recreational use; snack food products, namely candy.

SERVICES: Entertainment in the nature of the transmission of a television series in the field of action adventure.

[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 March 22, 2008 and March 22, 2011.

[4] The relevant definitions of “use” are set out in sections 4(1) and 4(2) 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.

[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 quite 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 wares and services specified in the registration during the relevant period.

[6] In response to the Registrar's notice, the Registrant furnished the affidavit of Amanda Chacon, Corporate Secretary of the Registrant, sworn on October 24, 2011. Only the Registrant filed written representations; an oral hearing was not held.

Evidence of use in association with the wares

[7] In her affidavit, Ms. Chacon provides a corporate history of the Registrant, and states that she has been "actively involved with the business surrounding the popular television show BAYWATCH since 1995". She attests that the Registrant entered into a "Merchandising Representation Agreement" with its sole shareholder, FremantleMedia North America (Fremantle) whereby Fremantle was granted the exclusive right to procure licensees to produce, use and sell licensed products under the Mark in Canada and the USA. She further attests that American Greetings Corporation (AGC) was licensed by Fremantle to use the Mark in association with various products in Canada. Included in this agreement was the right to use the Mark in association with greeting cards, which she identifies as corresponding with the registered wares "paper stationery for letters and correspondence".

[8] In this respect, attached as Exhibit 5 to Ms. Chacon's affidavit are copies of representative greeting cards sold in Canada in 2010. I note that the Mark appears on the back of each of the cards and further that the cards identify the Registrant as the owner of the Mark. As evidence of sales in Canada during the relevant period, Ms. Chacon provides redacted copies of royalty reports from AGC for the fourth quarter of 2010 and the first quarter of 2011, which she identifies as evidencing sales of greeting cards displaying the Mark.

[9] In view of the foregoing, I am satisfied that the Registrant has demonstrated use of the Mark in association with "paper stationery for letters and correspondence" within the meaning of sections 4 and 45 of the Act.

[10] With respect to the remaining wares, the Registrant furnishes no evidence of use nor does it provide evidence of special circumstances excusing non-use of the Mark. The registration will be amended accordingly.

Special circumstances for non-use of the services

[11] With respect to the services, no evidence of use during the relevant period was furnished. However, the Registrant submits that there were special circumstances excusing non-use.

[12] Generally, special circumstances that excuse non-use are “circumstances that are unusual, uncommon or exceptional” [see *John Labatt Ltd v The Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)]. A determination of whether there are special circumstances involves consideration of three criteria: 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 [per *Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)].

[13] The Federal Court of Appeal offered further clarification with respect to the interpretation the second criterion, with the determination that this aspect *must* be satisfied in order for there to be a finding of special circumstances excusing non-use of a trade-mark [*Smart & Biggar v Scott Paper Ltd* (2008), 65 CPR (4th) 303 (FCA)]. In other words, the other two factors are relevant but, considered by themselves in isolation, they cannot constitute special circumstances. Lastly, the intent to resume use must be substantiated by the evidence [see *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 of non-use

[14] Ms. Chacon attests that the BAYWATCH television program aired in Canada and the U.S. from 1989 to 2001, and that the program was subsequently syndicated and viewed in 148 countries worldwide. With respect to Canada, she attests that the program was last transmitted under license from the Registrant at some point in 2007, when re-runs of the program aired on the “Drive-In Classics” channel. I note that while the affidavit contains contradictory statements regarding the exact date of last use of the Mark (*i.e.*, May 31, 2007 in paragraph 26 versus December 31, 2007 in paragraph 36), the period of non-use prior to the issuance of the section 45 notice was approximately four years.

Reasons for non-use

[15] With respect to the question of whether the reasons for non-use were beyond the control of the registered owner, Ms. Chacon attests that “In the last four years, [the Registrant has] actively sought broadcasters to transmit BAYWATCH in Canada. However, in each case, the negotiations did not reach a final agreement for one reason or another.” She explains that “It is common knowledge that the transmission of a television series is cyclical in nature. It is normal for a television program to be dormant for several years, without any abandonment, before re-transmission may occur.”

[16] I would first note that, given Ms. Chacon’s vague statement that negotiations with prospective licensees failed “for one reason or another”, I am unable to determine if such reasons were within the Registrant’s control or otherwise. As such, it would appear that the Registrant’s reason for non-use was its inability to find a broadcaster due to the “cyclical nature” of the television broadcasting industry.

[17] Notwithstanding the lack of evidence before me to support this bald assertion regarding the television industry, even if I were to accept Ms. Chacon’s statement at face value, such circumstances are not then, by definition, “unusual, uncommon or exceptional” in the Registrant’s industry [per *John Labatt, supra*; see also *CPI-Centre de Propriété Intellectuelle/IPC-Intellectual Property Centre v Nada Fashion Designs Inc* (2010), 86 CPR (4th) 310 (TMOB)].

[18] Nevertheless, the Registrant submits that the Federal Court has found that the cyclical nature of an industry may constitute a circumstance beyond an owner’s control [per *McFadden, Fincham, Marcus & Allen v Canada (Registrar of Trade-marks)* (1990), 34 CPR (3d) 70 (FCTD)]. However, although the “cyclical nature of the fashion industry” was referenced in *McFadden*, it was not the only reason for non-use considered in that case, which included difficulties arising from the resignation of key personnel and a “reasonable business decision to take time to carefully develop” its product line. It is not clear from the decision which of the reasons, if any, was the controlling factor; it is clear, however, that the “cyclical nature” of the industry was *not* the only factor considered.

[19] Furthermore, I note that poor or unfavourable market conditions are generally not considered special circumstances excusing non-use [see *Harris Knitting, supra*; *Rogers, Bereskin*

& Parr v Registrar of Trade-marks (1987), 17 CPR (3d) 197 (FCTD); *Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)]. Similarly, in cases where the registrant had no intent to abandon their mark in Canada, but lacked any orders from Canadian customers during the relevant period, this was not in itself sufficient to maintain the registration [see *Garrett v Langguth Cosmetic GMBH* (1991), 39 CPR (3d) 572 (TMOB)].

[20] In this case, the Registrant merely asserts but does not provide details regarding the “cyclical” nature of the television industry, nor does it furnish any specific and clear evidence with respect to how this impacted the Registrant’s ability to use the Mark in association with the services. While it may be reasonable for the Registrant to be reluctant to put into evidence specific detail regarding its negotiation efforts, one is left in the dark as to whether the reasons for non-use of the Mark during the relevant period were, in fact, beyond the Registrant’s control.

Serious intention to resume use

[21] Similarly, with respect to the third criterion, one is left in the dark regarding how long the duration of non-use will persist. As noted above, Ms. Chacon attests that the Registrant’s licensees have actively sought new broadcasters to transmit the BAYWATCH series in Canada. In support, she provides, as Exhibits 12 through 16, copies of email exchanges from various dates between 2007 and 2011. Ms. Chacon attests that the emails “outline” or “highlight” discussions between the Registrant’s licensee, Media Group International (MGI), and various Canadian media companies regarding the transmission of BAYWATCH in Canada. Although the exhibits are heavily redacted, most of the emails appear to be in the nature of status updates between MGI and Fremantle.

[22] Relying on *Ridout & Maybee v Sealy Canada Ltd* (1999), 87 CPR (3d) 307 (FCTD), the Registrant argues that it would be inconsistent with the purpose of the Act to expunge a trade-mark when there is a reasonable prospect it will be used. In this case, the Registrant submits that, given the “cyclical nature” of the industry and the Registrant’s ongoing negotiation efforts, the series “will almost certainly be re-transmitted in Canada”. However, as the exhibited emails are heavily redacted, they are of little use in determining the nature of the Registrant’s “active negotiations” with prospective broadcasters. As noted above, Ms. Chacon provides no particulars or indication as to when use of the Mark is likely to recommence in Canada.

[23] In view of all of the foregoing, I am not satisfied that the Registrant has demonstrated special circumstances excusing non-use of the Mark during the relevant period.

Disposition

[24] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in accordance with section 45 of the Act, the registration will be amended to delete the services and all of the wares except “paper stationery for letters and correspondence”.

[25] The amended statement of wares will be as follows: “Paper stationery for letters and correspondence”.

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