



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

Citation: 2014 TMOB 259
Date of Decision: 2014-11-25

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Smart & Biggar against registration
No. TMA443,610 for the trade-mark INFINITI in the
name of Adhoc Ventures Canada Inc.**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA443,610 for the trade-mark INFINITI owned by Adhoc Ventures Canada Inc.

[2] The subject trade-mark is registered in association with the following wares (the Wares):

(1) Golf equipment namely golf clubs.

(2) Golf equipment and accessories namely golf bags, golf balls, headcovers.

[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 INFINITI (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. TMA383,050 for the trade-mark INFINITY.

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

- Use of the Mark has not been shown in association with each of the Wares;
- Any use shown does not enure to the benefit of Adhoc; and
- The reasons provided for non-use of the Mark do not qualify as special circumstances.

[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 expunged.

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 licensed the sale of golf accessories and equipment under the Mark in Canada.

[12] Mr. Bonin states that since October 1, 2009, Adhoc has licensed the Mark to Infiniti Golf Inc., of Chicago, Illinois (Infiniti Golf).

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

- Sample brochures of “golf accessories and equipment”, which Mr. Bonin states were sold or offered for sale under the Mark by Infiniti Golf during the relevant period (Exhibit A). I note that there are depictions of golf clubs and golf bags bearing the Mark. Infiniti Golf is also described in the brochure as a designer and manufacturer of golf clubs;
- An invoice dated June 11, 2010 from Infiniti Golf to a Canadian customer, which Mr. Bonin explains was for golf equipment sold under the Mark (Exhibit B). The invoice date and the ship date are the same, as are the bill to and ship to address. The Mark appears in the body of the invoice in association with golf clubs and golf hats; and
- A copy of a press release dated April 4, 2012 which Mr. Bonin states announces a distribution deal for the sale of golf accessories and equipment under the Mark with a U.K. based company. The press release identifies the agreement to be between Golfsmith

Europe and Infiniti Golf, to distribute Infiniti Golf's complete line of custom irons, drivers, and wedges.

The Second Bonin Affidavit

[14] In his second affidavit, Mr. Bonin states that between 2007 and 2009, Adhoc provided golf accessories and equipment identified under the Mark to the British Columbia PGA for the Clubs for Kids Program. He explains however, that in 2010, there was no Clubs for Kids Program due to the Olympics being held in British Columbia, and that the program did not run from 2011 to 2013 due to a lack of funding.

[15] 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.

[16] 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.

[17] 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.

[18] Mr. Bonin then concludes his second affidavit by stating that Adhoc has continued to take active steps to sell golf equipment. In particular, he states that in 2009, a license agreement was signed with Infiniti Golf Inc. of Chicago, Illinois to allow Infiniti golf Inc. to offer golf accessories and equipment under the Mark in Canada. Lastly, he states 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 association with each of the Wares?

[19] Adhoc submits that Exhibits A and B to the first Bonin affidavit, in addition to the paragraphs in the affidavit that introduce these exhibits, establish that golf balls, golf bags, golf clubs and headcovers marked with the Mark were sold during the relevant period. I disagree however, that the evidence is sufficient to establish use with respect to all of these Wares.

[20] The only Wares that are depicted in the brochures under Exhibit A to the first Bonin affidavit are golf clubs and golf bags. Although there is no evidence, as the Requesting Party points out, that these brochures accompanied the Wares at the their time of transfer, the depictions of the golf clubs and golf bags in the brochures clearly show how the Mark was affixed to these particular Wares [see *Miller Thomson LLP v Terra Equipment Ltd* (2007), 64 CPR (4th) 53]. Additionally, the invoice in Exhibit B to the first Bonin affidavit supports that sales of these Wares took place during the relevant period. While the invoice also reflects sales of headcovers, there is no evidence to show how the Mark was associated with this particular Ware. Mr. Bonin does not provide any clear statements in this regard, and the invoice itself at best, would only provide notice of association of the Mark with golf clubs.

[21] Having regard to the foregoing, I accept that sales of golf clubs and golf bags bearing the Mark took place in Canada during the Relevant Period.

[22] It appears however, that Infiniti Golf is the entity that has used the Mark. The brochures under Exhibit A to the first Bonin affidavit refer to golf clubs and golf bags "sold or offered for sale under the trade-mark INFINITI in Canada by Infiniti Golf" during the relevant period. Likewise, the invoice attached under Exhibit B to the first Bonin affidavit reflects a sale by

Infiniti Golf to a Canadian customer. I note that the brochures indicate that Infiniti Golf is a designer and manufacturer of golf clubs.

[23] The issue then becomes whether such use enured to the benefit of Adhoc.

Does the use shown enure to the benefit of Adhoc?

[24] Mr. Bonin states in his first affidavit that Adhoc has licensed the Mark to Infiniti Golf since October 1, 2009. However, he does not provide any further details pertaining to the license agreement, nor does he furnish a copy of the agreement.

[25] Third party use of a trade-mark enures to the benefit of the registered trade-mark owner when section 50 of the Act is satisfied. Section 50 of the Act reads as follows:

50(1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

(2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the wares or services is under the control of the owner.

[26] In the present case, there is no evidence that public notice was given of the fact that the Mark was used under licence and of the identity of the registered owner. Thus, Adhoc cannot claim the benefit of section 50(2) of the Act.

[27] The question therefore becomes whether the Registrant can claim the benefit of section 50(1) of the Act. As set out by Hearing Officer Fung in *Selena Altro Paperman v Aliments Da Vinci Ltée/Da Vinci Food Products Ltd*, 2009 CarswellNat 5068:

11. [...] In order to satisfy the requirements of subsection 50(1) of the Act, the registrant or the licensee needs to clearly state in the affidavit or statutory declaration that the control required by s. 50 exists [see *Gowling, Strathy & Henderson v. Samsonite Corp.* (1996), 66 C.P.R. (3d) 560 (T.M.O.B.) and *Mantha & Associates v. Central Transport Inc.* (1995), 64

C.P.R. (3d) 354 (F.C.A.)). Alternatively, a description of the control or a copy of the license agreement containing provisions pertaining to control would also suffice. Furthermore, the jurisprudence is clear that if the president or the director of a corporate owner is also the president or the director of the user of the trade-mark, the requirements of section 50 may be satisfied [see *Petro-Canada v. 2946661 Canada Inc.* (1998), 83 C.P.R. (3d) 129 and *Automobility Distribution Inc. v. Jiangsu Electronics Industries Ltd.* (2005), 43 C.P.R. (4th) 157].

[28] Mr. Bonin has not provided a statement to the effect that Adhoc controls the character and quality of the Wares associated with the Mark, and there is nothing in the evidence that would permit me to infer that such control exists. Furthermore, as previously stated, Mr. Bonin has not provided a copy of the license agreement containing provisions pertaining to control.

[29] As Adhoc has not provided any evidence that it either directly or indirectly controls the quality or character of the golf clubs and golf bags, I must therefore conclude that use of the Mark by Infiniti Golf does not accrue to Adhoc.

Are there special circumstances which would justify non-use of the Mark?

[30] 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.

[31] 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.

[32] 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)].

[33] In the present case, Adhoc submits that if it is concluded that it had not used 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 all of the Wares or only certain Wares [see *Plough, supra*, regarding ambiguities]. In any event, while the precise date of last use of the Mark in association with *each* of the Wares is unknown, Mr. Bonin does state 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 the Wares, 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.

[34] 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.

[35] 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].

[36] Lastly, with respect to Clubs for Kids Program being cancelled due to the Olympics, and the subsequent lack of funding for the program, which prevented Adhoc from “providing golf accessories and equipment” under the Mark to the British Columbia PGA, it is unclear whether this exchange, presumably for golf clubs, would have constituted a transfer in the normal course of trade. In any event, while the cancellation and lack of funding for the Program appear to be factors outside of the control of Adhoc, there is nothing in the evidence to suggest that Adhoc was prevented from pursuing other means of selling or transferring its Wares; that is, other than for the economic, financial and competitive reasons that I have already concluded do not amount to special circumstances.

[37] As I have concluded that the reasons brought forth for non-use of the Mark during the relevant period 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)]. What is more, I note the press release provided under Exhibit C to the first Bonin affidavit pertains to a distribution agreement in Europe made by Infiniti Golf and not Adhoc. While Mr. Bonin states that “it is hoped that increased sales in Europe will translate into increased sales in Canada”, the link between these two markets as it factors into a specific plan to resume use of the Mark in Canada is unclear. Indeed, the press release would suggest that marketing efforts have been focused outside of Canada.

Disposition

[38] 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 expunged in compliance with the provisions of section 45 of the Act.

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