



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

**Citation: 2014 TMOB 289
Date of Decision: 2014-12-31**

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Currier + Kao LLP against registration
No. TMA331,214 for the trade-mark THREE LIONS
DESIGN in the name of LiFung Trinity Management
(Singapore) Pte. Ltd.**

[1] At the request of Currier + Kao LLP (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 October 12, 2012 to LiFung Trinity Management (Singapore) Pte. Ltd. (the Owner), the registered owner of registration No. TMA331,214 for the trade-mark THREE LIONS DESIGN (the Mark), shown below:



[2] The Mark is registered for use in association with the following goods:

- (1) Outerwear, footwear and other articles of clothing, namely neckties, cravats, scarves, suits, trousers, slacks, coats, socks, shirts, sweaters, pullovers, blazers, blousons, tracksuits, sweatshirts and dressing gowns.
- (2) Rugby shirts; jackets; caps; belts; umbrellas.

[3] Section 45 of the Act 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 goods 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.

[4] In this case, the relevant period for showing use is between October 12, 2009 and October 12, 2012.

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

4(1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[6] In response to the Registrar’s notice, the Owner furnished the affidavit of Loke Tuck Kwai, Regional Financial Controller of the Owner, sworn on May 7, 2013 in Singapore. Both parties filed written representations; an oral hearing was not held.

[7] In his affidavit, Mr. Kwai attests that the Mark has been used globally in association with the “Kent & Curwen” brand, a line of men’s wear and sports apparel products developed in the United Kingdom in the 1920s. He states that the Owner acquired rights to the Mark in Canada on August 29, 2008 as part of its global acquisition of the Kent & Curwen brand throughout 2008 and 2009. He attests to promotion and sales of the registered goods in Asia during the relevant period, and provides as Exhibit 1 to his affidavit various articles and printouts related to such promotional events in Asia. However, he concedes that the Mark has not been in use in Canada.

[8] Mr. Kwai attests that the Owner has been actively seeking opportunities to develop the Mark in Canada. In this regard, he explains that the Owner has negotiated with potential licensees since early 2011, and that on March 7, 2012, it signed a licensing agreement with British Heritage Brands (BHB) to manufacture, market and sell products branded with the Mark in various countries, including Canada.

[9] He attests that, through BHB, the Owner plans to launch “the THREE LIONS DESIGN-branded Products in Canada in the fall of 2013”, intending to sell the registered goods to consumers through unspecified luxury department stores and specialty clothing stores. He explains that the Owner “has promoted the THREE LIONS DESIGN-branded Products in North America, including in Canada, through a variety of promotional activities including online advertisements, showroom visits and attendance at trade shows.” In support, attached to his affidavit are the following exhibits:

- Exhibit 2 is an article dated November 2012 from the online version of WWD Men’s Magazine, promoting the launch of the KENT & CURWEN collection “in the Western Hemisphere”.
- Exhibit 3 consists of invoices and representative shipping receipts for product samples delivered to BHB in 2012 and 2013. I note that the samples appear to have been shipped from the Owner’s address in Hong Kong to BHB’s address in New York.
- Exhibit 4 is a January 2013 letter from BHB to a Canadian distributor, promoting the Kent & Curwen collection after the distributor visited BHB’s showroom in New York.
- Exhibit 5 consists of printouts from the Kent & Curwen North American website, *kentandcurwen.us.com*. The printouts include a “Fall Preview” that includes images of various clothing items, including jackets, shirts and pants. I note that the website appears to be promotional in nature and that there is no indication that items can be purchased directly from the website. Further, while the Mark appears on the website, there is no clear indication that the Mark appears on the displayed clothing items themselves.

[10] As the Owner submitted no evidence of use of the Mark in Canada during the relevant period, the issue in this case is whether there existed special circumstances that would excuse the absence of use during that time.

Special Circumstances

[11] Generally, a determination of whether there were special circumstances involves consideration of three criteria: the first 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 [per *Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)].

[12] The Federal Court of Appeal offered further clarification with respect to the interpretation of the second criterion, with the determination that this aspect *must* be satisfied in order for there to be a finding of special circumstances excusing non-use of a trade-mark [*Smart & Biggar v Scott Paper Ltd* (2008), 65 CPR (4th) 303 (FCA)]. In other words, the other two factors are relevant but, considered by themselves in isolation, they cannot constitute special circumstances. Lastly, the intent to resume use must be substantiated by the evidence [see *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)].

Length of time of non-use

[13] Normally, a registered owner must state or otherwise provide evidence as to when the trade-mark was last used in Canada. However, in cases such as this where the trade-mark was acquired by the registered owner from a third party, the date of assignment can be deemed to be the relevant date [see *GPS (UK) Ltd v Rainbow Jean Co* (1994), 58 CPR (3d) 535 (TMOB) and *Baker & McKenzie v Garfield's Fashions Ltd* (1993), 52 CPR (3d) 274 (TMOB)]. As such, for purposes of this analysis, the relevant date is August 29, 2008; thus, the period of non-use to be considered prior to the issuance of the section 45 notice is just over four years.

Reasons for non-use

[14] With respect to the question of whether the reasons for non-use were beyond the Owner's control, I note that Mr. Kwai is not explicit as to the reasons for non-use of the Mark in Canada. Rather, his affidavit focuses on the Owner's "imminent plans to sell THREE LIONS DESIGN-branded Products in Canada".

[15] In its written representations, the Owner states that it is based in Singapore and is "the new owner" of the Mark, which it acquired from a company based in Japan. As such, the Owner submits that "in seeking to re-launch the brand in North America, in these circumstances it is

only reasonable that a significant start-up period is going to be required and it can be expected that [the Owner] would have to rely upon local advice and look for appropriate local business partners.”

[16] In this respect, the Owner relies on *Spirits International NV v Canada (Registrar of Trade-marks)* (2006), 49 CPR (4th) 196 (FC), aff'd (2007), 60 CPR (4th) 31 (FCA). In that case, the registered owner was under the mistaken belief that it needed a particular certification before it could sell its products in the Canadian market. The Federal Court stated the following:

These special circumstances can be considered unusual, uncommon or exceptional by virtue of the fact that they arise at the initial stage of launching a product in Canada by a company located in a foreign and emerging country, and, implicitly, unfamiliar with Canadian legal requirements and business practices. [at paragraph 29]

[17] As noted by the Owner, there is jurisprudence indicating that it is reasonable for a new owner of a trade-mark to require some start-up time in order to resume use [*Bereskin & Parr v Adamakos* (1997), 80 CPR (3d) 307 (TMOB)]. In this respect, I note that section 45(1) prevents any person other than the Registrar from initiating section 45 proceedings before a period of three years has elapsed following the registration of a trade-mark; this is consistent with the apparent legislative intent that, generally, there is a maximum startup time of three years for a registrant to commence serious commercial use in Canada [see *Humpty Dumpty Foods Ltd v CPG Products Corp* (1985), 5 CPR (3d) 384 (TMOB); *Registrar of Trade Marks v Securicor Investigation & Security Ltd* (1990), 32 CPR (3d) 512 (TMOB); *2001237 Ontario Ltd v Footstar Corp*, 2003 CarswellNat 6254 (TMOB); and *Gouverneur Inc v One Group LLC* (2014), 121 CPR (4th) 465 (TMOB)].

[18] Accordingly, the Owner analogizes the *Spirits International* case with its own situation, arguing that “conditions that would be considered ordinary for local companies can be considered unusual or exceptional by virtue of the fact that they arise at the initial stage of launching a product in Canada by a company located in a foreign country, which is, implicitly, unfamiliar with Canadian legal requirements and business practices.”

[19] However, in *Spirits International*, the record was clear in that the registered owner had a mistaken belief that it required ISO certification and further that it made attempts to obtain such

certification. In addition, the registered owner provided specific evidence regarding its reliance on “local advice” to its detriment, explaining the reasons for non-use of the trade-mark in that case.

[20] In the present case, Mr. Kwai states that the Owner “has negotiated with potential licensees since early 2011”, leaving over two years unaccounted for since the Owner’s acquisition of the Mark in Canada in August 2008. Otherwise, Mr. Kwai only makes general statements regarding the Owner’s timeframe and efforts in re-launching the brand in North America and Canada. He does not attest to any particular difficulties or impediments in its launch plans. As such, one is left in the dark as to the specifics of the Owner’s efforts, with the implicit presumption simply that, as a foreign company, it lacked the requisite expertise to commence a serious commercial presence in Canada in a timely manner.

[21] In any event, I note that Mr. Kwai’s evidence is not focused on Canada, but rather on North America in general. For example, it is notable that the Owner’s licensee, BHB, is located in New York and that samples of the branded goods were sent there and not to Canada. At most, the evidence indicates some tangential or coincidental interest from a Canadian distributor and potential for access of the Kent & Curwen website by Canadians. Absent further particulars from Mr. Kwai, the evidence would indicate that the Owner and BHB have chosen to focus their efforts on the U.S. market rather than the Canadian market. This is best characterized as a voluntary decision of the Owner, and not sufficient to establish that the reasons for non-use of the Mark were beyond the Owner’s control.

[22] To be fair, this may not be an accurate characterization of the Owner’s efforts. However, absent further details, the problem with the Owner’s evidence is that one is left to speculate as to the reasons for non-use. Certainly, there is no indication of unusual circumstances that impeded the Owner’s introduction of its goods to the Canadian market such as those that existed in *Spirits International, supra*.

[23] In other words, I do not agree with the Owner’s implicit argument that a foreign owner should be afforded more time than a local owner to establish or re-establish use of a trade-mark in Canada. The decision in *Spirits International* was dependent on the circumstances of that case

that were uniquely experienced by a foreign registrant. The simple fact that it was a foreign registrant was not determinative.

[24] I do not consider it appropriate to presume that a foreign company would have more difficulty establishing a commercial presence in Canada than a Canadian company. Certainly, as described above, while there is the apparent legislative intent of generally allowing a maximum of three years to establish a commercial presence in Canada, there is no indication that this should differ for a foreign company. Any presumption otherwise would be contrary to the principle that a registered owner must demonstrate, through evidence, the special circumstances resulting in non-use.

[25] In this case, the Owner provides no such evidence to indicate that it encountered any particular impediments resulting in non-use of the Mark. Accordingly, I am not satisfied that the Owner has demonstrated that the reasons for non-use of the Mark during the relevant period were beyond its control.

Serious intention to resume use

[26] With respect to the third criterion, Mr. Kwai states that the Owner, through BMB, plans to launch its product line in Canada “in the fall of 2013”. He indicates that third parties have reported on the intended re-launch, providing a copy of “a representative magazine article describing the expected launch ... in North America in the fall of 2013” as Exhibit 2.

[27] Again, however, the article does not focus on Canada, nor does the Owner’s evidence generally. The Owner’s website (Exhibit 5), while promoting the Kent & Curwen brand and apparently accessible by Canadians, appears to be in the nature of an online showroom, rather than an online store from which Canadians will be able to order goods. Further, while BMB has had some contact with at least one Canadian distributor, there is no indication that the Owner’s stated intent is likely to encompass the Canadian market in any meaningful way.

[28] I would also note that while the Mark appears on the Exhibit 4 letterhead and Exhibit 5 webpages, it is not clear whether the Mark is intended to appear on the clothing items directly.

No hang tags or labels are furnished and none are visible in the depictions of clothing throughout the evidence.

[29] As such, one is also left in the dark regarding how long the duration of non-use will persist. While Mr. Kwai asserts the Owner's intent to re-launch the brand in Canada, the evidence indicates that, at best, any such re-launch would be tangential to its efforts in the U.S.

[30] As a result, I am not satisfied that the Owner has sufficiently substantiated its intent to resume use of the Mark in Canada [per *Arrowhead Spring Water, supra, and NTD Apparel, supra*].

[31] In view of all of the foregoing, I am not satisfied that the Owner has demonstrated special circumstances excusing non-use of the Mark during the relevant period.

Disposition

[32] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in accordance with section 45 of the Act, the registration will be expunged.

Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office