



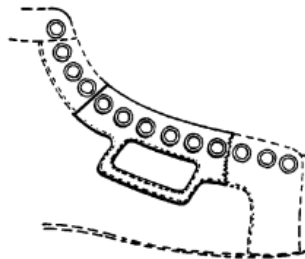
LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2013 TMOB 57
Date of Decision: 2013-04-05

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Easton Sports Canada Inc. against
registration No. TMA361,722 for the trade-mark
SKATE'S EYESTAY DESIGN now standing in the name
of Bauer Hockey Corp.**

[1] At the request of Easton Sports Canada Inc. (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 January 11, 2010 to Nike Bauer Hockey Corp., the registered owner at that time of registration No. TMA361,722 for the trade-mark SKATE'S EYESTAY DESIGN (the Mark). Further to a change of name recorded by the Registrar on April 9, 2010, the registration now stands in the name of Bauer Hockey Corp. (the Current Owner).

[2] The Mark (shown below) is registered for use in association with “ice skates” (the Wares).



[3] The registration does not contain a description of the Mark except to indicate that the dotted outline does not form part of the trade-mark.

[4] Section 45 requires the registered owner of a trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and services listed 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 use since that date. In this case, the relevant period for showing use is any time between January 11, 2007 and January 11, 2010 (the Relevant Period).

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

4(1) 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.

[6] There are three issues in this case, which I will address in turn:

- 1) Has the Mark been used as registered?
- 2) Was use in the normal course of trade?
- 3) Does the use enure to the benefit of the registered owner pursuant to section 50 of the Act?

Has the Mark been used as Registered?

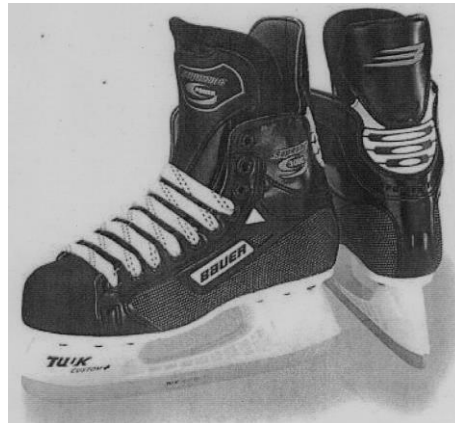
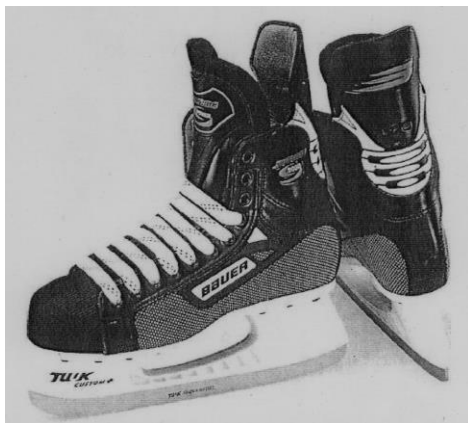
[7] In response to the Registrar’s notice, the Current Owner filed the affidavit of Tim Pearson, sworn on June 15, 2010. Mr. Pearson attests that he has been the Director of Business Processes of the Current Owner and its predecessors since June 1990, and attests to having personal knowledge of all of the facts stated in his affidavit, unless otherwise stated.

[8] Throughout his affidavit, Mr. Pearson uses “Bauer” to refer collectively to the Current Owner and its predecessors in title, an issue I will specifically address further below. In particular, at paragraph 10 of his affidavit, Mr. Pearson states that “Bauer” sold skates in

association with the Mark during the Relevant Period, first as an exclusive licensee and then as the owner of the Mark.

[9] As evidence of sales during the Relevant Period, Mr. Pearson furnishes a single invoice, at Exhibit TP-2 of his affidavit, dated October 23, 2007. The invoice shows sales of three pairs of skates – namely, one each of the Senior, Junior and Youth sizes of the “Supreme 3000 Skate” – from “Bauer Hockey Corp” to “Recycled Sports” in Lindsay, Ontario.

[10] As evidence of how the Mark appeared on these skates, Mr. Pearson provides two photographs in his affidavit, one representative of the Senior size and one representative of the Junior/Youth sizes of the Supreme 3000 model are depicted below. He further attests that the model numbers and descriptions appearing on the invoice correspond to those found in catalogue excerpts attached as Exhibit TP-4 to his affidavit. That exhibit contains additional photos of various “Bauer” skates, including a model that corresponds to the picture of the Senior size skates identified by Mr. Pearson in his affidavit. I note that there does not appear to be any significant differences between these two depictions of the skates sold.



[11] The Requesting Party submitted that the evidence does not demonstrate use of the Mark as registered since the dominant features of the Mark were not maintained. The Current Owner, argues that the dominant features of the Mark as registered were preserved, and that since the Mark is used in the sports industry, “it is recognizable at a distance even when the players are moving”. The Current Owner submits that the trade-mark as used simply contains an addition --

in this case, the word “Bauer” -- while the dominant feature, “a contrasting rectangle”, remains. In my view, the Mark as registered comprises the following dominant features: the presence of a rectangular box below and parallel to the eyelets; the rectangular box is contained within the eyestay on the exterior side of the boot in the center; and the bottom edge of the eyestay forms a contour around the rectangular box.

[12] Where the trade-mark as used deviates from the trade-mark as registered, the question to be asked is whether the trade-mark was used in such a way that it did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade-marks) v Cie Internationale pour l'informatique CII Honeywell Bull*, (1985), 4 CPR (3d) 523 at 525 (FCA)]. In answering this question, it is necessary to determine whether the dominant features of the registered trade-mark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) at 59 (FCA)]. In *Nightingale Interloc Ltd v Prodesign Ltd*, (1984), 2 CPR (3d) 535 (TMOB) at 538, the Registrar enunciated two principles in this respect, both of which apply in this case.

Principle 1

Use of a mark in combination with additional material constitutes use of the mark *per se* as a trade-mark if the public, as a matter of first impression, would perceive the mark *per se* as being used as a trade-mark. This is a question of fact dependent upon such factors as whether the mark stands out from the additional material, for example, by the use of different lettering or sizing [...] or whether the additional material would be perceived as purely descriptive matter or as a separate mark or trade-name [...]

Principle 2

A particular trade mark will be considered as being used if the trade mark actually used is not substantially different and the deviations are not such as to deceive or injure the public in any way: *Honey Dew, Ltd. v. Rudd et al.*, [1929] 1 D.L.R. 449 [1929] Ex. C.R. 83 at p. 89. [...]

[13] I find that the addition of the word element “BAUER” is a dominant element of the Mark as used. As such, the Mark as used is no longer simply a design mark but is clearly composed of two elements – an eyestay design and the word BAUER. As for the use of BAUER within the design mark, I am not convinced that the public would likely perceive it as a separate trade-mark from the Mark at issue. Such additional matter would detract from the public’s perception of the use of the trade-mark “SKATES’S EYESTAY DESIGN” *per se* (*Nightingale, Supra*).

[14] Furthermore, I consider that the differences between the registered trade-mark and the Mark as used are too substantial to be considered minor deviations; the changes are such that the registered trade-mark *per se*, is no longer recognizable. Specifically, the dominant features of the Mark have not been preserved. First, the box in the trade-mark as used is not in the shape of a rectangle, but rather a parallelogram. Second, although the general location of the box in relation to the boot is similar in the Mark as used, the box is not contained within the eyestay of the skate. Finally, the bottom edge of the eyestay does not form a contour around the box.

[15] In view of all of the foregoing, it is therefore my conclusion that TMA361,722 for the trade-mark SKATE'S EYESTAY DESIGN ought to be expunged from the Register for failure to show use of the Mark within the meaning of sections 4 and 45 of the Act.

[16] However, in light of the lengthy submissions of the parties, I will also address the two remaining issues raised by the Requesting Party.

Has the Mark has used in the normal course of trade?

[17] The Requesting Party submits that the evidenced sale was not in the normal course of trade, but rather constituted a “special sale”. In support, the Requesting Party relies on *Wallace v Geoservices* (1988), 19 CPR (3d) 561 (TMOB), where it was stated that in cases where the number of sales is very small, further facts are necessary to permit the conclusion that they were made in the normal course of trade. The Requesting Party also submits that a mere statement that the sales were in the normal course of trade is not sufficient in itself to establish the normal course of trade, and that the circumstances surrounding the transaction must be examined [*Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289 (FCTD)].

[18] Although evidence of more sales would have been preferable, the Act does not impose any requirement for repeated, regular or continuous use [see, for example, *Billy Bob's Jerky Inc v Tritap Food Broker*, 2010 CarswellNat 1950 (TMOB)]. Furthermore, it is not the function of the Registrar to find and set standards of the normal course of trade; in the present case, there is nothing to indicate that the transaction was not authentic or that it was deliberately fabricated or invented in order to protect the registration [*Institut National des Appellations d'Origine des Vins et Eaux-de-Vie v Registrar of Trade Marks et al* (1983), 71 CPR (2d) 1 (FCTD)].

[19] Notwithstanding Mr. Pearson's use of the collective term "Bauer", discussed below, he provides detailed information on the context of the sale and has provided documentary evidence in support of his statements. In particular, he attests that the Wares enumerated in the exhibited invoice had not passed Bauer's internal quality control verification and were therefore sold as "second graded" products through "key retailers" who could be trusted to sell the products to consumers at a reduced price. Mr. Pearson further attests that it is customary for Bauer to sell second graded skates several years after they have been discontinued. Consistent with this statement, although the invoice indicates that the sale occurred in 2007, the skates listed on the invoice and depicted in the catalogue had been discontinued in 2003. In view of the foregoing, I am satisfied that the evidence demonstrates a sale in the normal course of trade.

Does the use of the Mark enure to the benefit of the Registered Owner?

[20] While the sale may have otherwise been in the normal course of trade, I cannot conclude that the sale enured to the benefit of the registered owner at the time of the sale. In order to satisfy the requirements of section 50(1) of the Act in the context of a section 45 proceeding, it must be established that the registered owner had direct or indirect control of the character or quality of the wares. An affidavit containing a clear statement to that effect is sufficient, although a copy of the licensing agreement containing provisions pertaining to such control may suffice [see *Gowling, Strathy & Henderson v Samsonite Corp* (1996), 66 CPR (3d) 560 (TMOB) and *Mantha & Associates v Central Transport Inc* (1995), 64 CPR (3d) 354 (FCA)]. As well, depending on the facts of the particular case, a reasonable inference may be drawn that the requisite control existed [see, for example, *Lindy v Canada (Registrar of Trade Marks)*, 1999 CarswellNat 652 (FCA)].

[21] However, the mere fact that companies are related is not sufficient to establish the requisite control [*Flanders Filters Inc v Trade Mark Reflections Ltd* (2006), 48 CPR (4th) 269 (FC)]. Furthermore, an assertion that a trade-mark has been used by a group is inherently ambiguous; by itself, such a statement cannot show that it was used by the registrant or by another member of the group for the benefit of the registrant [see *Spirits International BV v BCF SENCR* (2012), 101 CPR (4th) 413 (FCA)].

[22] Mr. Pearson states that Nike International Ltd. was the registered owner of the Mark at the time of the single sale in evidence. With respect to the October 23, 2007 sale in evidence, Mr. Pearson explains at paragraph 13 of his affidavit that, despite the appearance of “Bauer Hockey Corp.” on the exhibited invoice, at the date of the sale, the name appearing on the invoice “would have” been “Nike Bauer Hockey Corp.” Mr. Pearson further attests that all of the other information appearing on that invoice is “accurate and corresponds to the information as it would have appeared on the original invoice of October 23, 2007.”

[23] In this case, in lieu of a statement or description of control, Mr. Pearson provides, as an exhibit, a redacted copy of a licensing agreement dated November 1, 2002 between “Nike International Limited” and “Bauer Nike Hockey Inc”. There are two issues with respect to this license agreement. First, the agreement had terminated before the date of the evidenced sale and the entity that is alleged to have made the sale was not a party to the licensing agreement.

[24] Section 1.3 of the license agreement provides a termination date of May 31, 2007, prior to the date of the exhibited sale. Even if I were to assume that the exhibited license agreement continued past the stated termination date to include the date of the sale, the evidenced sale was made by Nike Bauer Hockey Corp., which was not a party to that agreement.

[25] Notwithstanding that Nike Bauer Hockey Corp. ultimately became owner of the registration on April 16, 2008, there is no evidence before me demonstrating that it was a party to the exhibited licensing agreement. Moreover, even if I were to conclude that Nike Bauer Hockey Corp. was, in fact, a licensee at the time of the sale in October 2007, Mr. Pearson provides no particulars regarding a licensing arrangement that would allow me to conclude that Nike International Limited exercised the requisite control pursuant to section 50 of the Act.

[26] As there is no opportunity for cross-examination in section 45 proceedings before the Registrar, in the absence of further explanation to clarify the relationship between the various “Bauer” entities, I find that the ambiguities in Mr. Pearson’s affidavit should be resolved against the Current Owner [*Diamant Elinor Inc v 88766 Canada Inc* (2010), 90 C.R (4th) 428 (FC)]. Therefore, I cannot conclude that the evidenced October 2007 sale enured to the benefit of the registered owner of the Mark at that time.

Disposition

[27] In view of the foregoing and 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.

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