



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

Citation: 2015 TMOB 81
Date of Decision: 2015-04-28

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Method Law against registration
No. TMA659,073 for the trade-mark JOSEPH A.
QU'EST-CE QUE C'EST SILK? in the name of Joseph A
Company LLC**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA659,073 for the trade-mark JOSEPH A. QU'EST-CE QUE C'EST SILK?, currently owned by Joseph A Company LLC.

[2] The subject trade-mark is registered for use in association with the following goods:

Ladies apparel, namely, sweaters, t-shirts, blouses, vests, leggings, pants, slacks, shorts, sweat suits, dresses, skirts, jackets and coats made in whole or in significant part of silk.

[3] For the reasons that follow, I conclude that the registration ought to be maintained in part, with respect to the goods "ladies' apparel, namely, sweaters, vests".

The Proceeding

[4] On February 21, 2013, at the request of Method Law (the Requesting Party), a notice was issued under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) to X.E.S. NY Ltd. (XES), the entity recorded as the owner of the registration on trade-mark register at that time.

[5] The notice required the registered owner to provide evidence showing that it had used the trade-mark JOSEPH A. QU'EST-CE QUE C'EST SILK? (the Mark) in Canada, at any time between February 21, 2010 and February 21, 2013 (the relevant period), in association with each of the goods specified in the registration. If the Mark had not been so used, the registered owner was required to furnish evidence providing the date when the Mark was last in use and the reasons for the absence of use since that date.

[6] Subsequent to the issuance of the section 45 notice, an assignment of the Mark from XES to Joseph A Holdings LLC (JAH) was filed with the Registrar, in addition to a Certificate of Merger of JAH with and into Joseph A Company LLC under the name Joseph A Company LLC (JAC). The assignment and Certificate of Merger were filed with the Registrar on January 31, 2014 and recorded on the register on February 12, 2014. The effective date of the assignment is indicated to be January 31, 2008 and the subsequent merger is dated December 30, 2011; both will be discussed in more detail below.

[7] In this case, the use of the Mark in association with the relevant goods is governed by section 4(1) of the Act, which reads:

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.

[8] The threshold for establishing use in a section 45 proceeding is quite low [*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 goods during the relevant period. A bare statement of use is not sufficient, and ambiguities in the evidence are to be interpreted against the interests of the registered owner [see *Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (4th) 62 (FCA)].

[9] In response to the Registrar's notice, JAC provided the affidavit of Manu Mirchandani, sworn September 23, 2013, together with Exhibits A through L.

[10] Both parties filed written representations and were represented at an oral hearing.

The Evidence

[11] In his affidavit, Mr. Mirchandani indicates that he is the Vice President and Chief Financial Officer of JAC. He states that JAC is the current user of the Mark and that since 2011, JAC has been in the business of manufacturing, marketing, selling and distributing ladies apparel, namely sweaters and vests. I note however that he does not make any equivalent assertions with respect to the remaining registered goods.

[12] Mr. Mirchandani states that on December 30, 2011, Joseph A. Holdings LLC (JAH), the former owner of record of the Mark, together with another affiliated company, merged with and into JAC, with JAC as the surviving company. He then states that JAC and JAH have marketed, sold and distributed the aforementioned ladies apparel in Canada in association with the Mark since at least as early as 2009.

[13] Specifically, Mr. Mirchandani indicates that JAC and its predecessor JAH, sells and distributes, and has sold and distributed, products under the Mark to retail establishments throughout Canada, including Winners Apparel Ltd., La Maison Simons Inc. Les Magasins J.L. Taylor Inc. and Beyond the Rack Enterprises Inc. In support, he attaches as Exhibits A through H, what he states are representative invoices and purchase orders pertaining to JOSEPH A. branded products, ranging in dates from 2009 to 2013.

[14] Mr. Mirchandani states that for the years 2011 to present, JAC has had revenues in excess of \$2.5 million CDN for sales in Canada of merchandise branded with the Mark. In further support, he provides a table of JAC's annual sales in Canada since 2011 for products bearing the Mark.

[15] With respect to how the Mark is associated with the goods, Mr. Mirchandani states that JAC affixes the Mark to all of its JOSEPH A. branded wares. Specifically, he attests that Mark is affixed to these goods by way of clothing labels and hang tags displaying the Mark. In support, he provides under Exhibits I-K, photographs of representative goods and photographs of their corresponding clothing labels and hang tags. The photographs are of a sweater, a sleeveless top, and a cardigan. Mr. Mirchandani states he has been advised and believes that the goods featured in in the aforementioned Exhibits were sold at the Winners department store in Toronto. He

attaches a copy of a receipt relating to such a sale at Exhibit L. The receipt is dated April 23, 2013 and is for the sale of three sweaters.

[16] Mr. Mirchandani then concludes his affidavit by attesting that the Mark was used during the relevant period and continues to be used in the normal course of trade in Canada in association with ladies apparel, namely sweaters and vests. Again, I note that he does not assert use in association with any of the remaining registered goods.

Summary of the Submissions and Analysis

[17] At the outset, I wish to note, as indicated above, Mr. Mirchandani makes no mention of goods other than “ladies’ apparel, namely, sweaters and vests” in his affidavit. Furthermore, none of the exhibits clearly reference the remaining registered goods, and JAC’s submissions are limited to the goods “ladies’ apparel, namely, sweaters and vests”. As such, the following analysis will focus on whether use of the Mark has been demonstrated in association with such “ladies’ apparel, namely, sweaters and vests” only.

[18] The Requesting Party submits that the Mirchandani affidavit does not provide any evidence that the Mark has ever been used in Canada by the registrant, X.E.S.-NY Ltd., or an authorized licensee of the registrant. Further, the Requesting Party submits, no connection has been provided by the affiant between the entities described as JAC and JAH or of any relationship with the registrant, XES. Although the affiant states that JAH was the former owner of record, Mr. Mirchandani does not make any mention of an assignment of the Mark from XES to JAH.

[19] Additionally, as the assignment allegedly occurred many years prior, the Requesting Party questions why the assignment was not explained nor filed with the affidavit, but rather the assignment was filed after the Requesting Party filed its written submissions. The Requesting Party refers to the decision in *Star-Kist Foods Inc v Canada (Registrar of Trade Marks)* (1988), 20 CPR (3d) 46 (FCA), for the proposition that evidence concerning such transactions post-dating the date of the section 45 notice ought to be viewed with scepticism. Moreover, the Requesting Party submits, the Mirchandani affidavit is ambiguous on this point, as JAC is stated to be a *user* of the Mark, and the header of the affidavit refers to XES as the owner of the Mark.

[20] The Requesting Party submits that the assignment documents were not filed as part of the evidence, and in any event, even if they could be considered, they are ambiguous to the extent that the assignment is not valid. In this regard, the Requesting Party submits that the assignment refers to an unexplained entity signing on behalf of XES. In addition, the Requesting Party submits that there is an inconsistency in the assignment documents, as the individual signing on behalf of JAH indicates his title as “Manager of the Sole Member, Tharanco IP Holdings LLC”, whereas the attached notarial acknowledgment indicates that this individual is a manager of JAC, not JAH.

[21] In summary, the Requesting Party submits that no use has been shown of the Mark by the owner, XES or a proper licensee, the affidavit does not fully and unambiguously explain the link between XES, JAH and JAC, and the assignment documents that were filed after the Requesting Party filed its written submissions are ambiguous to the extent that the assignment should be considered null. Consequently, as no use of the Mark has been shown by XES or a proper licensee, in view of the aforementioned, the Requesting Party submits that the Mark ought to be expunged for failure to provide evidence of use by the registered owner pursuant to section 45 of the Act.

[22] JAC on the other hand, submits that although the assignment and merger documents were filed and recorded with the Trade-Marks Office following the submission of evidence in the present case, there is nothing in the Act or *Trade-mark Regulations* that states that this cannot be done. Additionally, JAC submits that the chain of title of the Mark is clear and up to date with the Registrar, and the Registrar has discretion to review the state of the register in this regard [citing *Canadian Association of Blue Cross Plans v American White Cross Laboratories, Inc* 1998 CanLII 18489 (TMOB)].

[23] JAC further submits that it is not within the scope of section 45 proceedings to analyze the validity of the assignment, but rather, simply to establish whether use has been shown. In the present case, JAC submits, assignment documents have been filed with the Registrar confirming that an assignment of the Mark from XES to JAH took place in January of 2008, and a Certificate of Merger document has similarly been filed with respect to a merger resulting in a change of name of the registered owner to JAC on December 30, 2011. JAC submits that an

assignee is entitled to be registered as owner, and an assignment with a true effective date, as in the present case, is acceptable [citing *Star-Kist, supra*]. Thus, JAC submits that evidence of use of the Mark by XES is not required in view of the assignment and change of name that was filed with the Trade-marks Office.

[24] I confirm upon review of the Trade-marks Database that a change in title of the Mark from XES to JAH, was registered on February 12, 2014, with respect to an assignment which took place on January 31, 2008. I further confirm that a change of name from JAH to JAC was also registered on the Database on February 12, 2014, with respect to the above-mentioned merger which took place on December 20, 2011. While there is authority to decide the effect of an assignment in section 45 proceedings [per *Star-Kist, supra*], as held in *Cast Iron Soil Pipe Institute v Concourse International Trading Inc* (1988), 19 CPR (3d) 393 (TMOB), once an assignment is recorded by the Registrar, it must be accepted *prima facie*.

[25] In any event, while it is true that the assignment was not registered with the Trade-Marks Office prior to the date of the section 45 notice, an assignment may be valid even if not registered [see *Philip Morris Inc v Imperial Tobacco Ltd* (1985), 7 CPR (3d) 254 at 267-8 (FCTD); and *White Consolidated Industries, Inc v Beam of Canada Inc* (1991), 39 CPR (3d) 94]. A successor-in-title may successfully respond to a section 45 notice if it satisfies the Registrar that it was the owner of the registered mark during the relevant time period. In this regard, contrary to the Requesting Party's submissions, I do not find Mr. Mirchandani's affidavit ambiguous. Mr. Mirchandani, despite referring to JAC as a user of the Mark, also clearly states that JAC is the owner of the Mark, and that prior to the merger into JAC on December 31, 2011, JAH was the former owner of record of the Mark.

[26] In the present case, Mr. Mirchandani's assertions, together with the Registrar's subsequent receipt and recordal of the assignment, lead me to conclude that the assignment at issue occurred on January 31, 2008, but was simply not recorded at that time. Even if I were to conduct a review of the assignment and merger documents in this case, I note that I do not consider anything in these documents to be clearly inconsistent with Mr. Mirchandani's affidavit. For example, the unexplained entity the Requesting Party has questioned, appearing on the assignment documents is simply signing on behalf of XES, and is identified on these documents

as Attorney-in-fact pursuant to a certain Power of Attorney document. Additionally, there is nothing on these documents that clearly indicates that the individual signing on behalf of JAH, did not have authority to do so.

[27] In view of the above, I accept that JAH, now JAC, was the owner of the Mark during the relevant period for the purposes of these proceedings. I do so bearing in mind the intent and purpose of section 45, that these are not considered to be proceedings where there should be an infinite contestation of the facts, and that such proceedings are not intended to provide an alternative to the usual *inter partes* attack on a trade-mark registration envisaged by section 57 of the Act [per *Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 at 486 (FCTD); and *Meredith & Finlayson v Canada (Registrar of Trade Marks)* (1991), 40 CPR (3d) 409 (FCA)]. Consequently, I accept that any use Mark shown by JAH, now JAC, during the relevant period, is use by the registered owner.

[28] In addition to the above-noted submissions, the Requesting Party submits that Mr. Mirchandani's affidavit is silent as to whether the sweaters and vests are made in whole or in significant part of silk. The Requesting Party submits that this is an ambiguity that must be resolved against the affiant, and as such, that these goods must be expunged from the registration.

[29] JAC on the other hand, submits that the statement of goods is drafted in such a manner that the qualifier "made in whole or in significant part of silk" applies to coats alone, and not to the statement of goods in its entirety. In any event, JAC submits, the Registrar is not to take an overly technical approach to the evidence.

[30] In reply, the Requesting Party submits that the qualifier "made in whole or in significant part of silk" applies to the statement of goods in its entirety; otherwise, the Mark would have been deemed unregistrable unless all of the goods were comprised of silk, as it would have been deceptively misdescriptive.

[31] As noted by the Federal Court of Appeal in *Ridout & Maybee LLP v Omega SA* (2005), 43 CPR (4th) 18 (FCA), the validity of the registration is not in dispute in section 45 proceedings. In any event, on a fair reading of the statement of goods as a whole, and in the

absence of a more clearly drafted qualifier such as “all of the aforementioned goods made in whole or in significant part of silk”, I find JAC’s interpretation of the statement of goods to be reasonable. That is, I am prepared to conclude that the qualifier “made in whole or in significant part of silk” in the statement of goods applies solely to “coats”. I find this interpretation is more in keeping with the jurisprudence which indicates that it is improper to engage in an overly meticulous analysis of the specification of wares for the purposes of section 45 [see, for example, *Loro Piana SPA v Canadian Council of Professional Engineers (CCPE)*, 2009 FC 1096 (CanLII)].

[32] With respect to the goods described as “sweaters and vests”, the evidence clearly shows that the Mark was affixed to these goods by way of labels and hang tags displaying the Mark (Exhibits I-K), and that sales of these goods took place in Canada during the relevant period (Exhibits A-H). In addition, Mr. Mirchandani has provided substantial associated sales figures for these goods.

[33] As a last submission, the Requesting Party submits that the evidence pertains to cardigans and tank tops, and that there is no evidence that these goods qualify respectively as the registered goods, sweaters and vests. The Registrant submits on the other hand, that cardigans are encompassed by sweaters and that the top or “tank” in evidence, being a sleeveless garment, is a vest. I agree with the Registrant, upon examination of the evidence in the present case, that such goods are encompassed by the registered goods. Indeed, definitions for the terms “cardigan” and “vest”, as found in the *Canadian Oxford Dictionary* are supportive of this interpretation. Distinguishable from *Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270, the present case is certainly not a situation where the bridge between the goods shown in the evidence and the goods listed in the registration is so substantial as to be unreasonable.

[34] In view of all of the foregoing, I accept that use of the Mark has been shown by the registered owner in Canada during the relevant period in association with “ladies’ apparel, namely, sweaters and vests”. Use has not been shown with respect to the remaining goods and no special circumstances have been brought forth which would excuse the absence of use of the Mark in association with these goods.

Disposition

[35] Accordingly, 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, registration No. TMA659,073 will be amended to delete the goods “[...], *t-shirts, blouses, [...], leggings, pants, slacks, shorts, sweat suits, dresses, skirts, jackets and coats made in whole or in significant part of silk*”.

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

Ladies’ apparel, namely, sweaters and vests.

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