



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

**Citation: 2012 TMOB 72**  
**Date of Decision: 2012-04-25**

**IN THE MATTER OF A SECTION 45 PROCEEDING  
requested by Cassels Brock & Blackwell LLP against  
registration No. TMA655,896 for the trade-mark  
OTTAWA ROUGH RIDERS in the name of Tystar Inc.**

[1] At the request of Cassels Brock & Blackwell LLP (the Requesting Party), the Registrar of Trade-marks forwarded a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on October 23, 2009, to Tystar Inc., the registered owner (the Registrant) of registration No. TMA655,896 for the trade-mark OTTAWA ROUGH RIDERS (the Mark).

[2] The Mark is registered in association with the following services (the Services):

- (1) Providing of entertainment and amusement through the medium of football games.
- (2) Organization and administration of a football club.
- (3) Promotion of interest in and enthusiasm for sports by the sponsoring of parades, variety entertainment and the like.
- (4) Development and maintenance of interest in sports by means of publicity through the media of press, radio, films, videotape, television and similar projects.

[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/or services listed on 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 any time between October 23, 2006 and October 23, 2009 (the Relevant Period).

[4] “Use” in association with services is set out in section 4(2) of the Act as follows:

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] In the absence of use as defined above, pursuant to section 45(3) of the Act, a trade-mark is liable to be expunged, unless the absence of use is due to special circumstances.

[6] It is without doubt that the OTTAWA ROUGH RIDERS trade-mark has a long history in relation to professional football in Ottawa, Ontario. However, this is not the issue before me. Rather, the determination to be made under section 45 proceedings strictly relates to whether the subject trade-mark has been used at any time during the specified period of time and, if not, whether the reasons for non-use are excusable.

[7] The rationale and importance of use of a trade-mark was highlighted and briefly explained as follows by Shore J in 88766 *Canada Inc v Diamont Elinor Inc* (2010), 90 CPR (4th) 428 (FC):

The concept of use is crucial in Canadian trade-mark law: it gives rise to ownership of the mark. It is through use that rights to a mark are obtained and preserved against third parties. The Supreme Court of Canada wrote the following in *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 S.C.R. 772, 49 C.P.R. (4th) 321 :

[5] Unlike other forms of intellectual property, the gravamen of trade-mark entitlement is actual use. By contrast, a Canadian inventor is entitled to his or her patent even if no commercial use of it is made. A playwright retains copyright even if the play remains unperformed. But in trade-marks the watchword is “use it or lose it”. In the absence of use, a registered mark can be expunged (s. 45(3))....

[8] In response to the Registrar's notice, the Registrant furnished the affidavit of Mr. Horn Chen, the President of the Registrant. Only the Requesting Party filed written submissions and made representations at an oral hearing.

[9] Upon review of Mr. Chen's affidavit, it is clear that the Registrant has not used the Mark in Canada during the Relevant Period. Instead, the entirety of Mr. Chen's affidavit concerns the history of the use of the Mark in Canada prior to its acquisition by the Registrant, the circumstances surrounding the cessation of its use, and efforts the Registrant has undertaken to resume use of its Mark. Accordingly, the issue to be decided in this case is whether the Registrant has shown special circumstances that would excuse the absence of use of the Mark, thus permitting the maintenance of the registration.

### Special Circumstances

[10] The applicable legal test in the determination of whether there are special circumstances that would excuse non-use of a trade-mark involves the consideration of three criteria as follows:

- i. the length of time during which the mark has not been in use;
- ii. whether the reasons for non-use were due to circumstances beyond the control of the registered owner; and
- iii. whether there exists a serious intention to resume use shortly [see *Canada (Registrar of Trade-marks) v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)].

[11] The decision in *Smart & Biggar v Scott Paper Ltd* (2008), 65 CPR (4th) 303 (FCA) offered further clarification with respect to the interpretation of the special circumstances criteria in *Harris Knitting, supra*. In particular, the Court determined that the second criterion of the *Harris Knitting* test must be satisfied in order for there to be a finding of special circumstances excusing non-use of a mark. The other two criteria are relevant factors to consider, but cannot constitute special circumstances in isolation.

[12] Indeed, the relevance of the first criterion is apparent, as reasons that may excuse a brief period of non-use may not excuse an extended period of non-use [*Harris Knitting, supra; Re: Goldwell* (1974), 29 CPR (2d) 110 (RTM)]. Furthermore, the circumstances of non-use must be those which do not exist in the majority of cases involving non-use [*Scott Paper, supra; Spirits*

*International NV v Canada (Registrar of Trade-Marks)* (2006), 49 CPR (4th) 196 (FC) aff'd (2007), 60 CPR (4th) 31 (FCA)]. In any event, the intent to resume use must be substantiated by the evidence [*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)].

[13] I will now turn to the evidence and apply the special circumstances test as described above, to determine if the Registrant has satisfied the requisite criteria.

*The Length of Time During Which the Mark has Not Been in Use*

[14] In his affidavit, Mr. Chen provides background information and historical context surrounding the ordinary course of trade for the Services. As part of this discussion, he indicates that for the past few decades, the ordinary course of trade for the Services was the delivery of professional football services, by its predecessor-in-title, as a member of the Canadian Football League (the CFL). He states that the Mark was used in association with the CFL since the league was first created in 1958. He further explains that the Services are dependent upon the membership in and participation with a football league, and that there is currently no other national football league in Canada other than the CFL.

[15] With respect to how the current Registrant acquired the Mark, Mr. Chen explains that the Registrant is a financial investment company that was the principal and senior secured creditor of the Ottawa Rough Riders Football Club, Inc. (the "ORRFC"), the previous owner of the Mark. However, he explains that as of November 6, 1996, the CFL revoked the ORRFC football franchise, subsequent to which the current Registrant acquired the Mark on March 5, 1998, by realizing on its comprehensive security interest in the assets of the ORRFC. While it appears that the last time the Mark was used in association with the Services would date back to 1996 by the ORRFC, it is the assignment date that has been considered as the date of last use for the purposes of section 45 proceedings [*Baker & McKenzie v Garfield's Fashions Ltd* (1993), 52 CPR (3d) 274 (TMOB); *Sim & McBurney v Anheuser-Busch, Inc* (2007), 61 CPR (4th) 450 (TMOB); *GPS (UK) Ltd v Rainbow Jean Co* (1994), 58 CPR (3d) 535 (TMOB)].

[16] Accordingly, the period of non-use of the Mark, from the date of assignment to the date of issuance of the section 45 notice, is more than eleven years. This lengthy period of non-use will be considered with the reasons for non-use [*Harris Knitting, supra*; *Re: Goldwell, supra*].

*The Reasons for Non-use*

[17] In his affidavit, Mr. Chen explains that prior to and following the Registrant's acquisition of the Mark, the Registrant had numerous discussions with the CFL regarding the possibility of an investor purchasing the franchise from the CFL and the Mark from the Registrant. He then states that the Registrant continues to be actively engaged in discussions involving the sale of the Mark, and that the Registrant continues to be prepared to license or assign the Mark to a purchaser to enable the continuance of the Services, namely a professional football team in Ottawa. I note however that Mr. Chen does not provide any further detail regarding the discussions with the CFL or possible investors. Notably, no detail is provided with respect to efforts or difficulties encountered by the Registrant in using or licensing the Mark since its acquisition in 1998 – that is, until ten years later.

[18] In this regard, Mr. Chen explains that on March 25, 2008, the CFL awarded a conditional franchise in the City of Ottawa. He attests that negotiations are currently underway with respect to the redesign of the venue at which the new team is expected to play. Due to delays resulting from numerous public hearings into the future of the site, Mr. Chen indicates that it is now expected that a new football franchise will not be playing in Ottawa until the 2013 CFL season.

[19] As such, the reasons for non-use appear to relate to the lack of an operational CFL franchise in Ottawa, resulting in the Registrant being unable to license or assign the Mark to such a franchise.

[20] However, as previously indicated, I note that there is a period of ten years, from the date of acquisition of the Mark to the date of the awarding of the conditional franchise in 2008, to which Mr. Chen provides little detail and no documentary evidence to explain and support the efforts or difficulties encountered by the Registrant in using, licensing, or selling the Mark. In fact, it is not clear from Mr. Chen's affidavit as to whether or not a franchise may have existed in the City of Ottawa during this time period; thus, I am unable to conclude that the reasons for

non-use of the Mark provided by the Registrant extend to the entirety of the duration of non-use. It is incumbent on the Registrant to provide sufficient details regarding the reasons for non-use. Consequently, given the lack of such detail, I am unable to determine whether such non-use during this lengthy time was the result of a deliberate business decision on behalf of the Registrant, or whether the non-use was due to circumstances that were beyond its control.

[21] Although the lack of a CFL franchise was accepted as a circumstance beyond the Registrant's control excusing non-use of a trade-mark in *Donahue, Ernst & Young v. Tystar Inc.* (2005), 50 CPR (4th) 51 (TMOB), I note that there are several key differences between the *Donahue* case and the present case. To begin with, the length of time of non-use of the trade-mark in *Donahue* was significantly shorter and the reasons for non-use given explained the entire period of non-use. Furthermore, it was held in *Donahue* that the registered owner had shown a serious intention to resume use of its Mark; however, for the reasons that follow, in the present case, the Registrant has also failed to satisfy this criterion of the special circumstances test.

#### *Serious Intention to Resume Use*

[22] With respect to whether the Registrant has shown a serious intention to resume use of the Mark shortly, Mr. Chen again simply indicates that since the awarding of the conditional franchise in the City of Ottawa, the Registrant has engaged in ongoing discussions regarding the sale of the Mark. He does not provide any further specifics as to when or with whom these discussions took place, although one might infer that such discussions were held with the ownership group that was awarded the conditional franchise in 2008. He does however, state the following at paragraph 16 of his affidavit:

Tystar has a final Letter of Intent ("LOP") in place, which includes a verbal commitment, that if a franchise is awarded to Ottawa and if the franchise becomes operational in relation to football, the OTTAWA ROUGH RIDERS Trade-mark and the other assets will be sold with the expectation that use of the OTTAWA ROUGH RIDERS Trade-mark in association with the Services will recommence.

[23] What emerges from this statement is that the Registrant has no intention of resuming use of the Mark itself, but rather, intends to sell the Mark. Evidence of an intention to sell a Mark does not provide any assistance to understanding when resumption of the Mark is likely to occur; only steps taken by a new or prospective owner to resume use of the Mark in such a case could

provide that information. Furthermore, the language of the statement regarding the “LOI” is uncertain and ambiguous, referring to the “expectation” that the new owner will use the Mark once (or if) the football franchise becomes operational again. Thus, not only is there uncertainty surrounding when or if a new franchise will become operational in the City of Ottawa, the Registrant has no intention of resuming use of the Mark itself and there is no guarantee that a new owner would necessarily use the Mark in association with the franchise. Consequently, the effect, as stated by Rouleau J in *Arrowhead Water Corp v Arrowhead Spring Water Ltd.* (1993), 47 CPR (3d) 417 (FCTD), is that we are “left in the dark as to how long the duration of the non-use will persist.”

[24] In conclusion, I am not satisfied that the Registrant has demonstrated special circumstances that would excuse the absence of use of the Mark. In so finding, I have taken into consideration the following: the extensive period of non-use; that I am unable to conclude that non-use during this lengthy period of time was due to circumstances that were beyond the control of the Registrant, and; that the Registrant has not shown a serious intention to resume use of the Mark shortly.

#### Disposition

[25] In view of the above, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be expunged in compliance with the provisions of section 45 of the Act.

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

