



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

**Citation: 2011 TMOB 68**  
**Date of Decision: 2011-04-27**

**IN THE MATTER OF A SECTION 45 PROCEEDING  
requested by Bereskin & Parr against registration  
No. TMA286,499 for the trade-mark MAGNUM  
MARINE & DESIGN in the name of Magnum Marine  
Corporation.**

[1] At the request of Bereskin & Parr (the Requesting Party), the Registrar of Trade-marks forwarded a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on December 8, 2008 to Magnum Marine Corporation, the registered owner (the Registrant) of registration No. TMA286,499 for the trade-mark MAGNUM MARINE & Design (the Mark), shown here:



[2] The Mark is registered for use in association with the following wares: (1) Boats; (2) Wearing apparel, namely hats, jackets, shirts, t-shirts, sweatshirts, jogging outfits; leather goods, namely attache cases (the Wares).

[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 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 between December 8, 2005 and December 8, 2008 (the Relevant Period).

[4] The relevant definition of “use” in association with wares is set out in subsection 4(1) of the *Trade-marks 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.

[5] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of a s. 45 proceeding [*Plough (Canada) Ltd. v. Aerosol Fillers Inc.* (1979), 45 C.P.R. (2d) 194, aff'd (1980), 53 C.P.R. (2d) 63 (F.C.A.)]. Although the threshold for establishing use in these proceedings is quite low [*Lang, Michener, Lawrence & Shaw v. Woods Canada Ltd.* (1996), 71 C.P.R. (3d) 477 (F.C.T.D.)], and evidentiary overkill is not required [*Union Electric Supply Co. v. Canada (Registrar of Trade Marks)* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.)], 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 wares or services specified in the registration during the relevant period.

[6] In response to the Registrar’s notice, the Registrant furnished the affidavit of Katrin Theodoli, President of the Magnum Marine Corporation, sworn June 12, 2009, together with Exhibits A through D. Both parties filed written submissions; an oral hearing was not held.

[7] In her affidavit, Ms. Theodoli attests that during the Relevant Period, the Registrant sold wearing apparel, namely, hats and shirts, in association with the Mark in Canada. In support she

attaches screen captures of the Registrant's website at *www.magnummarine.com* (Exhibits A1 and A2) as well as an invoice (Exhibit B). I note that the screen captures include images of wearing apparel, including hats and shirts that appear to bear the Mark as registered.

[8] With respect to the normal course of trade for these wares, although not specifically described in the affidavit, it would appear, on a reading of the affidavit as a whole, that the normal course of trade for the sale of the wearing apparel is by way of orders placed through the Registrant's website.

[9] Ms. Theodoli attests that the invoice in Exhibit B is "a copy of an invoice confirming the sale of hats and shirts marked with the Trade Mark sold in Canada between December 8, 2005 and December 8, 2008" and that it "is representative of the type of invoices issued to Canadians between December 8, 2005 and December 8, 2008 in association with the wearing apparel shown in Exhibit A1 and marked with the Trade Mark." However, as discussed below, it is not at all clear that such a sale took place in Canada, or through the website in the normal course of trade.

[10] In this regard, I note that Exhibit B is a copy of a scanned image and is of poor quality and some of the print is illegible. Although the invoice does appear to show the sale of six items (identified by the Registrant as hats and shirts) invoiced on December 18, 2006, the invoice is ambiguous as to the nature of the sale – for example, the shipping method is indicated as "Hand Deliver" and no "Ship Date" is indicated. The "Bill to" field is filled in with "WALK N-CASH SALE" and the "Ship to" field provides only "WALK N CASH SALE, DEBORAH LYNN [illegible], TORONTO, CANADA". The Requesting Party submits that the invoice appears to relate to a "walk-in" sale that took place in Aventura, Florida. In its written submissions, the Registrant submits that the invoice reflects a "cash on delivery (C.O.D.) sale" and that the "Ship to" portion of the invoice identifies a company named "Walk'n Cash Sale" in Toronto as the shipping destination. Unfortunately, this statement in the written submissions provides additional facts that are not properly in evidence, and which must therefore be disregarded.

[11] On balance, I find that the invoice does not support the affiant's assertion of use of the Mark on wearing apparel; the absence of a shipping address in Canada, the lack of any facts in the affidavit that confirm that the sale took place in Canada, and the overall appearance of a cash sale that took place in the Florida (rather than a sale to someone in Canada through the website), have created an ambiguity that must be interpreted against the Registrant. As such, I cannot conclude that the affidavit and attached Exhibits show a bona fide sale of hats or shirts in Canada demonstrating use of the Mark within the meaning of s. 4 and s. 45 of the *Trade-marks Act*.

[12] Having found no use in Canada with respect to the wares "hats" and "shirts", I further note that no evidence of sales in Canada was provided with respect to the remaining items in wares (2) and no facts relating to special circumstances excusing such non-use were presented with respect to wares (2).

[13] With respect to wares (1) "boats", Ms. Theodoli states that the Registrant custom designs and builds boats, typically exceeding US\$3 million in value, and concedes that the Registrant did not sell any boats in Canada during the Relevant Period.

[14] As there is no evidence of use of the Mark with respect to the wares "boats" during the Relevant Period within the meaning of s.45(3) of the Act, I will now consider whether there were any special circumstances justifying such non-use. Generally, a determination of whether there are special circumstances that excuse non-use involves consideration of three criterion, as set out in *Canada (Registrar of Trade Marks) v. Harris Knitting Mills Ltd.* (1985), 4 C.P.R. (3d) 488 (F.C.A.); the first is the length of time during which the 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. In deciding whether the reasons for non-use are due to circumstances beyond the owner's control, there must be a finding of "circumstances that are unusual, uncommon or exceptional" [*John Labatt Ltd. v. Cotton Club Bottling Co.* (1976), 25 C.P.R. (2d) 115 (F.C.T.D.)]. The decision in *Smart & Biggar v. Scott Paper Ltd.*, 2008 FCA 129, 65 C.P.R. (4th) 303 offered further clarification with respect to the interpretation of the second criterion, with the determination that this aspect of the test *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. Further, the intent to resume use must be substantiated by the evidence [*Arrowhead Spring Water Ltd. v. Arrowhead Water Corp.* (1993), 47 C.P.R. (3d) 217 (F.C.T.D.); *NTD Apparel Inc. v. Ryan* (2003), 27 C.P.R. (4th) 73 (F.C.T.D.)].

[15] Facts directed towards establishing special circumstances are not explicitly set out in the affidavit; the Registrant states only that they continue to market boats in Canada, but were unable to secure any orders from Canada during the Relevant Period. With respect to the first criterion of the *Harris Knitting Mills* test, there is no evidence with regard to when the Mark was last used in Canada in association with the “boats”. In fact, aside from the vague statement that the Registrant “originally sold boats in Canada in association with the Trade Mark”, there is no evidence of use of the Mark in Canada at any time.

[16] With respect to the second criterion, Ms. Theodoli’s additional statements regarding the “custom designed and custom built” nature of the boats and having an average cost per boat “in excess” of US\$3 million, are presumably intended to describe a circumstance beyond the control of the Registrant. The Requesting Party submitted that this is not a circumstance beyond the Registrant’s control, since the pricing and mode of manufacturing and distributing of its boats is a matter entirely within its control. The Registrant submitted, on the other hand, that given the nature of the Registrant’s boats as an item of pleasure and recreation, purchases of such would be driven by the economy, something that is out of the Registrant’s control.

[17] In this respect, I note that unfavourable market conditions are not generally considered special circumstances excusing non-use [see *Harris Knitting, supra*, and *Lander Co. Canada Ltd. v. Alex E. Macrae & Co.* (1993) 46 C.P.R. (3d) 417 (F.C.T.D.)]. Similarly, in cases where the registrant had no intent to abandon their mark in Canada, but lacked any orders for their wares during the relevant period, this was found not in itself sufficient to maintain the registration [see *Garrett v. Langguth Cosmetic GMBH* (1991) 39 C.P.R. (3d) 572 (T.M.O.B.)]. I note that the expense and sophistication of wares may contribute to a finding of special circumstances in some cases [*Country-Wide Automotive Ltd. v. CWA Constructions S.A.* (1994) 57 C.P.R. (3d) 435 (T.M.O.B.)]. In the present case, however, the Registrant has provided no evidence of sales in

Canada at any time; it is unclear if the boats were ever actually sold in Canada, delivered to Canada, or were merely available for Canadians to buy when visiting the US. As set out below, there is nothing that would assist in establishing a pattern of sales of the boats in Canada, which in turn would help determine whether a break in the pattern is due to circumstances beyond the Registrant's control, and further whether a resumption of sales *in Canada* in the future would be likely.

[18] Ms. Theodoli attests that the Registrant "markets boats in Canada", through paid advertising via an online exhibition of boats at *NauticExpo.com*, which "targets, *inter alia*, Canadian customers." Screen shots of this website are provided as Exhibit D. I note that these pages provide technical information about the Registrant's boats, and it appears that the website is available to be viewed in multiple languages; however, again, there is no information from these pages that sheds light on whether any boats have been or would be actually sold *in Canada*.

[19] Ms. Theodoli also attests that the Registrant's website, *www.magnummarine.com*, is accessible to Canadians with Internet access and that the Mark is featured in various international and online publications in association with its boats; however, again, no information as to how sales are (were, or would be) effected in Canada, was provided.

[20] Ms. Theodoli states that the Registrant continues to receive and respond to e-mail and phone inquiries regarding the Registrant's boats from Canada or by Canadians. Attached as Exhibit C is a table showing details of six inquiries received from potential customers in Canada during the Relevant Period. I note that in one case, there is an indication that a brochure was sent to a potential customer in Canada. However, since the normal course of trade with respect to the Registrant's boats is unclear (as discussed above), there being no indication whether the boats were available to be delivered to Canada, or whether Canadian purchasers would be required to visit the U.S. to obtain possession, this evidence is of little relevance.

[21] With respect to the intent to resume use in Canada, the Registrant presented no evidence of recent or planned marketing efforts in Canada or targeted towards Canadians (such as, for example, sales presentations made in Canada or trade shows attended in Canada). Absent details

regarding the manner of resumption of use of the Mark, in particular absent evidence of when sales of the Registrant's boats are likely to resume in Canada, I cannot conclude that the Registrant has provided sufficient evidence demonstrating a serious intention to resume use of the Mark in Canada.

[22] Given the findings above, I must conclude that the Registrant has not demonstrated special circumstances to justify non-use of the Mark during the Relevant Period within the meaning of s.45(3) of the Act.

[23] In view of all of the foregoing, I am not satisfied that there was use of the Mark with respect to the Wares within the meaning of s. 45 and s. 4 of the Act and pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be expunged in compliance with the provisions of s. 45 of the Act.

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P. Heidi Sprung  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office