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

Citation: 2017 TMOB 155

Date of Decision: 2017-11-21

IN THE MATTER OF SECTION 45 PROCEEDINGS

**Universal Protein Supplements
Corporation**

Requesting Party

and

H. Young (Operations) Limited

Registered Owner



**TMA448,527 & TMA512,970 for
ANIMAL (DESIGN) & ANIMAL
(DESIGN)**

Registrations

INTRODUCTION

[1] At the request of Universal Protein Supplements Corporation (the Requesting Party), the Registrar of Trade-marks issued notices under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on July 8, 2015 to H. Young (Operations) Limited (the Owner), the registered owner of registration Nos. TMA448,527 and TMA512,970 for the trade-marks ANIMAL (DESIGN) and ANIMAL (DESIGN).

[2] The trade-marks and their associated statements of goods are reproduced below:

<p>TMA448,527</p> 	<p>TMA512,970</p> 
<p>Goods: (1) Watch straps. (2) Sports caps namely baseball caps; and sports clothing namely, T-shirts, jackets, belts, shirts, and beach shoes; and beach clothes namely sweatshirts, shorts and trousers.</p>	<p>Goods: (1) Watches; articles made from leather and from imitations of leather, bags, backpacks, rucksacks, wallets and purses, belts; clothing, namely, underwear, swimwear, socks, shorts, shirts, jackets, trousers, jeans, jogging pants, skirts, dresses, sweatshirts, t-shirts; hats; sports clothing, namely, sports t-shirts, sports hats, sports shorts, sport sweatshirts; footwear, namely, shoes; headgear, namely, baseball caps.</p>

[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 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. In these cases, the relevant period for showing use is between July 8, 2012 and July 8, 2015.

[4] The relevant definition of “use” in association with goods 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.

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

[6] In response to the Registrar's notices, the Owner furnished in both cases the same affidavit of Richard Tape, sworn January 29, 2016, in the County of Dorset, United Kingdom. Both parties filed written representations, but only the Requesting Party made submissions at an oral hearing.

PRELIMINARY REMARK

[7] As a preliminary matter, both parties submit that as the above two design marks are essentially identical in appearance, they should be deemed to constitute the same trade-mark. I agree.

[8] Therefore, unless indicated otherwise, they will be referred to collectively as a single trade-mark, namely as the Mark.

THE OWNER'S EVIDENCE

[9] In his affidavit, Mr. Tape identifies himself as the Financial Director of "Animal, which is a division of [the Owner]". [para 2 of the affidavit]

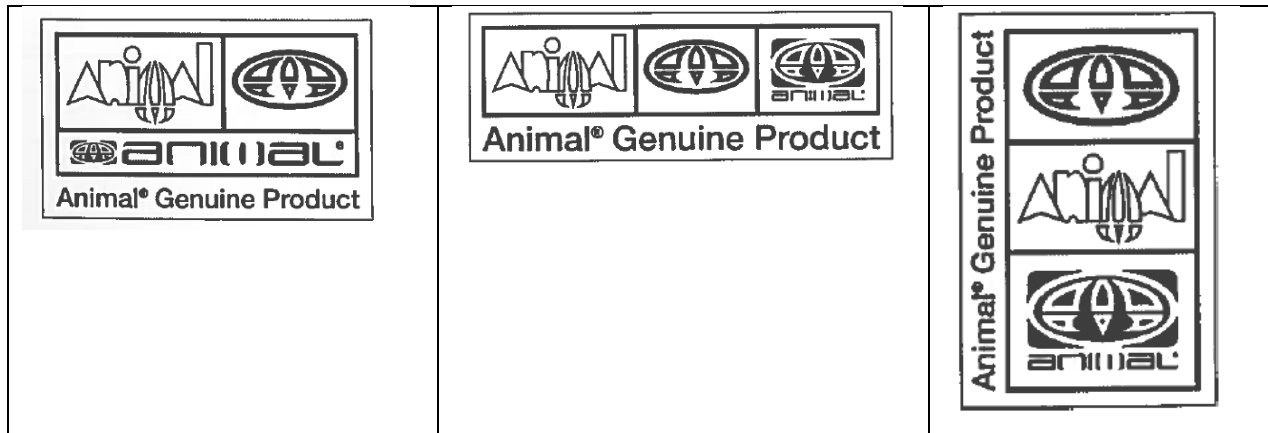
[10] Mr. Tape first explains the business of the Animal division of the Owner. He states that Animal carries on the business of, among other things, the sourcing, distribution, sale and marketing of a wide variety of apparel and accessories and focuses primarily on action sports lifestyle apparel and accessories, which are sold and distributed in over 25 countries around the world, including Canada. [para 4 of the affidavit]

[11] Mr. Tape then turns to the use of the Mark. He states that the Owner uses the Mark in connection with the distribution, sale and marketing of a variety of products of the Animal division, including "high quality action sports-inspired clothing, footwear and headgear, watches, eyewear, luggage and accessories". He states that the Mark is applied to all of these products.

Specifically, the Mark is displayed on these products, on the labels and/or hangtags attached to these products, and/or the packaging for these products. [para 6 of the affidavit]

[12] Mr. Tape explains that the Owner’s Corporate Branding Guidelines that applied to the manufacture of all products of the Animal division, including products that were available for sale and sold during the relevant period, required that “such products bear a ‘genuine product graphic’ that incorporates the Mark”. This requirement has been in place since as early as September 2005. [para 7 of the affidavit; and Exhibit B: copies of the current Animal Corporate Branding Guidelines (dated May 2015) and of previous versions of the guidelines that were in effect during the relevant period (dated November 2013, June 2013, February 2013, October 2012 and April 2012)]

[13] As can be seen from these Corporate Branding Guidelines, the ‘genuine product graphic’ that was in effect throughout the relevant period took the form of any of the following three graphics (hereinafter collectively referred to as the Genuine Product Graphic):



[14] Mr. Tape asserts that, during the relevant period, the requirement described above was typically satisfied by displaying the Mark prominently on the labels and hangtags of the subject products. In the case of wallets, rucksacks/backpacks and the like, the Mark was also featured on the interior lining of such products. [para 8 of the affidavit; and Exhibit C: photographs of sample labels, hangtags and interior linings of the following products, which Mr. Tape states “are currently in use”: “wallet (black)”; “wallet (brown)”; “rucksack/backpack (black)”; “rucksack/backpack (red)”; “shirt (plaid)”; “trousers (tan)”; “track pants/sweatpants (gray)”; “shoes (black)”; “hoody/hooded sweatshirt (gray)”; “T-shirt (white)”; “flip flops (purple and

white)”; “jacket/coat (ladies gray)”, “bobble hat/toque (blue and green)”; and “handbag (brown)”] Reproduced under Schedule A to my decision, are two of the interior linings referred to by Mr. Tape. In this respect, I note that the price tags are depicted in British pounds.

[15] Mr. Tape states that the Mark also appears on the packaging of certain products of the Animal division. [para 9 of the affidavit; and Exhibit D: photographs of “a sample packaging for a watch in the Animal product line”; Exhibit C, which also includes photographs of sample packaging for the wallets referred to above]

[16] As for the sample labels, hangtags and linings mentioned above, Mr. Tape asserts that the packaging shown in the photographs under Exhibits C and D are representative of the appearance of the packaging for all watches and wallets that were sold and distributed in Canada during the relevant period.

[17] Mr. Tape then turns to the distribution and sale of the products bearing the Mark. He states that:

During the Relevant Period, the ANIMAL-branded products, including those categories of products referred to in paragraphs 8 and 9 above and shown in Exhibits C and D, have been sold by [the Owner] to a third party retailer in Chateauguay, Quebec. [para 10 of the affidavit]

[18] Mr. Tape attaches under Exhibit E to his affidavit invoices “evidencing sales of, among other things, the following products by the Animal division of [the Owner] to the retailer in Chateauguay, Quebec in 2014”: “short sleeve shirts”; “vests”; “T-shirt”; “hoody”; “closed toe shoes”; “backpack”; “satchel (backpack)”; “watch”; “sweater”; “sweatshirt”, “hat”/“toque”; “baseball cap”; “jacket”; “long sleeve T-shirt”; “sweatpants”; “wallets”. [para 11 of the affidavit]

[19] Mr. Tape further attaches under Exhibit F “design images” of the products noted in paragraph 11 above that are in [the Owner]’s business records. In this regard, Mr. Tape states that:

As [the Owner] no longer has any of these products in its inventory, no photographs of these products are available. I can confirm, however, that each of these products sold to the Chateauguay, Quebec retailer in 2014 was in compliance with the Animal Corporate Branding Guidelines that were in effect at the relevant time. In other words, the “genuine product graphic” that incorporates the [Mark], and/or the [Mark itself], would have

appeared on the hangtags and/or labels, interior linings and/or the packaging (as applicable) of these products as described in paragraphs 8 and 9 above and shown in Exhibits C and D. [para 12 of the affidavit]

ANALYSIS

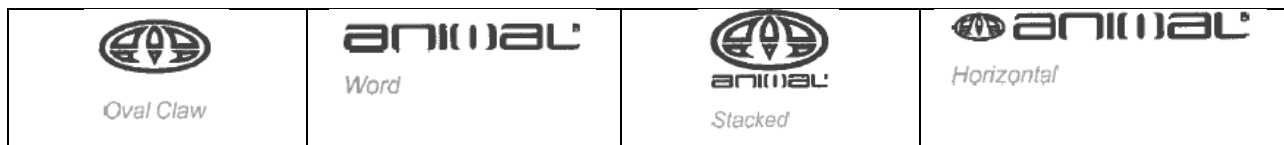
[20] The Requesting Party made numerous submissions with respect to the Tape affidavit and accompanying exhibits. Its main arguments are that:

- At best, the evidence shows that the Mark is not used as registered, but rather incorporated into unacceptable deviations.
- The photographs of goods provided are not representative of the goods allegedly sold in Canada during the relevant period, being contradicted by the Owner’s own evidence, leaving the Registrar with bare assertions of use which are vague and ambiguous.
- For certain goods, the Owner provides no evidence whatsoever.
- Any evidence of use constitutes unlicensed use by “Animal”, an unlicensed entity distinct from the Owner.
- Any evidence of use constitutes mere token use which is not use in the normal course of trade within the meaning of section 4(1) of the Act.

Deviation

The Requesting Party’s position

[21] The Requesting Party submits that it is clear from the evidence as a whole that the Owner has abandoned the Mark and did not use it in Canada during the relevant period, having replaced it with the trade-marks depicted below. It points out that the Corporate Branding Guidelines (November 13, 2013) submitted as Exhibit B state that “the only 4 corporate logos” are the one depicted below:



[22] The Requesting Party further submits that Exhibits C and D consist of photographs showing that the Mark itself is not used, but rather incorporated into a Genuine Product Graphic

and, for certain (but not all) wallets and backpacks, into the interior lining of these goods. The Requesting Party submits that such use does not serve to distinguish the goods of the Owner from those of others, and thus does not constitute use as a trade-mark. In the alternative, the Requesting Party submits that these constitute unacceptable deviations from the Mark as registered and do not constitute use of the Mark *per se*.

Use of the Mark as incorporated in the Genuine Product Graphic

[23] In support of its position, the Requesting Party relies on the often-cited decisions in *Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA); and *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA), as well as the Registrar's decision in *Andrews Robichaud v Clio/Oz Division of Mainline Fashions Inc*, 2015 TMOB 210.

[24] The Requesting Party submits that while nothing prevents a trade-mark owner from using more than one trade-mark on the same goods, when the mark as registered is incorporated into a graphic which incorporates other trade-marks and/or other design elements, the dominant feature of the resulting graphic has been held to be the *combination* of the various marks and/or elements. Therefore, the dominant features of the mark as registered have not been preserved.

[25] The Requesting Party submits that like in the *Clio/Oz* decision where the Registrar held that use of the following graphic did not constitute use of the word mark OZ as registered, the Mark as registered has lost its identity by being incorporated into the Genuine Product Graphic:



[26] The Requesting Party submits that the dominant feature of the Mark as registered is the word ANIMAL in stylized block-style letters, namely the uppercase letter "A" (twice), the lowercase letters "n", "i" and "l" and an "M" stylized as three claws with curved extremities separate from the rest of the claws. The dominant feature of the Genuine Product Graphic (in all its variations), on the other hand, is the combination of four elements:

- i. the Mark as registered;
- ii. the so-called “oval claw” logo;
- iii. the combination of the lowercase word “animal” and the oval claw logo; and
- iv. the phrase “Animal® Genuine Product”.

[27] The Requesting Party submits that like in *Clio/OZ*, borders connect the various elements: a first set of borders connects elements (i) to (iii), and a larger border connects elements (i) to (iii) with element (iv) into a single, coherent whole.

[28] The Requesting Party submits that the addition of element (ii) to (iv) significantly alters the Mark visually, phonetically and in the ideas suggested, such that the commercial impression given by the Genuine Product Graphic is not the same as the commercial impression given by the Mark. Therefore, the Mark has lost its identity and has not been used as registered.

Use of the Mark as incorporated in the interior lining of certain wallets and backpacks

[29] As a preliminary comment, the Requesting Party notes that the photographs of the interior lining of the three specific products depicted in Exhibit C, namely “wallet (black)”, “wallet (brown)” and “rucksack/backpack (black)” are of very poor quality, as shadows obscure large parts of the interior lining, especially with respect to the two wallets, making it difficult to determine whether the Mark is displayed in its entirety or to what extent other design elements are intertwined with the Mark. It submits that per *Plough, supra*, this ambiguity should be resolved against the Owner.

[30] However, I note that the color photographs of Exhibit C attached to the original version of the Tape affidavit filed with the Registrar appear to be clearer than the ones provided to the Requesting Party. I confirm that the photographs of the interior lining of the “wallet (black)” and of the “rucksack/backpack (black)” both show the Mark as registered, although it is intertwined with other elements (as discussed below).

[31] With respect to the interior lining of the “wallet (brown)” reproduced in Schedule A to my decision, the Requesting Party submits that the Mark as registered appears to be contained within, and connected with, a thick oval border with two half-moons extending on either side of the oval. Applying the principle in *Honeywell Bull* and *Promafil, supra*, it submits that the

addition of this design is a dominant feature of the Mark which is absent from the Mark as registered and, as such, the resulting design constitutes an unacceptable deviation from the Mark as registered.

[32] With respect to all three products, the Requesting Party further submits that the Mark is never displayed on its own in the interior lining of the wallets and backpacks, but rather intertwined with other elements and lost among a large number of different graphic elements which make up the decorative design of the interior lining as a whole. Again applying the principles in *Honeywell Bull* and *Promafil, supra*, it submits that such use of the Mark constitutes an unacceptable deviation from the Mark as registered because the Mark loses its identity among the myriad elements that make up the decorative design of the interior lining. Relying on *Bereskin & Parr LLP v Chanel S de RL*, 2012 TMOB 34, the Requesting Party submits that a trade-mark so intermingled with other elements loses its identity and such display constitutes an unacceptable deviation from the Mark as registered.

Use of the new ANIMAL design mark

[33] Finally, the Requesting Party submits that use of the new “Animal” design mark as depicted below in the Corporate Branding Guidelines (Exhibit B) and on various products does not constitute use of the Mark.



animal

[34] The Requesting Party submits that it is implicit from the Tape affidavit that Mr. Tape himself does not consider this trade-mark to be the Mark.

[35] The Requesting Party submits that the dominant feature of the new “Animal” design mark is the word “animal” in lowercase letters, in a very different font than the Mark, in which the letter “m” is stylized very differently: in this respect, it does not consist of claws, but rather of three, slightly curved parallel vertical lines.

The Owner's position

[36] In reply, the Owner respectfully submits that the Requesting Party's submissions are misguided.

[37] Relying on the decision in *AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD) (and the decisions referred to in paragraph 43 below), the Owner submits that it is trite law that nothing prevents the use of two or more trade-marks simultaneously in relation to the same goods.

[38] As a preliminary comment, the Owner submits that there is no doubt that the Mark in the Genuine Product Graphic is in the form of the Mark as registered. It points out that the Requesting Party does not contradict this point. In other words, there was no deviation in the way the Mark appeared in the Genuine Product Graphic.

[39] The Owner further submits that the components of all three forms of the Genuine Product Graphic, as identified above, are trade-marks of the Owner that are distinguishable as a result of (a) the placement of these marks (in side-by-side or stacked orientation); (b) borders which clearly visually separate these marks; (c) the distinct designs of these marks; and (d) the use of the ® symbol next to some of these marks. Consequently, the public, as a matter of first impression of the Genuine Product Graphic, would readily perceive the Mark as separate from the other components, rather than seeing the Genuine Product Graphic as a single, composite trade-mark.

[40] The Owner submits that the present case is also distinguishable from *Clio/OZ*, *supra*, on the facts. In *Clio/Oz*, the Registrar had to consider whether the use of the CLIO OZ design mark constituted use of the registered word mark OZ (*i.e.* whether unacceptable deviation had occurred by the use of the design mark) after finding the following facts from the registered owner's evidence: (a) the owner's trade-name was "CLIO/OZ Division of Mainline Fashions Inc." and appeared throughout its evidence; (b) CLIO/OZ appeared to be the owner's trading style; (c) the evidence showed that CLIO was always depicted with the OZ mark; and (d) the CLIO portion of the design mark was indistinguishable from the OZ portion, as the visual

connection between the two portions was reinforced by the fact that the design mark was consistently displayed as referencing the trading style of the owner.

[41] The Owner submits that the unique set of facts in *Clio/Oz*, led to the Registrar’s application of the test for deviation, as well as to the conclusion that the use of the CLIO OZ design mark was not use of the word mark OZ. The Owner submits that the fact of *CLIO/OZ* being the trade-mark owner’s trade-name and trading style was a major influence on the Registrar’s decision. As such, it submits that *Clio/Oz* cannot be reasonably analogized to the present case on the facts.

[42] In summary, the Owner submits that the question of deviation is simply not engaged in this proceeding.

[43] In support of its position, the Owner relies on the following decisions:

- *Sim & McBurney v Les Espaces Memoria Inc*, 2016 TMOB 24, where the use of the following graphic was found to constitute use of the registered word mark MEMORIA:

Alfred Dallaire | MEMORIA

- *Method Law Professional Corporation v Black & Decker Corporation*, 2015 TMOB 225, where the use of the following graphics constituted use of the registered word mark PIRANHA:



- *Laboratoires Contapharm v Origins Natural Resources Inc*, 2014 TMOB 165, where the use of the word ORIGINS in combination with the design of two trees constituted use of the registered word mark ORIGINS; and
- *Brooks v Ranpro Inc*, 2011 TMOB 74, where the use of various graphics on labels sewn into clothing, including the below graphic, was found to constitute use of the registered word mark FLAME-GARD:



[44] The Owner submits that in this case, the Mark is more distinguishable from the other elements in the Genuine Product Graphic in comparison to the marks in the above-noted decisions, given that the Mark is a design mark and is more readily discernable than word marks. The Owner submits that as it was determined in these decisions that the actual use established the use of the registered trade-marks, it is reasonable to conclude that the Owner's use of the Genuine Product Graphic demonstrates use of the Mark by the Owner.

[45] With respect to the Requesting Party's submissions relating to the incorporation of the Mark in the interior lining of wallets and backpacks, the Owner submits that the above submissions apply equally to such use and as a result, the evidence with respect to the interior lining also establishes use of the Mark by the Owner.

Analysis re: deviation

[46] As a preliminary matter, I note that the Owner apparently does not dispute that the Mark as registered never appears *alone*, but rather appears *incorporated* into the Genuine Product Graphic or the interior lining of certain wallets and backpacks. Indeed, the Owner does not appear to dispute that use of any of the corporate logos shown above in paragraph 21 of my decision does not constitute use of the Mark.

[47] I also note that the Requesting Party's submissions that display of the Mark as incorporated into the interior lining of these wallets and backpacks is *decorative* or *ornamental*, and that the Genuine Product Graphic is not used to distinguish the Owner's goods, and thus *not used as a trade-mark*, exceed the bounds of section 45 proceedings [see *Digital Attractions Inc v L.N.W. Enterprises Ltd* (2007), 64 CPR (4th) 418 (TMOB.); and *United Grain Growers Ltd v Lang Michener* (2001), 2001 FCA 66, 12 CPR (4th) 89 (FCA)]. Indeed, I need only determine,

with respect to the goods specified in the registration, whether the Mark, as registered, was used during the relevant period.

[48] The real issue in this case is whether the manner of display of the Mark as incorporated into the Genuine Product Graphic or the interior lining of certain wallets and backpacks constitutes display of the Mark as registered.

[49] To answer this question, I must first determine whether such manner of display constitutes display of a single, composite trade-mark or whether the Mark would readily be perceived as separate from the other components. As noted by both the Requesting Party and the Owner, it is well-established that two trade-marks may be used at the same time so long as they are not combined in a way to render the individual marks indistinguishable [see *AW Allen, supra*].

[50] In the present case, I agree with the Owner that the Mark would be perceived as being one trade-mark in a group of distinct trade-marks that are used in the Owner's Genuine Product Graphic, and that it remains recognizable as a trade-mark in its own right. There is a marked division between each of the trade-marks shown in the Genuine Product Graphic. The Mark appears in its own box/frame and is not otherwise linked/tied/integrated to the remaining matter. The repetition of ANIMAL, the claw design and variants thereof, as well as the display of a couple of ® symbols within such display, reinforces the impression that the Mark is being displayed along with other trade-marks, and is not simply a part of one composite trade-mark. The fact that there are variations of the Genuine Product Graphic and that most of the goods depicted under Exhibit C also display one or more of the corporate logos (again, shown above in paragraph 21 of my decision) on their own also reinforces that impression. As such, the present case is distinguishable from *Cio/Oz*.

[51] In view of the foregoing, it is not necessary to determine whether display of the Mark as incorporated in the interior lining of certain wallets and backpacks constitute display of the Mark as registered. In this respect, the labels and hangtags of these wallets and backpacks do display the Mark as incorporated into the Genuine Product Graphic.

Use of the Mark in association with *each* of the registered goods

[52] Considering the Requesting Party's submissions that the photographs in Exhibits C and D are not representative of the goods allegedly sold in Canada during the relevant period, the Requesting Party takes the position that "Mr. Tape's statements in this regard are ambiguous and contradicted by the design images submitted as Exhibit 'F'" and that "it is unclear that the goods allegedly sold [...] during the relevant period were, in fact, sold in association with the [Mark]."

[53] First, the Requesting Party submits that it is clear that the photographs submitted as Exhibits C and D are not photographs of the goods allegedly sold in Canada during the relevant period as Mr. Tape refers to "products that are *currently* in use" [emphasis added] and the price tags depicted therein are in British pounds, suggesting that these products are currently sold in the UK. Moreover, Mr. tapes states in paragraph 12 of his affidavit that "no photographs of [the goods sold in Canada during the relevant period] are available" as the Owner does not have these goods in its inventory, despite them being allegedly sold in Canada less than 15 months prior to the affidavit being affirmed.

[54] Second, the Requesting Party submits that the statements attempting to link Exhibits C and D with the goods allegedly sold in Canada during the relevant period are deliberately vague and ambiguous as at the end of paragraph 8 of his affidavit, Mr. Tapes states: "These sample labels, hangtags and interior linings are representative of the appearance of the labels, hangtags and interior linings that were used in respect of the same *categories* of products, that were sold and distributed in Canada in the relevant period" [emphasis added]. Instead of stating that the photographs are representative of the products themselves allegedly sold in Canada during the relevant period, Mr. Tape only makes reference to the "categories" of products. Likewise, the Requesting Party submits that due to the repeated use of "and/or" in paragraph 12 of the Tape affidavit (reproduced above in paragraph 19 of my decision), it is impossible to tell what form and where exactly the Mark appeared on each of the different goods allegedly sold in Canada during the relevant period, in particular whether it was only as incorporated into a Genuine Product Graphic, or as part of the decorative design on an interior lining, or in another way. The Requesting Party further submits that the use of the conditional tense "would have

appeared” is also ambiguous; Mr. Tape could have used the past tense “appeared” for more certainty and clarity.

[55] Third, the Requesting Party submits that the Exhibit F “design images” of the goods allegedly sold in Canada during the relevant period, indicates that Exhibits C and D are *not* representative of the goods at issue. In this respect, it submits that a comparison of the design images (whose Style Codes match most of the goods listed in the invoices at Exhibit E) with the photographs at Exhibits C and D reveals that the photographs show goods entirely different from the goods listed in Exhibit E and depicted in Exhibit F.

[56] In reply, the Owner respectfully submits that the Requesting Party’s arguments in this regard are the result of a “complete miscomprehension and/or mischaracterization” of the evidence.

[57] The Owner submits that, as the Tape affidavit made clear, the Owner no longer had any of the products sold to the Chateauguay, Quebec retailer in 2014 in its inventory. Consequently, it was not in a position to produce photographs of any such products. What was provided in Exhibits C and D were photographs of sample packaging, hangtags, labels and interior linings that were in use at the time of the affirmation of the affidavit, for the purpose of showing how the Mark and the Genuine Product Graphic were utilized/displayed with respect to the types of products shown in the photographs. The Tape affidavit as a whole also clearly indicates that these samples are representative of (a) the appearance of the packaging for all watches and wallets, and (b) the labels, hangtags and interior linings that were used in respect of the same types of products, that were sold and distributed in Canada in the relevant period (*i.e.* the products sold to the Chateauguay retailer, the design images for which were furnished as Exhibit F.)

[58] The Owner further submits that the Tape affidavit further confirm that: (a) each of the products sold by the Animal division of the Owner to the Chateauguay retailer in 2014 was in compliance with the Corporate Branding Guidelines that were in effect at the relevant time, which, as already noted above, required that all products of the Animal division bear the Genuine Product Graphic; and (b) the Genuine Product Graphic and/or the Mark would have appeared on the hangtags, labels, interior linings and/or the packaging (as applicable) of the products sold to

the Chateauguay retailer in the manner described in the affidavit and shown in the photographs in Exhibits C and D.

[59] The Owner points out that nowhere in the Tape affidavit is it stated that the products shown in the photographs correspond to, or are representative of, the products sold by the Owner in Canada during the relevant period. It submits that there is no inconsistency among the statements in the Tape affidavit and the exhibits.

[60] In addition, the Owner submits that to draw an adverse inference from the absence of photographs of the actual goods sold, in the face of a legitimate explanation for such absence, as the Requesting Party is asking the Registrar to do in this case, places too high an evidentiary burden on the Owner. It submits that such a high burden is contrary to the purpose of section 45 proceedings and the applicable jurisprudence.

[61] I am in general agreement with the Owner's submissions.

[62] This brings me to turn to the Requesting Party's submissions that, for certain goods, the Owner provides no evidence.

[63] In this respect, I reproduce below the statement of goods for each registration with certain goods bolded, underlined or asterisked, the explanation for which will follow.

TMA448,527	TMA512,970
<p>Goods: (1) Watch straps. (2) <u>Sports caps namely baseball caps</u>; and sports clothing namely, T-shirts, jackets, belts, shirts, and beach shoes; and beach clothes namely sweatshirts, shorts and trousers.</p>	<p>Goods: (1) Watches; articles made from leather and from imitations of leather*, bags*, backpacks, rucksacks*, wallets and purses, belts; clothing, namely, underwear, swimwear, socks, shorts, shirts, jackets, trousers*, jeans, jogging pants, skirts, dresses, sweatshirts*, t-shirts*; hats*; sports clothing, namely, sports t-shirts, sports hats, sports shorts, sport sweatshirts; footwear, namely, shoes; <u>headgear, namely, baseball caps.</u></p>

[64] With respect to the bolded goods, the Requesting Party submits that use of the Mark has not been supported at all by the evidence. I agree. There is no mention in the Tape affidavit nor is there any evidence from within the relevant period relating to these goods. I further note that

the Owner does not appear to dispute this finding [see paragraphs 5 and 19 of its written representations].

[65] With respect to the asterisked goods, the Requesting Party submits that these goods cannot be supported by evidence of use in association with distinct or more precise goods. It submits that given that the Owner made a distinction in its statement of goods respecting registration No. 512,970, the Owner is required to provide evidence of use of the Mark for each of these goods [see *John Labatt Ltd v Rainier Brewing Co et al* (1984) 80 CPR (2d) 228 (FCA)]. For the Owner to maintain its registration for broader categories of goods (e.g. “articles made from leather and from imitations of leather”), it would have to show use in association with such goods otherwise than by reference to precise goods (e.g. “wallets”) [see *Stikeman Elliott LLP v Parmx Cheese Co Ltd*, 2015 TMOB 102 at para 18]. I agree. The invoices under Exhibit E and the design images under Exhibit F relate to distinct or more precise goods.

[66] With respect to the baseball caps, the Requesting Party submits that they appear in the invoices at Exhibit E but no photographs whatsoever are provided, “which would have been essential to appreciate how the Mark appears on such goods, in the context of an ambiguous [a]ffidavit.” I disagree.

[67] I find it can be reasonably inferred from the Tape affidavit as a whole that the Mark was in use with baseball caps as well as with each of the remaining goods in the table above during the relevant period. While the design images under Exhibit F (which do include images of baseball caps) do not show how the Mark was associated with such goods, the Tape affidavit makes it clear that all products sold during the relevant period had to bear a Genuine Product Graphic that incorporated the Mark. The Style Codes described in the invoices under Exhibit E refer to these goods as “ANIMAL” products and the sample labels and hangtags depicted in the photographs under Exhibits C and D are representative of the appearance of the labels and hangtags that were used in respect of the same categories of products that were sold and distributed in Canada during the relevant period.

[68] In this regard, I 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), 2005 CAF 64, 48 CPR (4th) 223 (FCA)].

[69] In view of the foregoing, I am satisfied that use of the Mark during the relevant period has been demonstrated in association with the following goods:

- With respect to registration No. TMA448,527:
Sports caps namely baseball caps; and sports clothing namely, T-shirts, jackets, shirts; and beach clothes namely sweatshirts and trousers.
- With respect to registration No. TMA512,970:
Watches; backpacks, wallets; clothing, namely, shirts, jackets, jogging pants; sports clothing, namely, sports t-shirts, sports hats, sport sweatshirts; footwear, namely, shoes; headgear, namely, baseball caps.

[70] However, I am not satisfied that use of the Mark during the relevant period has been demonstrated in association with the following goods and the Owner furnished no evidence of special circumstances excusing non-use of the Mark with respect to these goods:

- With respect to registration No. TMA448,527:
“watch straps”, “belts”, “beach shoes”, “shorts”
- With respect to registration No. TMA512,970:
“articles made from leather and from imitation of leather”, “bags”, “rucksacks”, “purses”, “belts”, “underwear”, “swimwear”, “socks”, “shorts”, “trousers”, “jeans”, “skirts”, “dresses”, “sweatshirts”, “t-shirts”, “hats”, “sports shorts”.

Unlicensed use

[71] As summarized by the Owner in its written representations, the Requesting Party argues that the evidence is unclear as to whether the Animal division and the Owner were the same entity during the relevant period because: (a) the Tape affidavit does not explicitly state that the Animal division is part of the same legal entity as the Owner; and (b) one of the synonyms of “division” is “subsidiary”. As a result, the Requesting Party submits that the Animal division must be interpreted to mean a separate legal entity from the Owner, and any use of the Mark by the former during the relevant period was unlicensed and therefore did not enure to the latter.

[72] The Owner respectfully submits that this line of reasoning is both unreasonable and illogical.

[73] The Owner submits that the definition of the word “division” found by the Requesting Party is “a major section of an organization, with responsibility for a particular area of activity”. The meaning of the word is clear: a division is part of a larger entity. All the other synonyms of “division” found by the Requesting Party, namely “department, branch, arm, wing, sector, section, subsection, subdivision, detachment, office, bureau, offshoot, satellite, extension”, are part of a larger body or organization as well. To elevate one synonym above all others, and more significantly, to allow a synonym to take precedence over the dictionary definition of a word, is patently unreasonable.

[74] The Owner further submits that in light of the ordinary dictionary definition of the word “division”, there was no reason to expressly affirm whether Animal division is or is not a separate legal entity from the Owner in its evidence, and there is no need to consider whether a trade-mark license is or is not necessary between Animal division and the Owner.

[75] I agree with the Owner.

Token use

[76] As summarized by the Owner in its written representations, the Requesting Party urges the Registrar to conclude that any use of the Mark established by the evidence constitutes “token use” and therefore not use in the normal course of trade as required by section 4(1) of the Act.

[77] I do not consider it necessary to discuss this issue at length.

[78] Suffice it to say that I agree with the Owner that considering the Tape affidavit as a whole, including the facts that sales were to a third party retailer, the number of sales and the quantities of all products sold, it cannot be reasonably concluded that such sales were anything other than genuine commercial transactions. There is no evidence that suggests that the sales demonstrated were not *bona fide* sales made in the Owner’s normal course of trade [see *Osler, Hoskin, & Hartcourt v United States Tobacco Co* (1997), 77 CPR (3d) 475 (FCTD)]. Evidence

of a single sale is sufficient as long as it does not appear to be contrived [see *Philip Morris Inc v Imperial Tobacco et al* (1987), 13 CPR (3d) 289 (FCTD)].

DISPOSITION WITH RESPECT TO TMA448,527

[79] Pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be amended to delete the following goods in compliance with the provisions of section 45 of the Act: “watch straps”, “belts”, “and beach shoes”, “shorts”. The amended statement of goods will read as follows:

Sports caps namely baseball caps; and sports clothing namely, T-shirts, jackets, shirts; and beach clothes namely sweatshirts and trousers.

DISPOSITION WITH RESPECT TO TMA512,970

[80] Pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be amended to delete the following goods in compliance with the provisions of section 45 of the Act: “articles made from leather and from imitation of leather”, “bags”, “rucksacks”, “and purses”, “belts”, “underwear”, “swimwear”, “socks”, “shorts”, “trousers”, “jeans”, “skirts”, “dresses”, “sweatshirts”, “t-shirts”, “hats”, “sports shorts”. The amended statement of goods will read as follows:

Watches; backpacks, wallets; clothing, namely, shirts, jackets, jogging pants; sports clothing, namely, sports t-shirts, sports hats, sport sweatshirts; footwear, namely, shoes; headgear, namely, baseball caps.

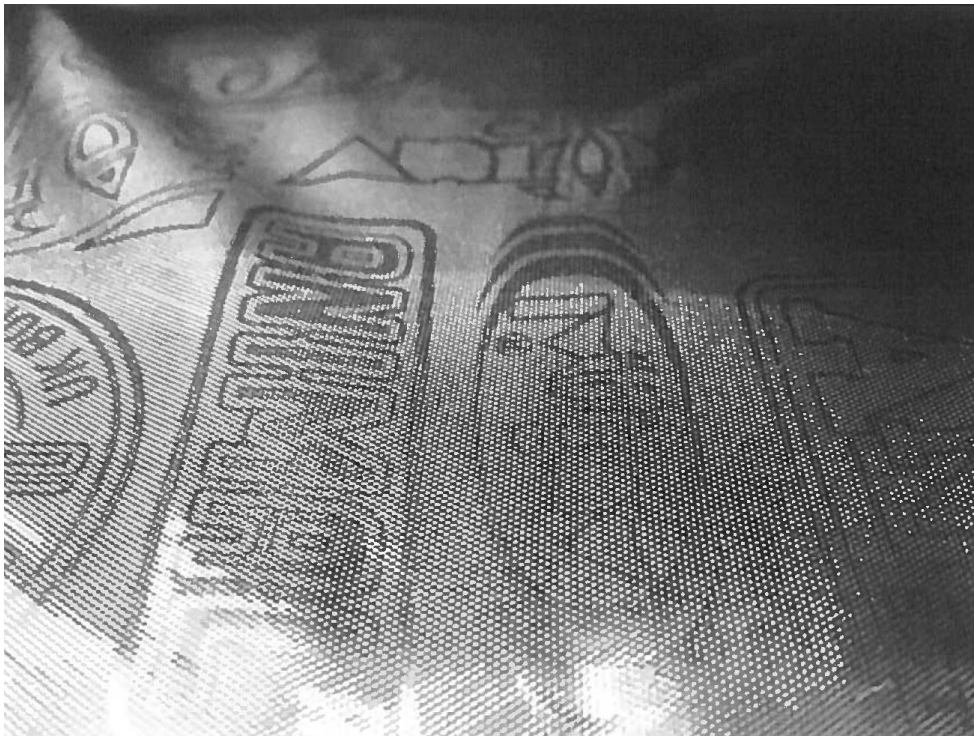
Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

Excerpt from Exhibit C - Interior lining of wallet (brown)”



Excerpt from Exhibit C – Interior lining of rucksack/backpack



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

HEARING DATE: 2017-10-24

APPEARANCES

No one appearing

FOR THE REGISTERED OWNER

Catherine Bergeron

FOR THE REQUESTING PARTY

AGENTS OF RECORD

Osler, Hoskin & Hartcourt LLP

FOR THE REGISTERED OWNER

Robic

FOR THE REQUESTING PARTY