



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

Citation: 2011 TMOB 201
Date of Decision: 2011-10-26

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Blake, Cassels & Graydon LLP against
registration No. TMA509,737 for the trade-mark
CANADIAN WESTERN CAPITAL in the name of
Canadian Western Bank.**

[1] At the request of Blake, Cassels & Graydon (the Requesting Party), the Registrar of Trade-marks issued a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on January 23, 2009 to Canadian Western Bank, the registered owner of registration No. TMA509,737 for the trade-mark CANADIAN WESTERN CAPITAL (the Mark).

[2] The Mark is registered for use in association with “banking services; stock brokerage and securities investment services” (the 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 January 23, 2006 and January 23, 2009 (the Relevant Period).

[4] The definition of “use” in association with services is set out in s. 4(2) of the Act:

4. (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 a s. 45 proceeding [*Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1979), 45 C.P.R. (2d) 194, aff'd (1980), 53 C.P.R. (2d) 63 (F.C.A.)]. Although the threshold for establishing use in these proceedings is quite low [*Lang, Michener, Lawrence & Shaw v. Woods Canada Ltd.* (1996), 71 C.P.R. (3d) 477 (F.C.T.D.)], and evidentiary overkill is not required [*Union Electric Supply Co. v. Canada (Registrar of Trade Marks)* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.)], 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 or services specified in the registration during the relevant period.

[6] In response to the Registrar's notice, the Registrant filed the affidavit of Peter Kenneth Morrison, Vice-President, Marketing & Product Development of the Registrant, sworn on July 20, 2009 (the Affidavit). Both parties filed written representations; an oral hearing was not requested.

[7] In his Affidavit, Mr. Morrison states that the Registrant is a Schedule I chartered bank incorporated pursuant to the *Bank Act*, S.C. 1991, c. 46, headquartered in Edmonton, Alberta, and which offers a wide range of personal and commercial financial services. Mr. Morrison explains that the Registrant first used the Mark in association with the Services in January 1998 after it acquired a majority interest in Majendie Charleton Securities Limited and renamed the company to Canadian Western Capital Limited, with the objective of developing its wealth management business and to enhance its fee-based services. The Registrant subsequently sold the business operated by Canadian Western Capital Limited in 2000. Consequently, Mr. Morrison states that the Registrant last used the Mark in 2000. Mr. Morrison states that the sale was made at that time because "an advantageous opportunity for such sale arose" and further that "at no time did the Registrant abandon its intention to conduct a wealth management business".

[8] Notwithstanding the Registrant's non-use of the Mark, Mr. Morrison goes on to state that the Registrant had maintained its intention to re-enter the wealth management business since 2000, and subsequently acquired Adroit Investment Management Ltd. in November 2008. Attached as the only exhibit to the Affidavit is a copy of the Registrant's News Release issued on

December 1, 2008 regarding this acquisition. Mr. Morrison concludes the Affidavit by stating that since the acquisition, the Registrant has operated its wealth management, securities investment and stock brokerage business under the name “Adroit”, but that a name change to CANADIAN WESTERN CAPITAL “is contemplated” and the Registrant’s use of the Mark will resume at that time.

[9] As there is no evidence of use of the Mark with respect to the Services during the Relevant Period within the meaning of s. 45(3) of the Act, the only issue to consider is whether there were any special circumstances justifying such non-use. Generally, a determination of whether there are special circumstances that excuse non-use involves consideration of three criterion, as set out in *Canada (Registrar of Trade Marks) v. Harris Knitting Mills Ltd.* (1985), 4 C.P.R. (3d) 488 (F.C.A.); the first is the length of time during which the 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.

[10] In deciding whether the reasons for non-use are due to circumstances beyond the owner's control, there must be a finding of "circumstances that are unusual, uncommon or exceptional" [*John Labatt Ltd. v. Cotton Club Bottling Co.* (1976), 25 C.P.R. (2d) 115 (F.C.T.D.)]. The decision in *Smart & Biggar v. Scott Paper Ltd.* (2008), 65 C.P.R. (4th) 303 (F.C.A.) 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 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 C.P.R. (3d) 217 (F.C.T.D.); *NTD Apparel Inc. v. Ryan* (2003), 27 C.P.R. (4th) 73 (F.C.T.D.)].

[11] With respect to the first criterion of the *Harris Knitting Mills* test, the period of non-use of the Mark is at least 9 years.

[12] With respect to the second criterion, the Requesting Party submits that the reasons for non-use of the Mark were attributable to the Registrant making a voluntary decision to sell its subsidiary Canadian Western Capital because “an advantageous opportunity for such sale arose”.

It argues that rather than being “unusual, uncommon or exceptional”, the Registrant made a decision because it was financially advantageous to do so. The Requesting party argues that, if anything, this is common reason for the absence of use of a trade-mark.

[13] The Registrant, in its written arguments, submits that non-use of the Mark was not attributable to the Registrant’s sale of Canadian Western Capital Limited in 2000, but rather to the unusual length of time required for the Registrant as a Canadian chartered bank registered under the *Bank Act* to locate and acquire another suitable wealth management business. While the Registrant acknowledges that market conditions are not generally considered special circumstances excusing non-use [see *Harris Knitting, supra*, and *Lander Co. Canada Ltd. v. Alex E. Macrae & Co.* (1993) 46 C.P.R. (3d) 417 (F.C.T.D.)], it submits that the Registrant is heavily regulated and cannot sell or acquire businesses as readily as some other legal entities.

[14] I note that Mr. Morrison’s affidavit makes no specific reference to this regulatory environment and, in fact, the Requesting Party objected to the Registrant alleging these facts in its written representations as they were not in evidence in this proceeding [see *Ridout & Maybee LLP v. Encore Marketing International Inc.* (2009), 72 C.P.R. (4th) 204 (T.M.O.B.)]. Even if I were to accept the Registrant’s apparent underlying assumption that it could only have used the Mark by acquiring a new wealth management business, there is no clear evidence before me as to the particular regulatory obstacles faced by the Registrant and whether the lengthy period of non-use in light of such obstacles was reasonable. The only evidence before me is that while the Registrant investigated “many” possibilities to re-enter the wealth management business after 2000, its search for a “suitable” acquisition only culminated on December 1, 2008 when it acquired Adroit Investment Management Ltd. Further, I note that despite the acquisition, Mr. Morrison states that the Registrant continued to operate its securities investment and stock brokerage services under the name of “Adroit” for “continuity purposes”.

[15] I would note at this juncture that the Registrant’s submissions as to reasons for non-use are directed only to “wealth management business” (which it appears to equate to the registered services “stock brokerage and securities investment services”). No reasons were advanced in respect of the “banking services” at all. In this respect, I note the following observation by Thurlow J. of the Federal Court of Appeal in *Plough, supra*, at paragraph 10:

There 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 at all or not in use with respect to some of the wares in respect of which the mark is registered.

[16] As the Registrant has failed to demonstrate that the reasons for non-use of the Mark were beyond its control, I will comment on the third criterion only briefly. With respect to its intent to resume use of the Mark in Canada, the Registrant states only that “as its marketing strategy unfolds, a name change from “Adroit” to CANADIAN WESTERN CAPITAL is contemplated. At that time, the Registrant’s use of the Trade-mark CANADIAN WESTERN CAPITAL will resume”. I consider this statement exceedingly vague and open to interpretation. Although the acquisition of “Adroit” occurred near the end of the Relevant Period, I note that the News Release at Exhibit A makes no mention of the Mark; no timeline is provided and no evidence of concrete steps to resume use, such as planned marketing efforts, was submitted. Absent details regarding the manner of resumption, I cannot conclude that the Registrant has provided sufficient evidence demonstrating a serious intention to resume use of the Mark in Canada.

[17] Given the findings above, I must conclude that the Registrant has not demonstrated special circumstances to justify non-use of the Mark during the Relevant Period within the meaning of s. 45(3) of the Act.

[18] In view of all of the foregoing, I am not satisfied that there was use of the Mark with respect to the Services within the meaning of s. 45 and s. 4 of the Act and pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be expunged in compliance with the provisions of s. 45 of the Act.

P. Heidi Sprung
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office