



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 36

Date of Decision: 2021-02-26

IN THE MATTER OF A SECTION 45 PROCEEDING

Sim & McBurney

Requesting Party

and

Les Entreprises Vagabond Inc.

Registered Owner

TMA348,236 for SUBWAY

Registration

INTRODUCTION

[1] This is a decision involving a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13, (the Act) with respect to registration No. TMA348,236 for the trademark SUBWAY (the Mark), owned by Les Entreprises Vagabond Inc. (the Owner).

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

Vêtements pour hommes, femmes et enfants, notamment: jeans, pantalons, chemises, vestons, chandails, costumes, jupes, robes et cravates.

[TRANSLATION: Clothing for men, women, and children, namely: jeans, pants, shirts, jackets, jerseys, suits, skirts, dresses and ties.]

and the following services:

Services d'exploitation de boutiques pour la vente de vêtements et accessoires vestimentaires de toutes sortes.

[TRANSLATION: Store operation services for selling clothing and clothing accessories of all kinds.]

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

THE PROCEEDING

[4] At the request of Sim & McBurney (the Requesting Party), the Registrar of Trademarks issued a notice to the Owner under section 45 of the Act on June 6, 2017.

[5] The notice required the Owner to show whether the Mark has been used in Canada in association with each of the goods and services 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 the Mark was last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use is June 6, 2014 to June 6, 2017 (the Relevant Period).

[6] The relevant definitions of use are set out in section 4 of the Act as follows:

4(1) A trademark 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.

[7] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing “deadwood” from the register. 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]. This burden of proof is light; evidence need only supply facts from which a conclusion of use may follow as a logical inference [per *Diamant* at para 9].

[8] In the absence of use as defined above, pursuant to section 45(3) of the Act, a trademark registration is liable to be expunged, unless the absence of use is due to special circumstances that excuse the absence of use.

[9] In response to the Registrar's notice, the Owner furnished the affidavit of André Racine, President of the Owner, affirmed March 19, 2018.

[10] No written representations were filed. No hearing was held.

THE EVIDENCE

[11] In his affidavit, Mr. Racine states that the Owner used the Mark in Canada during the Relevant Period in association with all the goods indicated in the registration except for suits and ties, but admits that the Owner did not use the Mark in association with the registered services during this period.

[12] Mr. Racine explains that the Owner sells a line of clothing bearing the Mark in its men's and women's clothing retail network, mainly in stores operating under the Hangar-29 name. Mr. Racine attests that during the Relevant Period there were over \$3.5 million in sales of clothing bearing the Mark at the Owner's retail stores.

[13] Mr. Racine also provides evidence regarding the manner in which the Owner obtains the clothing items that it sells, namely through a number of suppliers. The suppliers manufacture the goods and affix labels displaying the Mark on the manufactured clothing items.

[14] In support, Mr. Racine attaches the following exhibits to his affidavit:

- Exhibit A: a series of photographs showing items of clothing bearing the Mark, including jeans, a skirt, a jean jacket, and T-shirts. The Mark is displayed on labels, buttons, and hangtags attached to the articles of clothing and is also stitched or printed directly on some of the clothing items. Mr. Racine confirms that the photographs are representative of how the Mark was used in association with each of the registered goods sold in Canada during the Relevant Period.

- Exhibit B: an excerpt from the CA identification number database administered by the Competition Bureau, showing the CA number assigned to the Owner. According to Mr. Racine, this number was visible on all clothing sold by the Owner in association with the Mark during the Relevant Period to identify the Owner as the source of the goods.
- Exhibit C: a series of representative purchase orders sent by the Owner to suppliers for SUBWAY labelled goods, along with some of the invoices sent by the suppliers to the Owner for these ordered goods. The purchase orders relate to a number of goods, including jeans, pants, shirts, jackets, jerseys (called “T Shirt” on the corresponding supplier invoice), tank tops, skirts, and dresses purchased during the Relevant Period.
- Exhibit D: a spreadsheet that lists the annual dollar value for each type of SUBWAY branded clothing purchased from suppliers in the years 2014, 2015, 2016, and 2017, totaling \$3.5 million.
- Exhibit E: a series of sales receipts issued by Hangar-29 showing the sale of various items of clothing, including jeans, pants, jackets, jerseys (“*CHAND.JERSEY*”), skirts, and dresses that were sold within the Relevant Period.

ANALYSIS AND REASONS FOR DECISION

[15] As a preliminary matter, Mr. Racine states that the Owner has not used the Mark in association with suits or ties or with the registered services. Given the absence of any evidence of special circumstances excusing non-use, these goods and services will be deleted from the registration.

Jeans, pants, jackets, jerseys (“*chandails*”), skirts and dresses

[16] The Owner has filed evidence of at least one sale of jeans, pants, jackets, jerseys, skirts, and dresses in its Hangar-29 stores within the Relevant Period. These sales are evidenced in the receipts included in Exhibit E.

[17] Although the Mark is not displayed on the receipts, the Owner provides photographs showing items of clothing bearing the Mark as Exhibit A. Mr. Racine states that these photographs are representative of how the Mark was displayed in association with clothing for

men and women, and in particular on jeans, pants, jackets, jerseys, skirts and dresses that were sold in Canada during the Relevant Period.

[18] In view of the above, I am satisfied that the Owner has shown use of the Mark during the Relevant Period in association with the goods identified in the receipts at Exhibit E.

Shirts (“chemises”)

[19] The Owner has not furnished receipts showing sales of shirts (“chemises”).

[20] However, the 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)]. Statements in an affidavit must be afforded substantial credibility [*Ogilvy Renault v Compania Roca-Radiadores SA*, 2008 CarswellNat 776 (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)].

[21] In this case, Mr. Racine provides in Exhibit C a number of purchase orders to the Owner’s suppliers for various clothing items associated with the Mark, including an October 2014 order for shirts (“Chemise”). Mr. Racine also provides, in Exhibit D, a spreadsheet summarizing the purchases made by the Owner from its suppliers: the information provided in this exhibit indicates that the Owner’s purchases of shirts (“chemise”) were in the order of \$10,000 in 2014 and \$1000 in 2015. I find it reasonable to infer from the volume of recurring orders for shirts that, in addition to the other registered goods, the Owner also sold the ordered shirts in its stores during the Relevant Period.

[22] Considering the evidence as a whole, including Mr. Racine’s statement that shirts were sold under the Mark during the Relevant Period, I am satisfied that the Owner has demonstrated use of the Mark in Canada in association with shirts during the Relevant Period.

Clothing for children

[23] The Owner provides no evidence of use of the Mark in association with clothing for children. On the contrary, Mr. Racine's statements explicitly identify the type of clothing sold by the Owner as men's and women's clothing and the Owner's retail network as men's and women's stores.

[24] In view of the foregoing, and given that the Owner has not provided evidence of special circumstances that would excuse non-use of the Mark in association with children's clothing, these goods will be deleted from the registration.

DISPOSITION

[25] In view of all the foregoing, 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 registered services and the following goods:

[Vêtements pour] ... et enfants ... costumes, ... et cravates.

[26] The amended statement of goods will be as follows:

Vêtements pour hommes, femmes, nommément: jeans, pantalons, chemises, vestons, chandails, jupes, robes.

Oksana Osadchuk
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE No Hearing Held

AGENTS OF RECORD

Aventum IP Law LLP

For the Registered Owner

Marks & Clerk

For the Requesting Party