

SECTION 45 PROCEEDINGS
TRADE-MARK: OUTLAWS
REGISTRATION NO.: 403,941

On April 9, 2003 at the request of Effigi Inc. the Registrar forwarded a Section 45 notice to Outlaws Gym and Active Wear Inc., the registered owner of the above-referenced trade-mark registration.

The trade-mark OUTLAWS is registered for use in association with the following wares and services:

- Wares:
- (1) Plastic water bottles, cups, jewellery, pens, lighters, matches, sport bags, bottle openers, and cork screws;
 - (2) Hockey and lacrosse equipment and supplies, namely helmets; and clothing, namely hats, T-shirts, jerseys, jackets, pants, socks, shorts, hockey uniforms and lacrosse uniforms;

- Services:
- (1) Operating lacrosse teams;
 - (2) Operating hockey teams;

Section 45 of the Trade-marks 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 wares and/or services listed on 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. The relevant period in this case is any time between April 9, 2000 and April 9, 2003.

In response to the notice the registrant filed the affidavit of Donald J. Mayhew together with exhibits.

Both parties have filed a written argument. An oral hearing has not been requested.

In his affidavit Mr. Mayhew states that since April 5, 2002 he has been President of Outlaws Gym and Active Wear Inc. He states that concerning the “clothing” set out in paragraph 5 of his affidavit the registrant has used the registered trade-mark continuously since May 1, 2002 by applying a label bearing the trade-mark OUTLAWS on the inside of the clothing or by embroidering or silk screening the registered trade-mark on the clothing. He attaches as Exhibit “A” a sample of a label bearing the trade-mark that is applied to the inside of the clothing. Exhibit “B” to his affidavit are printouts of some of the clothing from the registrant’s website that shows clothing bearing the trade-mark.

He adds that the registrant has also used the registered trade-mark in association with “bags,

jewellery, lighters, cups/mugs, pens and water bottles” by applying the mark to each item and selling these wares from April 2002 to the present time. He attaches as Exhibit “C” a copy of a photograph showing a “sports bag, a water bottle and a cup”, all bearing the trade-mark OUTLAWS.

Paragraph 5 of Mr. Mayhew’s affidavit includes a chart outlining the approximate sales revenue and number of units sold regarding “hats, jackets, pants, shirts, T-shirts, shorts, sweatshirts, socks, bags and cups/mugs/water bottles”. Such chart is based on the registrant’s accounting records for the period between January 1, 2003 to March 31, 2003.

Paragraph 6 of Mr. Mayhew’s affidavit provides a similar chart outlining the approximate sales revenues from January 1, 2003 to March 31, 2003 concerning “jewellery, lighter/knives and pens/stationary/stickers”. Concerning these wares Mr. Mayhew states that the registered mark is applied by silk screening and he indicates that these wares have been sold from April 2002 to the date of his affidavit (i.e. November 10, 2003).

As Exhibit D he attaches sample invoices showing sales by the registered owner of wares associated with the trade-mark OUTLAWS in Canada for the period of December 10, 2002 to March 27, 2003.

The requesting party argues that the evidence is completely silent in regards to the wares “hockey and lacrosse equipment and supplies, namely helmets, hockey uniforms and lacrosse uniforms” and with respect to the registered services “operating lacrosse teams and operating hockey teams”.

Consequently it submits that these wares and services ought to be deleted from the trade-mark registration. The registrant has conceded that the evidence fails to show use in association with such wares and services. Accordingly I conclude that the above-mentioned wares and services ought to be deleted from the registration.

Concerning the wares “matches, bottle openers, cork screws and jerseys” the requesting party argues that the evidence also fails to show use of the trade-mark in association with these wares and therefore these wares should also be deleted from the trade-mark registration.

I totally agree that the evidence is completely silent concerning these wares. I note that the evidence shows use of the trade-mark in association with “sweatshirts”, however, I am of the view that “sweatshirts” are not “jerseys”. If “sweatshirts’ could be considered “jerseys” the onus was on the registrant to prove such a fact (see *Gowlings, Strathy, Henderson v. Nana Marketing Co. Ltd* (unreported T-1137-95, March 5, 1996 -F.C.T.D.) and *Meredith Finlayson v. Berg Equipment Investments Ltd* (72 C.P.R. (3d) 387) and the registrant has failed to do so. Consequently, I conclude that these wares ought to be deleted from the trade-mark registration.

Concerning the remaining wares the requesting party has argued that the evidence is clearly insufficient to arrive at a conclusion of use with such wares. It submits that it is clear that the registrant’s bare allegations of use are insufficient and that the printouts from the registrant’s website do not constitute use of the trade-mark in association with the wares in a manner complying with section 4(1) of the Trade-Marks Act. Consequently it submits that only the invoices can be relied upon to determine if use has been shown in association with each of these wares.

I disagree. In my view some of the statements found in the Mayhew affidavit are more than bare allegations of use, they are statements of fact showing use and therefore they must also be taken into consideration in determining whether use has been shown (see *Mantha & Associates/Associates v. Central Transport, Inc.* (1995), 64 C.P.R. (3d) 354 (F.C.A.)).

For the wares “hats, jackets, pants, t-shirts, shorts, socks, bags, cups/water bottles” listed in paragraph 5 of the affidavit, the requesting party has provided specific revenue amounts for each of these wares based on sales during a portion of the relevant period. Further, we have a description of the manner the trade-mark was associated with the wares together with examples of the manner the trade-mark appeared on the clothing, bags, cups and water bottles at the time of their transfer in the normal course of trade

Consequently, I conclude that the evidence is sufficient to permit me to conclude that sales of these wares bearing the trade-mark were made during the relevant period. It is true that invoices have not been furnished for each of these wares, however as stated in *Lewis Thomson & Sons Ltd. v. Rogers*,

Bereskin & Parr (21 C.P.R. (3d) 483) invoices are not mandatory. As I have concluded that use has been shown with these wares, I conclude that these ought to be maintained on the trade-mark registration.

Concerning the wares “jewellery” listed in paragraph 6 of the affidavit, Mr. Mayhew clearly swears that the trade-mark is applied to these wares by way of silk screening and he provides approximate sales revenues for a portion of the relevant period. Again this satisfies me that sales of these wares were made during the relevant period and that the use was in compliance with the requirements of section 4(1) of the Trade-Marks Act. Accordingly the wares “jewellery” will be maintained on the trade-mark registration.

Concerning the remaining wares “lighters and pens” I find the evidence ambiguous as to whether sales of such items were made during the relevant period. In this regard the registrant has provided sales figures for wares referred to as “pens/stationary/stickers” and for “lighters/knives”. I find it unclear what portion of the sales figures provided relate to “pens” and to “lighters”, if any. Further

none of the invoices refer to these wares. Concerning ambiguities in an affidavit, in the case *Aerosol Fillers Inc. v. Plough (Canada) Ltd.*, 45 C.P.R.(2d) 194 at pp. 198-9, affirmed 53 C.P.R.(2d) 62, the Court stated “The allegations in an affidavit should be precise... It should not be susceptible of more than one interpretation and if it is then the interpretation adverse to the interest of the party in whose favour the document was made should be adopted”. As I am unable to conclude from the evidence that these wares were sold during the relevant period, I interpret the ambiguity against the registrant and conclude that the wares “pens” and “lighters” ought to be deleted from the trade-mark registration.

The requesting party questioned whether the sales shown by the invoices filed were made in the registrant’s normal course of trade. It submitted that except for the “jackets” the other invoices referring to OUTLAW merchandise bear identical dates, are for minimal quantities, and are all billed to the same person namely Morris Currie. It argues that this in combination with the unexplained amount of over 85 million dollars found under the term “subtotal” on each of the invoices serve to

raise some doubts as to whether the invoices are genuine transactions. Lastly it argues that most of the invoices filed do not show a delivery or “sold to” address.

I agree that the registrant could have provided an explanation concerning the “subtotal” amount found on each invoice. However because the correct total can be found at the bottom of each invoice I am prepared to assume that the “subtotal” amount is merely an error generated by the registrant’s computerized accounting system. As for the other points raised, I find that it can be concluded based on the evidence as a whole that the invoices appear to represent genuine commercial transactions in the registrant’s normal course of trade as there is nothing in the evidence to indicate that the sales lacked bona fides in the sense of being deliberately manufactured or contrived in an attempt to protect the registration.

As I have concluded that use has been shown in association with the following wares: “plastic water bottles, cups, jewellery, sport bags; clothing namely hats, T-shirts, jackets, pants, socks and shorts”, only the above-mentioned wares will be maintained on the trade-mark registration (see *John Labatt*

Ltd. v. Rainier Brewing Co., 80 C.P.R. (2d) at 228 (FCA)).

Registration No. 403,941 will be amended accordingly in compliance with the provisions of Section 45(5) of the Trade-marks Act.

DATED AT GATINEAU, QUEBEC, THIS 22ND DAY OF DECEMBER 2005.

D. Savard
Senior Hearing Officer
Section 45 Division