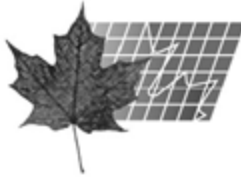


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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2017 TMOB 105

Date of Decision: 2017-08-23

IN THE MATTER OF A SECTION 45 PROCEEDING

Andrews Robichaud

Requesting Party

and

Entechnevision Inc.

Registered Owner

**TMA831,211 for
BEAUTY AND THE BEAST**

Registration

[1] At the request of Andrews Robichaud (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 2, 2015 to Entechnevision Inc. (the Owner), the registered owner of registration No. TMA831,211 for the trade-mark BEAUTY AND THE BEAST (the Mark).

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

GOODS

(1) Jewellery, namely, rings, bracelets, necklaces, pendants, earrings, stickpins, wrist watches, clocks, keychains, hair pins, barrettes, hair clips, cufflinks, brooches, money clips.

(2) Paper goods and printed matter, namely trading cards, playing cards, stickers, stationary items, namely envelopes, announcement cards, notebooks, pads, note paper, note cards, labels, posters and greeting cards; books and pamphlets.

(3) Toys and games, namely toy action figures and accessories for use therewith; dolls,

doll clothing and doll accessories, children's multiple activity toys, plush toys, stuffed toys, plastic and vinyl toy characters, toy figures, musical toys, inflatable toys, jigsaw puzzles, game equipment sold as a unit for playing board, parlor, skill and action, card, role-playing and electronic hand-held unit for playing games.

(4) Clothing, footwear, headgear, namely shirts, T-shirts, sweatshirts, sweaters, blouses, tank tops, undershirts, jackets, coats, dresses, skirts, shorts, pants, jeans, overalls, sweatpants, underwear, boxer shorts, briefs, panties, swim wear, bathing suits, night shirts, robes, night gowns, pajamas, tights, leggings, leg warmers, neckties, bow ties, ascots, pocket squares, scarves, gloves, mittens, wrist bands, belts, sashes, socks, shoes, boots, athletic shoes, slippers, hats, caps, head bands, visors, hoods, Halloween costumes, masquerade costumes, infant wear, namely booties, bibs and playsuits.

SERVICES

(1) Entertainment services, namely, providing entertainment in the field of interactive games by means of a global computer network; providing a website featuring games, stories, activities and information;

(2) Licensing of computer software, namely software in the field of interactive games;

(3) Character and storyline licensing services, namely licensing the use of certain characters and storylines featured in interactive computer game programs;

(4) Computer services namely providing a web site on global computer network whereon children can play interactive games; interactive computer game programs featuring action and adventures and interactive video computer game programs featuring action and adventures.

[3] The notice required the Owner to furnish evidence showing that the Mark was in use in Canada, in association with each of the goods and services specified in the registration, at any time between October 2, 2012 and October 2, 2015. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

[4] The relevant definitions of “use” are set out in sections 4(1) and 4(2) 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.

4(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[5] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], 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 goods and services specified in the registration during the relevant period [*John Labatt Ltd v Rainer Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[6] In response to the Registrar's notice, the Owner furnished the affidavit of Jeff Lord, President of the Owner, sworn on May 2, 2016 in Montreal, Quebec. Only the Requesting Party filed written representations, but both parties were represented at an oral hearing held on May 15, 2017.

OWNER'S EVIDENCE

[7] In his affidavit, Mr. Lord attests that the Owner "provides innovative art and IT services ... [which includes] developing websites, Content Management Systems, and platforms to display stories, videos, and content and online games."

[8] Mr. Lord asserts that, since October 2007, the Mark has been used under licence by Kidoons, Inc., a related company of the Owner, which "is a Canadian company focusing on entertainment and storytelling." Mr. Lord confirms that he is also President of Kidoons and is the executive producer of its theatrical productions.

[9] Mr. Lord states that Canadians accessed the Owner's games, stories and educational materials online during the relevant period. More specifically, at paragraph 11 of his affidavit, Mr. Lord attests that Canadians benefitted from the following services:

Entertainment services, namely, providing entertainment in the field of interactive games by means of a global computer network; providing a website featuring games, activities and information; computer services namely providing a web site on global computer network whereon children can play interactive games; interactive computer game

programs featuring action and adventures and interactive video computer game programs featuring action and adventures.

[10] These services correspond to services (1) and (4) in the registration.

[11] In support, attached as Exhibit A to Mr. Lord's affidavit is a screen shot from the website *www.beautyandthebeast.ca*, which Mr. Lord attests is operated by the Owner, "with licensed use by Kidoons Inc." The Kidoons logo appears at the top left of the page, and the following notation appears at the bottom of the page: "Beauty and the Beast™ TM/MC EnTechneVision Inc. lic. use/usager lic. KIDOONS Inc". A "Beauty and the Beast" logo appears at the top right.

[12] The Mark is also referenced in the text appearing on the webpage, which states the following:

Beauty and the Beast are in love, and now they are getting married – uniting their planet kingdoms. How should a galactic Princess dress? Do you think Beauty should be "out of this world" or "down-to-earth"? Help the Wedding Planner 5000 robot dress Beauty for her Beast.

[13] At the bottom right of the page, a link to "Play!" is displayed.

[14] Mr. Lord also attaches, as Exhibit D to his affidavit, website screenshots from *www.beautyandthebeast.ca*, *www.dressup.ca* and *www.kidsfuncanada.com*. He confirms that "Canadian users may log online and play an interactive computer game which consists of stories, activities and fun information geared towards children." For example, a page from *www.beautyandthebeast.ca* shows the first page of an interactive storybook.

[15] Attached as Exhibit E to his affidavit are five pages of website "visitor statistics". Mr. Lord attests that "Within the relevant period, 181,760 Unique Visitors have visited the websites." However, it is not clear on its face whether the particular webpages shown at Exhibits A or D correspond to any of the pages for which statistics are provided.

[16] With respect to the registered goods, Mr. Lord asserts use with respect to some of the listed goods, including jewellery, plush toys and some clothing items. Attached as Exhibit B to his affidavit are 22 pages of "website screenshots" for the goods that Mr. Lord attests "are currently available for sale in Canada". Although the Mark appears on the depicted goods, no

evidence of transfers of such goods is provided. Mr. Lord explains that the Owner gave Kidoons the right to produce these goods, but that “the development and sales of the goods were suspended due to unforeseen circumstances”.

[17] More specifically, Mr. Lord attests that any non-use of the Mark during the relevant period was due to his “increasingly poor health from 2012-2013 which resulted in open-heart surgery on June 18, 2014, medical leave and on-going physiotherapy.” He goes on to state that this was followed by a “re-hospitalization for a burst appendix and subsequent infection on July 17, 2015 and an extended convalescence.” As a result, he explains that, as President and “sole financial strategist” of the Owner and Kidoons, he had to “radically slow down many of the company’s activities” while he recovered. In support, attached as Exhibit C to his affidavit is a selection of medical reports.

[18] Mr. Lord attests that, despite these circumstances, the Owner “has continued to mandate Kidoons, the licensee, to develop the marks.” In this respect, he states that “Kidoons has laid the groundwork for trademarked merchandise through its continued development of marketing and promotional activities, character development, outreach, and theatrical productions and properties – to continue to develop the content and properties on which to base the suspended merchandise.”

[19] Mr. Lord asserts continued interest in the Mark and continued efforts to promote and support the visibility of the Marks. He asserts that the “properties and stories and productions for onstage and productions for online are all interconnected, and all a part of a network that is growing in awareness across Canada”. For example, he attests that “trade under [the Mark] and our other marks is being promoted in our theatrical outreach right through to this year with the London Ontario run of *Twenty Thousand Leagues Under the Sea*”.

ANALYSIS – USE WITH RESPECT TO GOODS

[20] With respect to the registered goods, as noted above, Mr. Lord states that some of the registered goods are available to be purchased by Canadian customers. However, merely offering goods for sale is not sufficient to satisfy section 4(1) of the Act [see, for example, *The Molson Companies Ltd v Halter* (1976), 28 CPR (2d) 158 (FCTD); and *Gowling, Strathy &*

Henderson v Royal Bank of Canada (1995), 63 CPR (3d) 322 (FCTD)]. Some evidence of transfers in the normal course of trade in Canada is necessary.

[21] In this case, the Owner furnished no evidence of transfers of any of the registered goods during the relevant period or otherwise.

[22] Accordingly, I am not satisfied that the Owner has demonstrated use of the Mark in association with any of the registered goods within the meaning of sections 4 and 45 of the Act.

[23] Whether special circumstances existed to excuse such non-use of the Mark will be discussed below.

ANALYSIS – USE WITH RESPECT TO SERVICES (1) & (4)

[24] In its representations, the Requesting Party questions several aspects of the Owner’s evidence. Generally, it alleges various contradictions and gaps in the evidence, arguing that Mr. Lord’s affidavit is, at best, vague and ambiguous.

[25] In particular, with respect to services (1) and (4), the Requesting Party submits that the evidence “leaves it to the Registrar’s assumption that sufficient explanation exists between the website screenshots and unrelated and unexplained web statistics to conclude that these services were available to be accessed by Canadians during the relevant period.”

[26] The Requesting Party further criticizes Mr. Lord’s affidavit, in part, for having “copied verbatim” services (1) and (4) in his assertion of use at paragraph 11 of the affidavit. However, at paragraph 12 of the affidavit, in reference to the Exhibit D website screenshots, Mr. Lord attests that the services were available during the relevant period, with “181,760 Unique Visitors” having visited such websites during that period.

[27] In my view, there is nothing problematic *per se* about the affiant having “copied verbatim” the services from the registration. Pursuant to section 30 of the Act, a statement of services should be in “ordinary commercial terms”. In this case, there is nothing unusual or difficult to understand in the articulation of services (1) and (4). In any event, Mr. Lord does go on to paraphrase a portion of such services in paragraph 12 of his affidavit, stating that

“Canadian users may log online and play an interactive computer game which consists of stories, activities and fun information geared towards children.” As noted above, he confirms that such services were available during the relevant period and that the websites had thousands of visitors.

[28] On this last point, the Requesting Party questions whether these “Unique Visitors” were, in fact, actual Canadians, rather than automated bots or visitors from outside of Canada. In this respect, it notes that the website “visitor statistics” furnished at Exhibit E are left unexplained and do not appear to correlate with the specific webpage addresses of the exhibited screenshots.

[29] However, the evidence in a section 45 proceeding need not be perfect; indeed, a registered owner need only establish a *prima facie* case of use within the meaning of sections 4 and 45 of the Act [see *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 at paragraph 2]. This burden of proof is light; evidence must only supply facts from which a conclusion of use may follow as a logical inference [per *Diamant* at paragraph 9].

[30] I further note that evidence in a section 45 proceeding must be considered as a whole, and focusing on individual pieces of evidence in isolation is not the proper approach [see *Kvas Miller Everitt v Compute (Bridgend) Limited* (2005), 47 CPR (4th) 209 (TMOB); and *Fraser Milner Casgrain LLP v Canadian Distribution Channel Inc* (2009), 78 CPR (4th) 278 (TMOB)]. As well, reasonable inferences can be made from the evidence provided [see *Eclipse International Fashions Canada Inc v Shapiro Cohen* (2005), 48 CPR (4th) 223 (FCA)].

[31] In this case, while the evidence is not strong, it is sufficient.

[32] In this respect, the Owner furnished website screenshots displaying the Mark and showing that activities corresponding to services (1) and (4) were available through those websites. Mr. Lord confirms that such services were available during the relevant period and, given Mr. Lord’s attestations as to visitors and the nature of these “.ca” websites, I consider it reasonable to infer that at least some Canadians would have accessed such websites during that period.

[33] Finally, the Requesting Party also argues that any use shown was not in a commercial context. In this respect, the Requesting Party suggests that use has to be of “a normal commercial

nature”, one which can be said to have taken place “in the normal course of business” [citing *Cornerstone Securities Canada Inc v Canada (Registrar of Trade-marks)* (1994), 58 CPR (3d) 417 (FCTD)].

[34] In *Cornerstone*, the Federal Court stated the following at paragraph 7:

In this type of case use may be shown by evidence of the advertising of the mark provided there is also performance of those services in Canada. This use has to be of a normal commercial nature, one which can be said to have taken place “in the normal course of business”: *Coscelebre v. Registrar of Trade-marks* (1991), 35 C.P.R., (3d) 74 (F.C.T.D.).

[35] First, I note that the principle cited by the Requesting Party – that “use has to be of a normal commercial nature” – appears to be qualified by the Federal Court itself, given the beginning of the previous sentence with “In this type of case...”, implying that it might not apply to *all* expungement proceedings involving services. Furthermore, the disposition in *Cornerstone* does not appear to have turned on this issue, but rather turned on whether the evidence showed that advertisements in question were distributed and whether the registered services were ever performed.

[36] Indeed, the cited *Coscelebre* decision dealt with goods only and the commentary from the Federal Court in that case should be viewed in the context of section 4(1) of the Act, which requires transfers of any goods in question to be “in the normal course of trade”. In contrast, section 4(2) of the Act, reproduced above, does not incorporate the requirement that use with respect to services be “in the normal course of trade”. What constitutes a “service” under the Act is to be interpreted broadly, with a key element being that there be some benefit to the public. This providing of a benefit does not necessarily require a commercial context, as demonstrated by the abundance of trade-mark registrations relating to “Charitable services ...” and the like in various fields.

[37] In any event, it would appear that the services are and were offered in a commercial context. Mr. Lord makes several references to the Owner’s enterprise and business plans, and I note that advertisements appear on the website screenshots. Furthermore, the purpose of the Owner’s website and the provision of free services appears – at least in part – to be connected to the Owner’s licensing efforts and the offering (if not actual sale) of related branded goods.

[38] In view of all of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with services (1) and (4) of the Act within the meaning of sections 4 and 45 of the Act.

ANALYSIS – USE WITH RESPECT TO SERVICES (2) & (3)

[39] Although I accept that a licence existed between the Owner and Kidoons during the relevant period and that the Mark was used in association with services (1) and (4), it does not follow that the evidence shows use of the Mark in association with the registered licensing services, being (2) “Licensing of computer software ...” and (3) “Character and storyline licensing...” services.

[40] In my view, the display of the Mark in the advertising and performance of services (1) and (4) to the public does not also constitute display of the Mark in the advertising or performance of the registered *licensing* services.

[41] In this respect, Mr. Lord does not speak directly to services (2) and (3) in his affidavit and does not provide a copy of any licensing agreement, letterhead, correspondence or other documentation to show that the Mark was displayed during the advertising and/or performance of the Owner’s licensing services.

[42] As such, I am not satisfied that the Owner has demonstrated use of the Mark in association with services (2) and (3) within the meaning of sections 4 and 45 of the Act.

SPECIAL CIRCUMSTANCES

[43] In the absence of evidence of use of the Mark with respect to the registered goods and services (2) and (3), the issue is whether, pursuant to section 45(3) of the Act, special circumstances existed to excuse such non-use.

[44] The general rule is that absence of use should result in expungement, but there may be an exception where the absence of use is due to special circumstances [*Scott Paper Ltd v Smart & Biggar*, 2008 FCA 129, 65 CPR (4th) 303].

[45] To determine whether special circumstances have been demonstrated, the Registrar must first determine why the trade-mark was not used during the relevant period. Second, the Registrar must determine whether those reasons for non-use constitute special circumstances [*Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. Special circumstances means circumstances or reasons that are unusual, uncommon, or exceptional [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)].

[46] If the Registrar determines that the reasons for non-use constitute special circumstances, the Registrar must still decide whether such circumstances excuse the period of non-use. This determination involves the consideration of three criteria: (i) the length of time during which the trade-mark has not been in use; (ii) whether the reasons for non-use were beyond the control of the registered owner; and (iii) whether there exists a serious intention to shortly resume use [per *Harris Knitting Mills, supra*].

[47] The intention to shortly resume use must be substantiated by “a sufficient factual basis” [*NTD Apparel Inc v Ryan*, 2003 FCT 780, 27 CPR (4th) 73 (FCTD) at paragraph 26; see also *Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 (FCTD)].

[48] All three criteria are relevant, but satisfying the second criterion is essential for a finding of special circumstances excusing non-use [per *Scott Paper, supra*].

[49] In this case, the Owner submits that the reason the Mark was not used during the relevant period was due to Mr. Lord’s illness, described above.

[50] However, noting that the relevant period began in October 2012, the Requesting Party submits that Mr. Lord “is attempting to improperly rely on surgeries in June 2014 and July 2015 as special circumstances justifying non-use, when those circumstances are not the circumstances to which absence of use is due.”

[51] In this respect, the Requesting Party suggests that non-use of the Mark can be traced to either the Owner’s decision to “prematurely” file its Declaration of Use in 2012 or to its decision to suspend use shortly after the Mark was registered.

[52] Indeed, I agree with the Requesting Party that Mr. Lord's timeline is somewhat vague, given that he provides no evidence of sales of the registered goods at any time. The inference, then, is that the Owner did not have sales of its BEAUTY AND THE BEAST-branded goods, even before Mr. Lord's health problems began or worsened in 2014.

[53] It has been held that unfavourable market conditions and voluntary business decisions are not the sort of circumstances that constitute special circumstances [see *Harris Knitting, supra*; *Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)]. In cases where the registered owner had no intent to abandon its trade-mark in Canada, but lacked any orders for its goods during the relevant period, this was found in itself not sufficient to maintain the registration in question [see *Garrett v Langguth Cosmetic GMBH* (1991), 39 CPR (3d) 572 (TMOB) and *Bereskin & Parr v Magnum Marine Corp*, 2011 TMOB 68, 93 CPR (4th) 327].

[54] As such, it would appear from the evidence that the reasons for non-use were at least in part due to the business decisions and marketing efforts of the Owner. In the present case, Mr. Lord references the Owner's several other "interconnected" trade-marks, as well as theatrical productions.

[55] Therefore, it is not clear that non-use was due to Mr. Lord's illness rather than the Owner's voluntary business decisions, such as the Owner's choice to focus on its other trade-marks during the relevant period. As noted by the Requesting Party, Mr. Lord's reference to a theatrical production for *Twenty Thousand Leagues Under the Sea* suggests a focus on other brands of the Owner as well as on services not set out in the registration.

[56] As the reason for non-use appears to be the voluntary business decisions of the Owner, I do not find that the Owner has established that the reasons for non-use constituted special circumstances. As such, it is not necessary to consider whether such circumstances excuse the period of non-use. Suffice to say, the voluntary business decisions of the Owner that contributed to non-use of the Mark were not beyond the control of the Owner.

DISPOSITION

[57] Pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be amended to delete the statement of goods in its entirety as well as services (2) and (3).

[58] The amended statement of services will be as follows:

(1) Entertainment services, namely, providing entertainment in the field of interactive games by means of a global computer network; providing a website featuring games, stories, activities and information;

(2) Computer services namely providing a web site on global computer network whereon children can play interactive games; interactive computer game programs featuring action and adventures and interactive video computer game programs featuring action and adventures.

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

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2017-05-15

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