



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

Citation: 2015 TMOB 222
Date of Decision: 2015-12-11

IN THE MATTER OF A SECTION 45 PROCEEDING

Sim & McBurney

Requesting Party

and

NIKITA ehf

Registered Owner

TMA689,118 for NIKITA

Registration

[1] At the request of Sim & McBurney (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 December 11, 2013 to NIKITA ehf (the Owner), the registered owner of registration No. TMA689,118 for the trade-mark NIKITA (the Mark).

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

Leather and imitations of leather and goods made of these materials, namely, shopping bags of leather, leather bags for merchandise packaging, pouches; wallets; purses, key cases; key chains, key fobs and key tags all being of leather, animal hides and imitations thereof; bags, namely, beach bags, all-purpose sports bags, all-purpose athletic bags, barrel bags, tote bags, carry-all bags, textile or mesh, shoulder bags, handbags, clutch bags, waist packs, rucksacks, knapsacks, backpacks, school bags, book bags, satchels, cosmetic bags sold empty, shaving bags sold empty; travel bags, trunks, luggage, duffle bags, garment bags for travel and other travel goods; cases, namely travel cases, overnight cases, briefcases, document cases, credit card cases, business card cases, cosmetic and toiletry cases sold empty, vanity cases; jewelry bags for travel; umbrellas, bags and covers for sporting goods, surfing traction systems, grips, leg ropes and tethers for sporting goods, waxes for surfboards, skateboards, skis; parasols, walking sticks;

clothing, footwear and headgear, namely, shirts, t-shirts, singlets, blouses and tops, sweaters, sweat tops, sweat hooded parkas, jumpers, beach pants, sporting and gymnastic wear, jackets, winter jackets, protective outdoor wear, namely, snowboarding outfits, snowboarding pants, jackets, vests, turtleneck sweaters, pullovers, coats, dresses, skirts, sarongs, trousers, pants, jeans, shorts, board shorts, leisure wear, surf wear, swimwear, sportswear, underwear, sleepwear, belts, scarves, gloves, hosiery, socks, boots, shoes, sandals, slides, thongs, slippers, headwear, namely, hats, caps, beanies, peaks and visors; sportswear for water; wetsuits, wetsuit vests, wetsuit shorts and wetsuit tops.

[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 goods 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 December 11, 2010 to December 13, 2013.

[4] The relevant definition of “use” in association with goods is set out in section 4(1) of the Act:

4(1) 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.

[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 section 45 proceedings is quite low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD) at 480], 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 goods specified in the registration during the relevant period.

[6] In response to the Registrar’s notice, the Owner filed the affidavit of Frank Aeschbacher, sworn on July 3, 2014 in Portland, Oregon. Only the Owner filed written representations, but both parties were represented at an oral hearing.

The Owner's Evidence

[7] In his affidavit, Mr. Aeschbacher attests that he is employed as a Vice President with Amer Sports, the parent company of the Owner. Due to his position, he states that he has knowledge of the design and manufacture of NIKITA-branded products, as well as the sale of NIKITA-branded products in Canada.

[8] Mr. Aeschbacher confirms that the Owner maintains direct control over the character and quality over all its NIKITA brand goods manufactured and sold worldwide, including Canada. With respect to Canadian sales of NIKITA brand goods, he attests that the goods are sold to a Canadian distributor, The Endorphin Group Inc., who in turn sells the goods to retailers in over 50 locations across Canada.

[9] With respect to transfers of the registered during the relevant period, Mr. Aeschbacher states that "it is not straightforward to obtain specific invoices to Endorphin [...] for each of the goods sold since the invoices do not necessarily itemize the goods". As a result, he does not provide any documentary evidence of transfers of goods from the Owner to Endorphin. Rather, Mr. Aeschbacher states that he reviewed a spreadsheet provided to him by Endorphin which gives "extensive details of sales" by Endorphin of NIKITA-branded clothing in Canada for 2012 and 2013. Indicating that the spreadsheet was over 3000 pages, Mr. Aeschbacher explains that he modified the spreadsheet to only list the item descriptions and the quantity of products sold. Attached as Exhibit 2 to his affidavit is that modified spreadsheet.

[10] Mr. Aeschbacher attests that he reviewed the information in the spreadsheet and found that the descriptions and quantities sold "are consistent with information from NIKITA's business records". In this respect, he attests that "over 20,000 NIKITA brand items were sold to Endorphin in 2012/2013 corresponding to hundreds of thousands of dollars of sales."

[11] Even so, he further attests that the spreadsheet information is only "representative", explaining that "it excludes 2011 and products not sold through Endorphin." As such, he asserts that the following list of registered goods is "the most accurate list" of NIKITA products sold in Canada during the relevant period:

Wallets; purses, key cases; bags, namely, beach bags, all purpose sports bags, all purpose athletic bags, barrel bags, tote bags, carry-all bags, textile or mesh, shoulder bags, handbags, clutch bags, waistpacks, rucksacks, knapsacks, backpacks, school bags, book bags, satchels, cosmetic bags sold empty; travel bags, luggage, duffle bags; cases, namely, overnight cases, briefcases; jewellery bags for travel; clothing, footwear and headgear, namely, shirts, t-shirts, singlets, blouses and tops, sweaters, sweat tops, sweat hooded parkas, jumpers, beach pants, sporting and gymnastic wear, jackets, winter jackets, protective outdoor wear, namely, snowboarding outfits, snowboarding pants, jackets, vests, turtleneck sweaters, pullovers, coats, dresses, skirts, trousers, pants, jeans, shorts, board shorts, leisure wear, surfwear, swimwear, sportswear, underwear, sleepwear, belts, scarves, headwear, namely, hats, caps beanies; sportswear for water; wetsuit shorts and wetsuit tops.

[12] As further evidence of transfers, attached as Exhibit 3 to his affidavit are two “sample” invoices. Mr. Aeschbacher explains that the invoices show sales of NIKITA brand goods from Endorphin to a Canadian retailer during the relevant period. The Mark appears above the itemized list of products in both invoices. In explaining why only two invoices were furnished by the Owner, Mr. Aeschbacher attests that “while it would have been possible to search for individual invoices showing each of the goods identified ... above, this would have been highly onerous for Endorphin.”

[13] The real issue in this case, however, is the evidence with respect to the manner of display of the Mark. In his affidavit, Mr. Aeschbacher states that the Mark “appears physically on every NIKITA brand product sold, whether visibly on the exterior of the product, on the product label, or in some other manner”.

[14] In support, he provides over 100 pages of excerpts from Nikita catalogues at Exhibits 1A to 1D of his affidavit. The catalogues appear to be entitled “NIKITA Workbook” or “NIKITA Lookbook” for the particular year. In the case of the Spring/Summer 2013 Nikita Workbook, “NIKITA SPRING/SUMMER 2013” appears in the header of each page. Mr. Aeschbacher does not attest to the distribution or availability of these catalogues in Canada during the relevant period. However, he attests that the catalogues “show examples of the goods sold in Canada in association with the Nikita brand”. The catalogues show various clothing goods and accessories, including jackets, pants, shirts, belts, swimwear and snowboarding wear. As well, some of the pages show various bags. Although Mr. Aeschbacher identifies the goods as “NIKITA brand

goods”, most of the goods are also identified by another trade-mark, such as “Reality Jeans”, “Everest Jackets” and “Yaffle Bags”.

[15] Unfortunately, in reviewing the catalogues, the Mark is not visible on all of the goods depicted. The majority of the pictured products do not clearly display the Mark. Furthermore, the catalogues’ products themselves are not always clearly displayed, which creates uncertainty as to which registered goods correspond to the pictured products. Indeed, Mr. Aeschbacher does not clearly correlate the registered goods with any particular item appearing on the invoices, spreadsheet or catalogues. For example, “Yaffle bag” appears on the invoices and in the spreadsheets; it is also depicted in one of the catalogues. However, the particular type of bag is not clearly identified in any of the exhibits, so it is unclear whether it should constitute evidence of “shoulder bags”, “tote bags”, “carry-all bags”, “handbags” or one of the other “bags” listed in the registered goods.

[16] As such, it is not clear whether the Owner is seeking to rely on the sale of *some* types of bags to support its assertion of use with respect to *all* types of bags listed in the registration. However, where a registrant provides evidence of use in relation to one of the registered goods, it cannot rely on that same evidence to show use with respect to separately listed goods [per *MAPA GmbH Gummi-und Plastikwerke v to 2956-2691 Québec Inc*, 2012 TMOB 192, CarswellNat 4869 at para 11; and *John Labatt Ltd v Rainer Brewing Co et al* (1984), 80 CPR (2d) 228 (FCA)].

[17] In any event, the Mark is not clearly displayed on the “Yaffle bag” appearing in the catalogues. Nevertheless, I am able to identify the Mark on the following products depicted in the catalogues: “Nautilus tank”, “Mussel tank”; “Nellie bikini”; “Fanspian cardigan”; “Gasherbrum hoodie”, “Feldberg hoodie”, “Sangay fleece hoodie”; “Alphubel jacket”, “Mandala jacket”, “Lucania jacket”; “Lisbon jeans”; “Peabody pants”, “Prindle pants”; “Sinai beanie”, “Sojol headband”; “Imbabura belt”, “Vulture belt” and various other belts; “Rabbit bag”, “Kailas bag”, “Joffre bag”; and various snowboards.

[18] However, I am not prepared to find that the display of the Mark on such goods is representative of the display of the Mark on any other particular good. In this respect, as noted above, Mr. Aeschbacher attests that the Mark appeared on the NIKITA goods “on the exterior of

the product, on the product label, or in some other manner”. However, he does not attach to his affidavit any examples of the labels he refers to and no product labels or hang tags are visible in any of the catalogues’ photographs. In the absence of such labels, I am unable to determine whether such labels bore the Mark as registered.

[19] Furthermore, it is not clear what Mr. Aeschbacher means when he refers to the Mark appearing “in some other manner” on the goods.

[20] While section 4(1) allows for the association of a trade-mark “in any other manner”, I am not prepared to find that the appearance of the Mark in the catalogues or on the invoices is sufficient to constitute display of the Mark in association with any of the registered goods.

[21] With respect to the appearance of the Mark in the catalogues, Mr. Aeschbacher does not attest to the distribution of the catalogues in Canada during the relevant period. Indeed, the Owner confirmed in its representations that the catalogues were furnished as evidence of how the Mark was displayed on the goods sold in Canada during the relevant period; they were not submitted as evidence of how the Mark was associated with the goods “in any other manner” through the catalogues themselves pursuant to section 4(1) of the Act.

[22] With respect to the exhibited invoices, I note that the Mark appears above the listed goods. The Federal Court of Appeal has held that display of a trade-mark at the top of an invoice may in some circumstances constitute use of that mark in association with the goods listed on the invoices [see *Hortilux Schreder BV v Iwasaki Electric Co*, 2012 FCA 321, CarswellNat 4836]. However, the major consideration remains “whether the trade-mark is being used as a trade-mark in describing the wares contained in the invoice and, as such, whether appropriate notice of such use is being given to the transferee of the wares” [per *Tint King of California Inc v Canada (Registrar of Trade Marks)*, 2006 FC 1440 at para 32, 56 CPR (4th) 223]. In this respect, a major factor to consider is whether other trade-marks appear on the invoices, either in the body of the invoice or otherwise [per *Hortilux, supra*, at para 12].

[23] In this case, the products listed are identified with a secondary trade-mark, such as “Yaffle bag” or “Mollusk hoodie”. More importantly, I note that Endorphin’s trade-name and logo appears prominently at the very top of the invoices. As such, it is not clear that NIKITA

would be associated with any particular good listed on the invoice. In any event, Mr. Aeschbacher does not attest to whether the invoices accompanied the goods at the time of transfer to the customer.

[24] As such, I am not prepared to accept the display of the Mark in the invoices or in the text of the catalogues as display in association with any of the registered goods.

[25] The Owner submitted that a section 45 proceeding is intended to be a simple, expeditious procedure to rid the registry of “deadwood” and is not to be an exercise in meticulous verbal analysis [citing *Levi Strauss & Co v Canada (Register of Trade-marks)*, 2006 FC 654, 51 CPR (4th) 434].

[26] However, while Mr. Aeschbacher attests that the Mark was associated with the goods by one of three means, he does not provide clear evidence of two of those means. Furthermore, despite Mr. Aeschbacher’s assertion of sales with respect to most of the registered goods, I note that some of those goods are not reflected anywhere in the evidence. For example, I am unable to find reference to the registered goods “key fobs” and “briefcases” at all in the exhibits. Similarly, it is not clear if any of the products depicted in the catalogues or referenced in the spreadsheet and invoices correspond to, for example, the registered goods “turtleneck sweaters” or “cosmetic bags”. As such, I consider Mr. Aeschbacher’s “most accurate” listing of goods sold in Canada amounts to a mere assertion only.

[27] A further flaw in the evidence is that, of the goods I have identified as bearing the Mark in the catalogues, only some are reflected in the invoices and spreadsheet as having actually been sold.

[28] It is well established that use must be shown in association with all of the goods as registered; this is not to say that a registered owner is obligated to provide invoices for each registered good [per *Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)]. However, in the absence of invoices, the Owner should have been prepared to furnish evidence regarding volume of sales, dollar value of sales, or factual particulars to allow the Registrar to conclude that transfers in the normal course of trade actually occurred in Canada with respect to each of the registered goods [see, for example, *1471706 Ontario Inc v Momo*

Design srl, 2014 TMOB 79, 2014 CarswellNat 2439; *Gowling Lafleur Henderson LLP v Wertex Hosiery Inc*, 2014 TMOB 193, 2014 CarswellNat 4624].

[29] Given the gaps in Mr. Aeschbacher's affidavit, however, I am left with the exhibited invoices and spreadsheet as the only clear evidence of transfers of particular goods in Canada during the relevant period.

[30] Of the products identified above as bearing the Mark, only "Joffre bag" and "Vulture belt" are reflected in the two exhibited invoices.

[31] With respect to the exhibited spreadsheet, the Requesting Party submits that it is hearsay evidence and should not be considered. However, I first note that the Federal Court has stated that "a stricter approach to hearsay evidence may be appropriate under section 57, where adversarial proceedings are intended to determine the rights of parties", but with respect to the summary nature of cancellation proceedings, "concerns with respect to the hearsay nature of evidence can go to weight, rather than admissibility" [per *Eva Gabor International Ltd v 1459243 Ontario Inc*, 2011 FC 18, 90 CPR (4th) 277 at paragraph 18]. Given the nature of the Mr. Aeschbacher's position, I accept that he would generally have knowledge of the activities of Endorphin as the Canadian distributor of the Owner's goods.

[32] I further note that Mr. Aeschbacher attests that he reviewed the spreadsheet provided to him by Endorphin and modified it in order to support his assertion regarding what goods were sold in Canada during the relevant period. As such, I accept that any products listed in the Exhibit 2 spreadsheet were, in fact, sold in Canada during the relevant period by Endorphin.

[33] As such, of the products identified above as displaying the Mark, I am able to identify the following as appearing in the invoices or spreadsheet (with what I consider to be the corresponding registered good in brackets): "Joffre bag" (shoulder bag); "Rabbit bag", "Kailas bag" (handbags); "Nautilus tank", "Mussel tank" (shirts); "Fanspian cardigan" (sweaters); "Fedlberg hoodie", "Gasherbrum hoodie" (sweat hooded parkas); "Nellie bikini" (swimwear); and "Vulture belt" (belts).

[34] Accordingly, I am satisfied that the Owner has demonstrated use of the Mark in association with the following registered goods within the meaning of sections 4(1) and 45 of the Act: shoulder bags, hand bags, shirts, sweaters, sweat hooded parkas, swimwear, and belts.

[35] With respect to the remaining goods, Mr. Aeschbacher either concedes that such goods were not sold in Canada during the relevant period or I consider the evidence ambiguous regarding i) whether the goods were actually transferred in Canada in the normal course of trade during the relevant period, and/or ii) whether the Mark was displayed as registered at the time of transfer.

[36] As such, I am not satisfied that the Owner has demonstrated use of the Mark in association with the remaining registered goods within the meaning of sections 4 and 45 of the Act. As the Owner furnished no evidence of special circumstances excusing non-use of the Mark, the registration will be amended accordingly.

Disposition

[37] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be amended to delete the following goods:

Leather and imitations of leather and goods made of these materials, namely, shopping bags of leather, leather bags for merchandise packaging, pouches; wallets; purses, key cases; key chains, key fobs and key tags all being of leather, animal hides and imitations thereof; bags, namely, beach bags, all-purpose sports bags, all-purpose athletic bags, barrel bags, tote bags, carry-all bags, textile or mesh, ... clutch bags, waist packs, rucksacks, knapsacks, backpacks, school bags, book bags, satchels, cosmetic bags sold empty, shaving bags sold empty; travel bags, trunks, luggage, duffle bags, garment bags for travel and other travel goods; cases, namely travel cases, overnight cases, briefcases, document cases, credit card cases, business card cases, cosmetic and toiletry cases sold empty, vanity cases; jewelry bags for travel; umbrellas, bags and covers for sporting goods, surfing traction systems, grips, leg ropes and tethers for sporting goods, waxes for surfboards, skateboards, skis; parasols, walking sticks; clothing, footwear and headgear, namely, ... t-shirts, singlets, blouses and tops, sweat tops, ... jumpers, beach pants, sporting and gymnastic wear, jackets, winter jackets, protective outdoor wear, namely, snowboarding outfits, snowboarding pants, jackets, vests, turtleneck sweaters, pullovers, coats, dresses, skirts, sarongs, trousers, pants, jeans, shorts, board shorts, leisure wear, surf wear, ... sportswear, underwear, sleepwear, ... scarves, gloves, hosiery, socks, boots, shoes, sandals, slides, thongs, slippers, headwear, namely, hats, caps, beanies, peaks and visors; sportswear for water; wetsuits, wetsuit vests, wetsuit shorts and wetsuit tops.

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

Bags, namely, shoulder bags, hand bags; clothing, namely, shirts, sweaters, sweat hooded parkas, swimwear, belts.

Darlene H. Carreau
Chairperson
Trade-marks Opposition Board
Canadian Intellectual Property Office

TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD

HEARING DATE: 2015-10-19

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