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

Citation: 2019 TMOB 57

Date of Decision: 2019-06-13

IN THE MATTER OF A SECTION 45 PROCEEDING

Robinson Sheppard Shapiro LLP

Requesting Party

and

Digital Hair Partners, LLC

Registered Owner

TMA823,725 for CONCEPT VERT

Registration

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA823,725 for the trade-mark CONCEPT VERT (the Mark), owned by Digital Hair partners, LLC, a Michigan limited liability company.

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

(1) Hair care preparations; hair shampoos and conditioners; hair styling preparations.

[3] For the reasons that follow, I conclude that the registration ought to be expunged.

THE PROCEEDING

[4] On February 13, 2017, the Registrar of Trade-marks sent a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) to Laurent D. Product, Inc., doing business as Prive

Products, of registration No. TMA823,725. The notice was sent at the request of Robinson Sheppard Shapiro LLP (the Requesting Party).

[5] Subsequent to the issuance of the notice, the Registrar recorded a change in title of the registration to Digital Hair Partners, LLC (the Owner). This change of title is not at issue in this proceeding.

[6] 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 each of the goods 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. In this case, the relevant period for showing use is any time between February 13, 2014 and February 13, 2017.

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

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

[8] It has been well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for clearing the register of “deadwood”. The criteria for establishing use are not demanding and an overabundance of evidence is not necessary. Nevertheless, sufficient evidence must be provided to allow the Registrar to conclude that the trade-mark was used in association with each of the registered goods and services [see *Uvex Toko Canada Ltd v Performance Apparel Corp*, 2004 FC 448]. Furthermore, mere statements of use are insufficient to prove use [see *Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)].

[9] In response to the Registrar’s notice, the Owner furnished the affidavit of Charles S. Salewsky Jr., the Transition Director of the Owner, sworn September 6, 2017, together with Exhibits A to C.

[10] Neither party filed written representations or requested an oral hearing.

THE EVIDENCE

[11] Mr. Salewsky explains that the Owner is a company that was set up to take over the PRIVÉ line of hair care products, which includes goods bearing the Mark, from the prior owner, Laurent D. Product Inc. d/b/a Prive Products. He attests that on January 27, 2017, the Owner acquired all rights, title and interest to the Mark from the predecessor-in-title. In support, as Exhibit B, he provides a copy of a document confirming the assignment of the trade-mark to the Owner on January 27, 2017. The document was executed by the predecessor-in-title on March 17, 2017; Mr. Salewsky explains that it was filed with the Canadian Trademarks Office on March 22, 2017, and accepted on April 3, 2017.

[12] Mr. Salewsky attests that since acquiring the Mark, the Owner has not directly sold any goods in Canada bearing the Mark. He further states that there were no sales of goods under the Mark during the relevant period in Canada directly by the predecessor-in-title.

[13] However, Mr. Salewsky attests that there have been sales of the registered goods, which he collectively refers to as “the Goods”, bearing the Mark, by third party distributors, in Canada, during the relevant period. As Exhibit C, he provides printouts of third party websites currently offering, in Canada, the Goods bearing the Mark, namely *www.amazon.ca* and Canada Beauty Supply. I note that the printouts of the websites display volumizing froth, rejuvenating pure conditioner, rejuvenating pure shampoo, conditioner and shampoo, all bearing the Mark. Furthermore, he states that the products shown are the Goods manufactured and sold by the predecessor-in-title.

[14] Lastly, Mr. Salewsky states that the Owner is diligently working towards directly selling the Goods to customers in Canada under the Mark in the fall of 2017. He attests that some of the efforts currently underway by the Owner include seeking representation of a master distributor based in Montreal to represent the Owner’s brand portfolio starting in 2018.

ANALYSIS AND REASON FOR DECISION

[15] Mr. Salewsky attests that third-party distributors sold goods bearing the Mark during the relevant period. It is well-established that a registered owner's ordinary course of trade will often involve distributors and wholesalers and, if any part of the chain of distribution occurs in Canada, this is generally sufficient to demonstrate "use" enuring to the benefit of the owner [see *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (Fed TD); *Lin Trading Co v CBM Kabushiki Kaisha* (1988), 21 CPR (3d) 417 (FCA)]. However, in the absence of evidence that would permit me to conclude that sale through these channels is the ordinary course of trade for the previous owner, I cannot conclude that the availability of the goods through these channels constitutes use for the purposes of section 4. Therefore, the determination to be made is whether there existed special circumstances that would excuse the absence of use during that time.

[16] 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 [*Canada (Registraire des marques de commerce) c Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. Special circumstances are circumstances or reasons that are unusual, uncommon, or exceptional [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)].

[17] 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: (1) the length of time during which the trade-mark has not been in use; (2) whether the reasons for non-use were beyond the control of the registered owner; and (3) whether there exists a serious intention to shortly resume use [per *Harris Knitting Mills, supra*]. All three criteria are relevant, but satisfying the second criterion is essential for a finding of special circumstances excusing non-use [per *Scott Paper Ltd v Smart & Biggar* (2008), 65 CPR (4th) 303 (FCA)].

[18] However, in cases where a mark has been recently acquired, it has been considered an overly technical approach to require a new registered owner to justify an absence of use of the mark by its predecessor [see *GPS (UK) v Rainbow Jean Co* (1994), 58 CPR (3d) 535 (TMOB);

Scott Paper Co v Lander Co Canada Ltd (1996), 67 (3d) 274 (TMOB)]. Accordingly, the period of non-use will be considered to begin at the date of assignment.

[19] In this case, I note that there is some ambiguity in the Owner's evidence with respect to the date of assignment; while Mr. Salewsky and the document attached as Exhibit B refer to January 27, 2017, as the date of assignment, the change in title was not filed with the Canadian Trademarks Office until March 22, 2017, and was not recorded until April 3, 2017. However, the courts have held that an assignment does not necessarily need to be recorded by the Trademarks Office or documented in writing to be valid; a transfer can be inferred from the facts of the case even if the parties have not executed a formal transfer in writing [see *Philip Morris Inc v Imperial Tobacco Ltd* (1985), 7 CPR (3d) 254 (FCTD) aff'd (1987), 17 CPR (3d) 289 (FCA); *Sim & McBurney v Buttino Investments Inc/Les Investissements Buttino Inc* (1996), 66 CPR (3d) 77 (FCTD) aff'd (1997), 76 CPR (3d) 482 (FCA); and *White Consolidated Industries Inc v Beam of Canada Inc* (1991), 39 CPR (3d) 94 (FCTD)]. Having considered the evidence in its entirety and bearing in mind that the purpose of section 45 proceeding is to provide a summary and expeditious administrative procedure to clear the register of trade-marks that are no longer in use in Canada, I accept that the assignment took place on January 27, 2017, but was simply not recorded at that time.

[20] Thus, the period of non-use is seventeen days. Given the short period between the date of acquisition of the Mark and the issuance of the section 45 notice, the Owner is only required to show a serious intention to resume use of the Mark for the registered goods [*Scott Paper, supra* at para 14].

[21] In this case, the only pieces of evidence provided to show a serious intention to resume use are Mr. Salewsky's statements that the Owner is "diligently working" to resume use in the fall of 2017 and that the Owner is seeking representation of a master distributor based in Montreal. The sort of evidence required to establish a serious intention to resume use shortly is discussed in *Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 at para 12 (FCTD) as follows:

It is therefore important, in cases where non-use has been conceded and the registrant pleads "special circumstances", that the evidence filed to support the further protection

cannot be restricted to a bare statement but must provide detail to lend substance to the assertion. The Registrar concluded that the intention to resume use was a bare statement and that the appellants had not demonstrated a serious intention to resume use in Canada any time soon. Further details, such as a proposed date of resumption or a description of steps to be taken to effectively restore the mark to use were not included in the evidence. The appellant does not indicate with any degree of certainty its intention to resume use; this court is left in the dark as to how long the duration of the non-use will persist. As the Registrar puts it, “the statement that the trade mark owner intends to use the trade mark in Canada is not in itself sufficient to maintain the registration”.

[22] In the present case, Mr. Salewsky provides a potential date for resumption of use and the name of a potential distributor. However, negotiations or discussions with potential distributors, without more, are insufficient to demonstrate serious intention to resume use [*Canada Goose Inc v James*, 2016 TMOB 145 at para 47; *NTD Apparel Inc v Ryan* (2003), 27 CPR (4th) 73 at para 26]. I note as well that Mr. Salewsky describes these efforts as “currently underway”; however, there is no indication that active steps to resume use began during the relevant period, as is necessary to show serious intention to resume use [*Morrison Brown Sosnovitch LLP v Jax and Bones Inc*, 2014 TMOB 280 at para 23]. Similarly, the potential date for resumed use is vague and appears to conflict with the timeline for securing a master distributor, thus making it unclear when use will resume. Finally, I note that the language of the affidavit suggests that both the Owner and the prior owner anticipated the sale of the Mark by at least three years, making it more reasonable to expect that the Owner would be able to provide concrete evidence of plans to resume use.

[23] Consequently, in view of the above, I conclude that the Owner has failed to establish that the absence of use of the Mark in association with the registered goods was due to special circumstances that would justify such non-use.

DISPOSITION

[24] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, registration number TMA823,725 will be expunged in compliance with the provisions of section 45 of the Act.

Gregory Melchin
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 No Hearing Held

AGENT(S) OF RECORD

Moffat & Co.

FOR THE REGISTERED OWNER

Robinson Sheppard Shapiro LLP

FOR THE REQUESTING PARTY

