



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 65

Date of Decision: 2021-04-06

IN THE MATTER OF A SECTION 45 PROCEEDING

PBX Holding LLC

Requesting Party

and

Acer Incorporated

Registered Owner

TMA369,045 for PACKARD BELL

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. TMA369,045 for PACKARD BELL (the Mark).

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

(1) Radios, televisions, and stereophonic equipment; computers and computer peripheral equipment such as display terminals, modems, and printers.

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

THE PROCEEDING

[4] At the request of PBX Holding LLC (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act to Acer Incorporated (the Owner), the registered owner of the Mark.

[5] The notice required the Owner to show whether the Mark was used in Canada in association with each of 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. The notice was sent on December 4, 2017, making the relevant period for showing use between December 4, 2014 and December 4, 2017.

[6] The relevant definition of “use” in association with goods is set out in section 4(1) 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.

[7] In the absence of use, pursuant to section 45(3) of the Act, a trademark is liable to be expunged, unless the absence of use is excused by special circumstances.

[8] In response to the Registrar’s notice, the Owner submitted the affidavit of Jason Chen, executed on June 27, 2018 in Taipei, Taiwan.

[9] Only the Requesting Party filed written representations and attended the oral hearing.

SUMMARY OF THE OWNER'S EVIDENCE

[10] Mr. Chen is the Chairman and CEO of the Owner. He states that the Owner acquired the Mark on January 1, 2009 and that the Mark was last used in Canada before that date.

[11] Mr. Chen provides statements relating to the use of the Mark outside Canada during the relevant period, including that computers and computer accessories branded with the Mark were sold and promoted in over 35 countries during the relevant period. He also attaches as Exhibit A copies of webpages from the Owner's websites for various countries other than Canada and explains that these illustrate the manner in which the Mark was promoted in those countries during the relevant period.

[12] Mr. Chen states that the Owner's failure to use the Mark in Canada was due "solely to its internal re-organisation" and that the Owner is "actively engaged in efforts to update and re-launch the [Mark] in Canada". He also explains that, as part of the "re-launch", the Owner filed a trademark application in April 2018 to register a new PACKARD BELL logo.

[13] According to Mr. Chen, the Owner had and maintains the intention to "re-launch the PACKARD BELL brand in Canada".

[14] Finally, Mr. Chen asserts that "new, used and re-furbished PACKARD BELL branded laptops, computer and accessories ... are still for sale" online in Canada through eBay and Amazon as well as private sellers using websites such as Kijiji. There is no documentary evidence before me to support that allegation.

ANALYSIS AND REASONS FOR DECISION

[15] Mr. Chen concedes that the Mark was last used in Canada "with, at a minimum, computers and computer accessories by one or more of [the Owner's] predecessors in title" before the relevant period. There is no allegation or evidence of use before me with respect to the remaining goods, namely "radios, televisions and stereophonic equipment".

[16] As a result, the issue in this case is whether, pursuant to section 45(3) of the Act, special circumstances existed to excuse non-use of the trademark in association with “computers and computer peripheral equipment such as display terminals, modems, and printers” during the relevant period.

[17] To determine whether special circumstances have been demonstrated, the Registrar must first determine, in light of the evidence, why the trademark was not used during the relevant period. Second, the Registrar must determine whether these reasons for non-use constitute special circumstances [*Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. The Federal Court has held that special circumstances mean circumstances or reasons that are “unusual, uncommon, or exceptional” [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD) at 123].

[18] If the Registrar determines that the reasons for non-use constitute special circumstances, the Registrar must still decide whether such special circumstances excuse the period of non-use. This involves the consideration of three criteria: (i) the length of time during which the trademark 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 [*Harris Knitting, supra*].

[19] It is well established that the voluntary business decisions of a trademark owner are not the sort of uncommon, unusual or exceptional reasons for non-use that constitute special circumstances [see *Harris Knitting, supra*; *Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)]. Similarly, an unfavourable market for the trademark owner’s goods has been found insufficient to constitute special circumstances excusing non-use [*Garrett v Langguth Cosmetic GmbH* (1991), 39 CPR (3d) 572 (TMOB)].

[20] In the present case, Mr. Chen asserts that non-use of the Mark was solely due to the Owner’s internal re-organisation. Mr. Chen also explains that when the Owner acquired the Mark in 2009, demand was not high in Canada and that “as a consequence, and for various

business reasons” the Owner focused its sales and promotion of goods in countries other than Canada.

[21] I agree with the Requesting Party that the reasons for non-use of the Mark were the voluntary business decisions of the Owner and were entirely within its control. These were not unusual or exceptional reasons for non-use that constitute special circumstances within the meaning of section 45(3) of the Act. Accordingly, I am not satisfied that the Owner has demonstrated special circumstances excusing non-use of the Mark.

[22] Moreover, as also pointed out by the Requesting Party, while the Owner may have the intention to resume use of the Mark, the Owner has not provided, as required, evidence which substantiates this intention [see *NTD Apparel Inc v Ryan* (2003), 27 CPR (4th) 73 (FCTD) at 84 where the Court explained that the intention to resume use must be substantiated by “a sufficient factual basis”]. Indeed, serious intention must be accompanied by clear and concrete steps to re-establish use of the Mark [*Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 (FCTD); *Lander, supra*], of which the Owner furnished no evidence. I note that one is also left in the dark with respect to how long the duration of non-use will persist in this case. As such, I am not satisfied that the Owner has sufficiently substantiated its intention to shortly commence use of the Mark [*per Arrowhead, supra* and *NTD Apparel, supra*].

[23] Before concluding, I will address the issue of online sales through websites such as eBay, Amazon and Kijiji. In this regard, it is settled law that use of a trademark within the meaning of sections 4 and 45 of the Act must be use by the registered owner of that trademark or by another person whose use accrued to the owner’s benefit, notwithstanding that the wording of the Act does not expressly stipulate as such [*Lindy v Canada (Registrar of Trade Marks)* (1981), 57 CPR (2d) 127 (FCTD) at 131-32, rev’d on other grounds 1999 CanLII 7911, [1999] FCJ No 682 (FCA); *BCF SENCRL v Spirits International BV*, 2012 FCA 131 at para 7; *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2020 FCA 120 at para 21]. In other words, a registered owner cannot show use of its trademark by a “stranger” to maintain its registration in a section 45 proceeding [*Lindy, supra* at 132; see also *Thor Tech, Inc v Hyundai Auto Canada*

Corp, 2020 TMOB 101 at paras 19-20 for a similar conclusion in respect of third-party sales of used automobiles].

[24] In this case, there is no evidence that the online sales were in any way connected to the Owner or part of the Owner's distribution chain. In fact, Mr. Chen clearly states that the Owner has not used the Mark. He provides no evidence from which to conclude that such online sales are anything more than sales by unrelated third parties or that they constitute use of the Mark accruing to the Owner's benefit. In any event, there is no evidence showing how the Mark was displayed on the goods nor that these sales occurred during the relevant period.

[25] In conclusion, 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. As there is no evidence of special circumstances before me which would excuse non-use of the Mark in association with any of the registered goods, the registration will be amended accordingly.

DISPOSITION

[26] In view of 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 expunged.

Eve Heafey
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE: March 15, 2021

APPEARANCES

No one appearing

For the Registered Owner

Mark Robbins

For the Requesting Party

AGENTS OF RECORD

Osler, Hoskin & Harcourt LLP

For the Registered Owner

Bereskin & Parr LLP /S.E.N.C.R.L., s.r.l.

For the Requesting Party