



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

Citation: 2014 TMOB 260
Date of Decision: 2014-11-25

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Smart & Biggar against registration
No. TMA383,050 for the trade-mark INFINITY in the
name of Adhoc Ventures Canada Inc.**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA383,050 for the trade-mark INFINITY owned by Adhoc Ventures Canada Inc.

[2] Subsequent to the issuance of the section 45 notice, the registration was voluntarily amended to delete a few of the wares. Consequently, the trade-mark registration at issue is now registered with respect to the following wares only: “golf equipment and accessories namely: clubs, golf balls” (the Wares).

[3] On April 18, 2012, at the request of Smart & Biggar (the Requesting Party), the Registrar of Trade-marks sent a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) to Adhoc Ventures Canada Inc. (Adhoc). The notice required Adhoc to provide evidence showing that it had used the trade-mark INFINITY (the Mark) in Canada, at any time between April 18, 2009 and April 18, 2012 (the relevant period), in association with each of the Wares specified in the registration. If the trade-mark had not been so used, the Registrant was required to furnish evidence providing the date when the trade-mark was last in use and the reasons for the absence of use since that date.

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

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.

[5] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for clearing the register of “deadwood”. Mere claims of use are insufficient to show the use of the trade-mark [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the test that has to be met by a registered owner is not a heavy one, sufficient facts must be provided to enable the Registrar to conclude that the trade-mark has been used in association with each of the wares listed in the registration during the relevant period [see *Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)].

[6] In response to the Registrar’s notice, Adhoc provided two affidavits of Joe Bonin, each sworn on March 15, 2013.

[7] Both parties filed written submissions and were represented at a hearing held jointly with regard to summary expungement proceedings concerning one other registration owned by Adhoc. A separate decision will be issued for this other proceeding, which pertains to registration No. TMA443,610 for the trade-mark INFINITI.

[8] The Requesting Party submits that the registration should be expunged in its entirety for reasons that can be briefly summarized as follows:

- No use of the Mark has been shown in association with the Wares as there is no clear evidence that Adhoc sold the Wares in the normal course of trade; and
- No special circumstances justifying non-use of the Mark have been brought forth.

[9] I will begin by providing an overview of the evidence before discussing the submissions of the parties and my reasons for concluding that the Mark ought to be maintained with respect to “golf equipment and accessories namely: clubs” only.

The Evidence

The First Bonin Affidavit

[10] In his first affidavit, Mr. Bonin attests that he is the owner of Adhoc. He states that he has worked in the golf industry since at least 1987 and is responsible for sales and marketing at Adhoc.

[11] Mr. Bonin then explains that Adhoc is the successor-in-title to Infinity Enterprises of Canada Ltd., who continuously sold golf accessories and equipment under the Mark in Canada between 1990 and 2006. Since 2006, Mr. Bonin states, Adhoc has continuously sold or offered golf accessories and equipment under the Mark in Canada.

[12] In support of the registration, Mr. Bonin provides the following:

- Photos of sample golf clubs, which Mr. Bonin states were sold under the Mark during the relevant period (Exhibit A);
- A photo of a sample golf ball, which Mr. Bonin states was given away as a promotional item under the Mark in Canada during the relevant period (Exhibit B); and
- A sample invoice dated September 10, 2010 from Adhoc to a Canadian customer for what Mr. Bonin describes as golf equipment sold under the Mark (Exhibit C).

The Second Bonin Affidavit

[13] In his second affidavit, Mr. Bonin states that Adhoc has continuously sold or licensed the sale of golf accessories and equipment identified under the Mark in Canada since at least 2006.

[14] Before 2006, Mr. Bonin explains that annual sales of golf accessories and equipment identified under the Mark to a major Canadian customer (Chuck Brown’s Golf Company

Limited) were in excess of \$300,000.00. He indicates however, that this customer went out of business in 2006.

[15] Annual sales of golf accessories and equipment identified under the Mark to another major Canadian customer (Riverside Golf Center Ltd.), Mr. Bonin explains, were in excess of \$200,000.00. With respect to this customer however, he states that they received their last large shipment in April of 2007. Mr. Bonin attributes an economic collapse in 2008 as impairing the sale of golf accessories and equipment, with Riverside Golf Center Ltd. becoming bankrupt in 2011. He states however, that in 2012, Riverside Golf Center Ltd. re-launched after bankruptcy and has begun to purchase golf accessories and equipment identified under the Mark.

[16] With respect to other sales, Mr. Bonin states that Adhoc has sold small amounts of golf accessories and equipment identified under the Mark in Canada since 2007, but that many customers have gone out of business or are unable to pay bills. The reasons for this, according to Mr. Bonin, are stated to be in part due to the economic collapse of 2008 and the consolidation of the retail sale of golf accessories and equipment in Canada. He then points to a particular retailer, whom he states has systematically driven Adhoc's independent retailer customers out of business.

[17] Mr. Bonin then concludes his second affidavit by stating that since 2010, confidential negotiations have been ongoing with international partners other than Nissan regarding the granting of a license to allow the offering of golf balls under the Mark in Canada.

Analysis and Discussion of the Parties' Submissions

Has use of the Mark been shown in that the evidence demonstrates that Adhoc sold the Wares in association with the Mark in the normal course of trade?

[18] As previously indicated, the Requesting Party submits that there is no clear evidence that Adhoc sold the Wares in the normal course of trade.

[19] To expand, the Requesting Party submits that the evidence is ambiguous on many counts. To begin with, the Requesting Party points to Mr. Bonin's statement in his first affidavit that Adhoc has continuously sold or offered golf accessories and equipment under the Mark in Canada since 2006. The Requesting Party submits that it is not clear from this statement whether

the golf accessories and equipment have been sold or whether they have only been “offered” for sale. Further, Mr. Bonin has not specified the type of “accessories and equipment” and does not indicate whether these are ones covered by the registration. Therefore, the Requesting Party submits, it is not only unclear from Mr. Bonin’s statement if there were actual sales, but also what specific goods for that matter were sold or offered for sale. I find however, as will be seen below, once the evidence as a whole is considered, there is no ambiguity as to which wares were in fact sold in association with the Mark during the relevant period.

[20] In addition to the above-noted ambiguity, the Requesting Party submits that further ambiguities exist in Mr. Bonin’s first affidavit, as he refers to the golf clubs depicted in Exhibit A as “sample golf clubs sold under the trade-mark INFINITY [...]”, and the word PROTOTYPE appears on the clubs. The Requesting Party submits that the affidavit does not provide any invoice associated with these alleged sales or any indication that these golf clubs were sold by the Adhoc, in Adhoc’s normal course of trade. The golf clubs in the invoice in Exhibit C, the Requesting Party submits, do not appear to be the clubs shown in Exhibit A, and there is no clear evidence that the Mark was associated with the clubs that were sold as per the invoice. Furthermore, the word “sample” could mean that the golf clubs were merely promotional items and a business does not typically sell its prototypes for fair market value, if at all. Thus, the Requesting Party submits, to rely on the alleged sales, Adhoc should have provided the necessary information to enable the Registrar to establish the nature of Adhoc’s normal course of trade and consequently, whether the alleged sale of a “sample” or “prototype” is in Adhoc’s normal course of trade.

[21] With respect to golf balls, the Requesting Party submits that the photo of the sample golf ball in Exhibit B is stated to have been given away as a promotional item. As there is no evidence to suggest that these golf balls were given away in anticipation of generating orders and sales of these wares for the purpose acquiring profits, the Requesting Party submits that this does not constitute use in accordance with section 4(1) of the Act [citing *88766 Canada Inc v Spinnakers Brew Pub Inc* (2005), 48 CPR (4th) 70 at 73 (TMOB); *Aird & Berlis LLP v Levi Strauss & Co* (2005), 45 CPR (4th) 397 at 399 (TMOB); and *Hortilux Schreder BV v Iwasaki Electric Co*, 2011 FC 967 at paras 25-26, aff’d 2012 FCA 321].

[22] Adhoc submits that Mr. Bonin explicitly states that a transfer of the property in or possession of golf clubs and golf balls in the normal course of trade occurred. I disagree that Mr. Bonin made such an explicit statement. However, I accept that the invoice (Exhibit C to the first Bonin affidavit) represents a genuine sale of golf clubs, as there is nothing in my view to suggest that the sale is lacking in bona fides.

[23] More particularly with respect to golf clubs, Adhoc submits that the use of the word “sample” does not suggest that a transfer of the property in or possession of these wares did not occur in the normal course of trade. Rather, Adhoc submits that the use of this term is more properly interpreted as meaning an illustrative example; in other words, synonymous with the term representative. I agree.

[24] With respect to the appearance of the word PROTOTYPE on the golf clubs (Exhibit A to the first Bonin affidavit), Adhoc submits that the clubs are marked PROTOTYPE because they are part of the PROTOTYPE series of golf clubs. This fact is not in evidence. However, the appearance of the word PROTOTYPE, embossed in a more fanciful font, suggests that it may be a separate trade-mark. In any event, even if the golf clubs depicted are models, Mr. Bonin attests that they are *representative* of the clubs sold under the trade-mark INFINITY. Therefore, I accept that they are examples of how the Mark was affixed to golf clubs sold during the relevant period.

[25] As for the Requesting Party’s submission that the invoices in Exhibit C do not reflect sales of the exact golf clubs shown in Exhibit A to the first Bonin affidavit, I do not find this relevant. Both exhibits are attested to by Mr. Bonin as samples and thus representative in nature.

[26] However, with respect to golf balls, there is no evidence that the giving away of golf balls as a promotional item was a regular step in Adhoc’s normal course of trade, wherein Adhoc was seeking to develop a market for golf balls [*ConAgra Foods, Inc v Fetherstonhaugh & Co* (2002), 23 CPR (4th) 49 (FCTD)].

[27] Having regard to the foregoing, I accept that Adhoc has shown use of the Mark in association with “golf equipment and accessories namely: clubs” only. The question that

remains then is whether there are special circumstances to excuse non-use of the Mark in association with “golf balls” during the relevant period.

Are there special circumstances which would justify non-use of the Mark in association with golf balls?

[28] A determination of whether there are special circumstances that excuse the absence of use involves the consideration of three criteria, as set out in *Registrar of Trade-marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA). The first criterion 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.

[29] 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*. In particular, the Court determined that the second criterion 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.

[30] 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; in other words, the reasons for non-use will be weighed against the length of period of non-use [*Harris Knitting, supra; Re: Goldwell* (1974), 29 CPR (2d) 110 (RTM)]. Furthermore, with respect to the second criterion, circumstances of non-use must be those which do not exist in the majority of cases involving non-use or, likewise, must be “circumstances that are unusual, uncommon or exceptional” [see *John Labatt Ltd v The Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)]. 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)].

[31] In the present case, Adhoc submits that if it is concluded that use had not been shown of the Mark during the relevant period, the date of last use of the Mark should be considered to be 2007; that is, the date the last large shipment of “golf accessories and equipment” was made to

Riverside Golf Center Ltd. Mr. Bonin does not define “golf accessories and equipment”, and therefore, it is unknown as to whether this encompasses golf balls [see *Plough, supra*, regarding ambiguities]. In any event, Mr. Bonin does state however, that Adhoc acquired the Mark in 2006. In the absence of a date of last use, generally the registration date or the date of assignment of the mark to the current owner will be used [see *GPS (UK) v Rainbow Jean Co* (1994), 58 CPR (3d) 535]. Thus, for the purposes of this criterion, the date of last use of the Mark in association with golf balls would at best be considered to be 2007, and at the very least would be considered to be 2006; amounting to a period of non-use of five or six years up until the date of the section 45 notice.

[32] With respect to the reasons for non-use, Adhoc submits that the second Bonin affidavit establishes that any alleged non-use was beyond its control. In particular, Adhoc refers to Mr. Bonin’s attestation as to the 2008 economic collapse as a circumstance beyond its control. I note that Mr. Bonin also makes reference to other ensuing market conditions that he deems affected Adhoc’s sales. Such conditions, he attests, include the consolidation of the retail market for golf accessories and equipment in Canada, including competition in the marketplace which he attributes as driving Adhoc’s customers out of business.

[33] The Requesting Party submits however, and I agree, that the market conditions described by Mr. Bonin do not constitute special circumstances. Indeed, 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)]. Furthermore, competition in the marketplace is also not an “unusual, uncommon or exceptional” circumstance which would excuse such non-use [*Riches, McKenzie & Herbert LLP v Accuform Golf Inc*, 2009 CanLII 82128].

[34] As I have concluded that the reasons brought forth for non-use of the Mark during the relevant period in association with golf balls do not satisfy the second criterion of the test for special circumstances [*Harris Knitting, supra*; *Scott Paper Ltd, supra*], I need not address the third criterion. In any event, I would have found the evidence with respect to the intention to

resume use to be lacking in sufficient detail [*Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 (FCTD)].

Disposition

[35] In view of all of the foregoing, 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. TMA383,050 will be amended to delete “golf balls”.

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