

SECTION 45 PROCEEDINGS  
TRADE-MARK: VANITY  
REGISTRATION NO.: TMDA52,444

On April 29, 2002 at the request of Messrs. Smart & Biggar, the Registrar forwarded a Section 45 notice to Scott Paper Limited, the registered owner of the above-referenced trade-mark registration.

The trade-mark VANITY is registered for use in association with the following wares: “paper and paper products”.

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 29, 1999 and April 29, 2002.

In response to the notice, the registrant filed the affidavit of Alejandro Teijeira sworn October 28,

2002 together with exhibits. Both parties have filed a written argument. Both parties were represented at the oral hearing.

In his affidavit, Mr. Teijeira states that he is the Marketing and Legal Affairs Manager for Scott Paper Limited (hereafter referred to as “Scott Paper”) and that he is responsible for all intellectual property matters at Scott Paper, and as such has full access to all relevant corporate records and has personal knowledge of all facts in his affidavit. Mr. Teijeira admits that as of the date of the notice, Scott Paper was not selling VANITY products, but that plans were already well-established to commence use of the mark in 2002, and that his affidavit will show that sales had actually taken place at the date of his affidavit.

He explains that as of October 2001, more than 6 months before the Section 45 notice, Scott Paper had developed concrete plans to re-distribute VANITY paper products in Canada. He specifies that the “Away-From-Home” division of the registrant (which markets paper products to commercial and industrial channels of trade) began to discuss plans for the re-introduction of the VANITY products

as early as late summer 2001, and such discussions were formalized in Scott Paper's 2002 Marketing Plan Report which he attaches as Exhibit "A". This report was circulated and discussed at a Scott Paper marketing meeting held in October 2001.

The report as furnished bears the date October 2001 and makes reference to the re-launch of the VANITY brand by the "Away-From-Home" division. It includes a list of the paper products to be sold under this brand as well as a projected timetable for the launch (to begin in the second quarter (Q2) of 2002 with all products being launched by the fourth quarter (Q4) of the same year). Mr. Teijeira explains that this timetable was established to allow sufficient time for competitive analysis, price bench marking, meetings with re-distributors, product development and end user feedback.

He adds that at the meeting held in October 2001 a decision was taken by Scott Paper management to accept the plan and proceed with the re-launch of the VANITY line of paper products.

Mr. Teijeira then states that steps taken by Scott Paper prior to the Section 45 notice in order to bring

the VANITY brand products to market included creating technical specifications for the VANITY products, arranging manufacturing schedule at the registrant's mills, creating the packaging and labels, and begin to test the market for customers.

Mr. Teijeira states that sales of the VANITY products actually began in June 2002. He attaches as Exhibit "B" invoices dated June 21<sup>st</sup> and June 24<sup>th</sup>, 2002 which he states show sales of the VANITY paper napkin products in Canada. He explains that typical "Away-From-Home" sales are to distributors rather than retailers and that the sample sales represent the normal course of trade for the "Away-From-Home" division of the registrant.

As Exhibit "C" he attaches sample labels that he states actually appear on the boxes containing the VANITY paper napkins when they are shipped to customers. These labels are clearly marked with the registered trade-mark, along with the paper napkin product description, contents and SKU number.

Exhibit “D” is a color copy of a photograph showing the manner in which the VANITY paper napkin products are packaged and shipped, and on the cardboard packaging is the label filed as Exhibit “C”.

Mr. Teijeira adds that Scott Paper had no intention of abandoning the mark prior to or subsequent to the issuance of the Section 45 notice and that current sales reflect its continuing commitment to the VANITY brand.

Having considered the evidence I conclude that it is completely silent in regards to the wares “paper”, consequently these wares will be deleted from the statement of wares.

Concerning the wares “paper products”, it is clear from the evidence that the trade-mark was not in use in association with such wares during the relevant period. Consequently, the issue is whether the evidence shows that the absence of use has been due to special circumstances excusing the non-use.

At the oral hearing counsel for the requesting party raised the argument that in this case the registrant should not be able to rely on special circumstances to excuse the non-use of the trade-mark in association with “paper products” as it has failed to comply with the preliminary requirements set out in ss.45(1) of the Trade-Marks Act namely providing a date of last use and the reason for the absence of use since that date. Although the requesting party indicated that it was prepared to accept in view of existing jurisprudence that the failure to provide a date of late use is not fatal, the failure to provide the reason for the non-use in addition to not having provided a date of last use *is* fatal.

Although on the one hand ss.45(1) of the Act appears to make the provision of a date of last use and of reasons for the absence of use since such a date absolute requirements, ss.45(3) of the Act suggests that special circumstances can be relied upon as long as the trade-mark has not been in use in the three-year period preceding the date of the Section 45 notice (see *GPS (U.K.) Ltd. v. Rainbow Jean Co. Ltd*, 58 C.P.R. (3d) 535 at 538 and *Marks & Clerk v. SC Prodal 94 SRL* Section 45 decision dated February 25, 2005, trade-mark STALINSKAYA, Registration No. 501,347 which considered the absence of a date of last use). In my view the date the trade-mark was last in use and

the reasons for the absence of use are factors to consider when assessing the issue of special circumstances. However, I cannot agree with the requesting party's submission that special circumstances cannot be relied upon by the registrant in the absence of evidence of a date of last use and reasons for the non-use.

I turn now to the remaining arguments of the requesting party.

The requesting party submits that the jurisprudence has established that there are three criteria to be considered when considering special circumstances. First the length of time during which the trade-mark has not been used; secondly, it must be determined whether the registered owner's reasons for not using its mark were due to circumstances beyond his control; thirdly, one must determine whether there exists a serious intention to shortly resume use. (see *Registrar of Trade-marks v. Harris Knitting Mills Ltd.* (1985) 4 C.P.R. (3d) 488 (F.C.A.), *NTD Apparel Inc. v. Ryan* 27 C.P.R. (4th) 73(F.C.T.D), *Ridout & Maybee v. Sealy Canada Ltd.* (1999), 87 C.P.R. (3d) 307 (F.C.T.D)).

In terms of the first factor, where a date of last use has not been provided I generally will consider the date of registration as the date of last use (see *GPS (U.K.) Ltd. v. Rainbow*, supra). However, where there has been an assignment of the trade-mark after the registration date, as in this case - i.e. the registration page shows that Scott Paper Limited became owner on March 28, 1989 - the period of non-use for purposes of assessing special circumstances will generally be considered starting from the date the new owner (i.e. Scott Paper Limited) acquired the trade-mark (see *Arrowhead Spring Water Ltd. v. Arrowhead Water Corp.* (1992), 44 C.P.R. (3d) 412 (T.M.H.O.), affirmed 47 C.P.R. (3d) 217 (F.C.T.D.)) Consequently, here as the entry on the trade-mark registration page shows that the current owner acquired the trade-mark on March 28, 1989, I conclude that the absence of use of the trade-mark by the registered owner amounts to approximately 13 years.

In regards to the second criteria, as the registrant has not provided the reasons for the absence of use of the trade-mark since March 28, 1989 I agree with the requesting party that the inference that should be drawn is that the absence of use has been due to a deliberate and voluntary decision of the registered owner.



As for the third criteria, whether the registrant has shown a serious intention to shortly resume use of the trade-mark in association with “paper products”, here we have actual resumption of use although the sales occurred after the notice date.

The requesting party argues that Scott Paper has failed to demonstrate that it had a serious intention prior to the notice date. It submits that most of the evidence consists of bald assertions and that the details and specificity regarding the steps taken prior to the date of the Section 45 notice have not been provided. It submits that the only document furnished is the Marketing Report and that portions of the document have been redacted with no explanation given on the matter. The requesting party argues that as the requesting party cannot cross-examine and as it is unclear whether the Report deals only with the VANITY trade-mark, a negative inference should be drawn regarding such Report.

Concerning the Report, although I am of the view that it would have been preferable if the registrant had explained the reason some portions were redacted the document must not be taken in isolation

but with the sworn statements made in the affidavit. Here the evidence satisfies me that the document is in respect of the launching of the VANITY brand products and that it identifies the steps to be taken in order to launch the VANITY products on the market.

The requesting party added that the registrant could have evidenced the steps described in the Report which were taken prior to the notice date.

The registrant on the other hand submits that the level of proof the requesting party is requesting amounts to evidentiary overkill. It argues that the evidence furnished should be given a fair reading rather than being scrutinized and that the evidence should be read as a whole. It submits that the Marketing Plan of October 2001 is “tangible proof” that a serious intention to resume use existed prior to the date of the notice namely *6 months prior* to the date of the notice. It submits that the plan is “tangible proof” that discussions took place. The registrant submits that the sales of “paper napkins” associated with the trade-mark that were made on June 21 and June 24, 2002 are of paramount importance as this confirms that all the steps such as the creation of technical

specifications for the VANITY products, the manufacture of the products, the creation of packaging and labels and test marketing of the products took place.

I agree with the registrant that the evidence is sufficient to show that the registrant had a serious intention to use the trade-mark prior to the date of the Section 45 notice. The Marketing Plan dated October 2001 clearly outlines the intermediate steps needed to be taken by the registrant prior to the launch and provides the projected timing for the launch. It is instructive and is evidence that the registrant developed concrete plans prior to the date of the Section 45 notice to distribute VANITY paper products in Canada.

Further, as actual sales occurred shortly after the date of the notice, it can be concluded that the necessary steps to launch the paper products described in the Marketing Report were taken and I accept that they were taken prior to April 29, 2002 (the date of the notice) as sworn by Mr. Teijeira.

The requesting party has argued that the two invoices furnished in evidence are dated three days

apart and that they are almost identical; that each invoice shows the sale of 20 cases of VANITY dinner napkins to the same buyer, has an identical purchase order number, and all products sold are virtually identical except for the last entry. The requesting party submits that an inference should be drawn that the second invoice is an updated version of the first one. I agree with the requesting party that the fact that both invoices bear the same purchase order number raises questions. However what is clear is that at least a sale of paper products occurred shortly after the relevant period and such sale appears genuine. Therefore, whether there was more than one transaction is a moot point.

In my view the fact that the registrant took steps prior to the notice date and realized sales shortly after the notice date is of paramount importance and clearly shows that the registrant's trade-mark is not deadwood. These circumstances distinguish the present case from the case law relied upon by the requesting party. Consequently, I find that the registrant has provided evidence that qualifies as special circumstances excusing the non-use of the trade-mark with paper products (see *Ridout and Maybee v. Sealy Canada Ltd.* (87 C.P.R. (3d) 307 F.C.T.D.) and *Oyen, Wiggs, Green & Mutala v. Pauma Pacific Inc.*, court file A-603-97 [reported 84 C.P.R. (3d) 287] ).

In coming to this conclusion, I have in mind the comments of Mr. Justice Lemieux in *Ridout and Maybee v. Sealy*, supra, found at page 319:

“In coming to this conclusion, I have in mind the purpose and intent of Parliament in section 45 of the Act. That purpose is to expunge from the trade-mark register trade-marks which have not been used and there is no reasonable prospect will be used. This is not a case, as I see it, of a registered owner after receiving a section 45 notice from the Registrar scurrying to find a buyer to establish an intention to use the mark. The evidence in this case satisfies me Sealy's relationship with The Brick is substantial and genuine in terms of FANTASY mattresses and box springs. In my view, Parliament did not intend a mark should be expunged in these circumstances.”

As I have concluded that special circumstances exist to excuse the absence of use, I conclude that the trade-mark registration ought to be maintained for the wares “paper products”.

Registration No. 52,444 will be amended so that the statement of wares will read “paper products” in compliance with the provisions of Section 45(5) of the Trade-marks Act.

DATED AT GATINEAU, QUEBEC, THIS 24TH DAY OF NOVEMBER 2005.

D. Savard  
Senior Hearing Office  
Section 45 Division