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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021TMOB 252

Date of Decision: 2021-11-23

IN THE MATTER OF A SECTION 45 PROCEEDING

Fasken Martineau Dumoulin LLP

Requesting Party

and

**Make Up United International
Limited**

Registered Owner

TMA842,500 for TEEEZ

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. TMA842,500 for the trademark TEEEZ (the Mark).

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

THE PROCEEDING

[3] At the request of Fasken Martineau Dumoulin LLP, the Registrar of Trademarks issued a notice under section 45 of the Act on June 22, 2018, to Make Up United International Limited (the Owner), the registered owner of the Mark.

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

(1) Bleaching preparations and detergents for laundry use; all purpose cleaning preparations, all purpose scouring liquids, all purpose scouring powders, and general use abrasives; soaps, namely bath soaps, body soaps, hand soaps; perfumery, essential oils for aromatherapy, essential oils for personal use, essential oils for the manufacture of perfumes, cosmetics, hair lotions; dentifrices; precious metals and their alloys; jewellery, precious stones; horological and chronometric instruments, namely clocks, wristwatches; clothing, namely lingerie, underwear, scarfs; footwear, namely shoes, boots, sandals, beach footwear, casual footwear, evening footwear, sports footwear; headgear, namely hats.

[5] The notice required the Owner to show whether the trademark was used in Canada, in association with the registered goods, 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 this case, the relevant period for showing use is June 22, 2015, to June 22, 2018.

[6] The relevant definition of use in the present case 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] 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 and, as such, the evidentiary threshold that the registered owner must meet is quite low [*Uvex Toko Canada Ltd v Performance Apparel Corp*, 2004 FC 448, 31 CPR (4th) 270]. 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].

[8] In the absence of use as defined above, pursuant to section 45(3) of the Act, a trademark 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 its President, Michel Vermonden, sworn on January 17, 2019, with Exhibits 1 to 27.

[10] Both parties submitted written representations. Only the Requesting Party attended a hearing.

THE EVIDENCE

[11] In his affidavit, Mr. Vermonden states the Owner is a related company to Teaz Cosmetics and together with their various subsidiaries and affiliates, collectively form the Teaz group of companies (Teaz Group). According to Mr. Vermonden, the Teaz Group is an international high-end fashion-focused company that develops and markets various premium cosmetics, personal care products, and clothing.

[12] Mr. Vermonden lists the following products as Teaz Group's cosmetics products:

- (a) Lip products: lipsticks, lip balms and lip gloss products.
- (b) Eye products: eyeshadows, eyebrow creams, eyeliners, mascaras, and eye pencils
- (c) Face products: blush products, concealers, foundation products, face powders, highlighters.
- (d) Nail products: lacquers.

[13] Mr. Vermonden attests that Teaz Group's products are manufactured by Teaz Cosmetics International and other entities of the Teaz Group assist with the sale, distribution and marketing of the products in Canada. He states that "at all material times, including during the Relevant Period, [the Owner] has had, under license, direct or indirect control over the character or quality of the products manufactured, sold, promoted, and advertised in association with the TEEEZ Trade-mark in Canada."

[14] Mr. Vermonden declares that Teaz Group sells its products directly to Canadian consumers, through an online store located on its website, then the products sold are shipped to the consumers in Canada. Mr. Vermonden adds that the products are also sold to consumers in retail stores in Canada "using the *shop-in-shop* or *store-within-a-store* concept whereby a portion of a retailer's retail space is occupied exclusively to display and sell the TEEEZ Products."

During the relevant period, Mr. Vermonden identifies multiple retail store locations in Canada in which the Teaz Group's products have been sold. He states that the Canadian wholesale sales revenue during the relevant period was in excess of \$3 million, representing the sales of over 260,000 individual units.

[15] Mr. Vermonden attests that the Mark was displayed prominently on the packaging of the products, or the product itself, sold in Canada, and on the invoices which accompanied the products at the time of the sale.

[16] In support, the following relevant exhibits are attached to Mr. Vermonden's affidavit:

- Exhibit 2 consists of printouts from Teaz Group's website listing the retail store locations in Canada where its products are sold.
- Exhibit 3 consists of photographs of *shop-in-shop* stores selling the Teaz Group's products in Canada, as those stores appeared during the relevant period. The Mark appears on the in-store displays.
- Exhibits 6 to 21 consist of representative images of Teaz Group's products and packages bearing the Mark. Mr. Vermonden confirms that these images are representative of how the Mark appeared on the products and packages of goods sold in Canada during the relevant period.
- Exhibit 22 consists of "representative (but not exhaustive) selection of sales invoices issued during the Relevant Period representing sales of TEEEZ Products". These invoices are from Teaz Company USA LLC to the Teaz Group's Canadian retailer, Hudson's Bay. Mr. Vermonden explains that Teaz Company USA LLC is the distributor of the Teaz Group's products in North America.
- Exhibit 23 consists of "representative (but not exhaustive) selection of sales invoices issued during the Relevant Period representing sales of TEEEZ Products directly to Canadian consumers who purchased the TEEEZ Products through our website". I note that the prices on these invoices are indicated in US dollars and that the billing and shipping addresses are located in Canada.

ANALYSIS AND REASONS FOR DECISION

[17] The Requesting Party makes the following submissions regarding the Owner's evidence: that the evidence does not establish use of the Mark in association with any of the registered goods; that even if there is evidence of use, it does not enure to the Owner; and that there is no evidence of transfers in Canada.

Evidence that Use Enures to the Owner

[18] The Requesting Party submits that the Owner is part of a complex corporate structure which Mr. Vermonden failed to explain adequately in his affidavit, and that the evidence filed demonstrates that even if the Mark was used, it was not by the Owner or a licensee in accordance with section 50 of the Act.

[19] I do not agree with this submission. As evidence of transfers, the Owner filed multiple invoices, including the Exhibit 22 invoices from Teaz Company USA LLC to Hudson's Bay. As stated in the affidavit, Teaz Company USA LLC is a distributor of the Teaz Group's goods. In the circumstances, evidence of a corporate or other relationship between the two entities or of a licence for use of the Mark is not required. There is no requirement to show sales from an owner to its distributor. On the contrary, it is well established that a trademark owner's ordinary course of trade will often involve distributors, wholesalers and/or retailers, and that distribution and sale of the owner's goods through such entities can constitute trademark use that enures to the owner's benefit [see *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD); *Lin Trading Co v CBM Kabushiki Kaisha* (1988), 21 CPR (3d) 417 (FCA); and *Osler, Hoskin & Harcourt v Canada* (Registrar of Trade Marks) (1997), 1997 CanLII 5927 (FC), 77 CPR (3d) 475 (FCTD)]. Accordingly, I am satisfied that sales of the registered goods by Teaz Company USA LLC as a distributor would also enure to the Owner's benefit.

Evidence of Transfer of the Goods in Canada

[20] The Requesting Party submits that the Owner's evidence does not establish that the goods were transferred in Canada, noting that there is no address for Hudson's Bay on the Exhibit 22

invoices, and that the prices listed on the Exhibit 23 invoices are in US dollars. It further submits that there is no evidence that the goods were actually shipped to and received in Canada.

[21] Although the address for Hudson's Bay does not appear on the Exhibit 22 invoices, Mr. Vermonden confirms that Hudson's Bay is a Canadian retailer and provides the Exhibit 2 printouts which list the locations of the specific Hudson's Bay stores, all located in Canada, selling the products.

[22] Likewise, while the prices are listed in US dollars in the Exhibit 23 invoices, these invoices display billing and shipping addresses in Canada, which is consistent with Mr. Vermonden's sworn statement that these invoices represent sales made to Canadian consumers.

[23] Given the clear statements of Mr. Vermonden and Exhibits 2, 22 and 23, I am satisfied that the transfer of products referenced in the exhibited invoices took place in Canada.

Use of the Mark in Association with Cosmetics

[24] In the registration, some goods are separated by commas and others by semicolons. The requesting party submits that the choice to use commas in the registration between *essential oils for the manufacture of perfumes* and *cosmetics* indicates that the Owner wanted to register *essential oils for the manufacture of perfumes and cosmetics*, and the registration does not cover *cosmetics* itself, but *essential oils for the manufacture of cosmetics*. I do not agree with this interpretation of the registration; the Owner chose to register *cosmetics*, between commas and by itself, and there is no indication to the contrary in the registration. Therefore, if the Owner demonstrates use of the Mark in association with *cosmetics*, the Mark shall be maintained regarding this particular good.

[25] Given that Mr. Vermonden clearly identifies multiple products shown in evidence as *cosmetics*, such as eyeliner, lipstick, mascara, nail lacquer, and lip gloss and that images provided of these products in Exhibit 6 through 21 demonstrate how the Mark was displayed during the relevant period directly on them and on the packages in which they were shipped, and the Exhibits 22 and 23 invoices provide evidence of sales in the normal course of trade during

that period in Canada, I am satisfied that the Owner has shown use of the Mark in association with *cosmetics* pursuant to section 4(1) of the Act.

Use of the Mark in Association with the Remaining Goods

[26] Relying on *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD) [*Saks*], the Owner submits that all goods listed in the registration are closely related types of cosmetics, personal care products, and clothing, therefore, it can be inferred from the evidence filed and Mr. Vermonden's statements that the Mark was used in association with all of the registered goods.

[27] The *Saks* concept is appropriately applied to cases where there is a long list of goods and where the statement of goods is organized such that demonstration of use for a number of goods within a category can be sufficient to show use for the entire category. In these circumstances, an affidavit must contain a clear statement of use within the relevant period in association with each of the goods and must provide sufficient facts to permit the Registrar to conclude that the trademark is in use in association with each good.

[28] I cannot agree with the Owner's submission. Even though the evidence is quite lengthy, and it consists of many invoices and photographs of different goods, those goods correspond only to one of the registered goods, namely *cosmetics*. Moreover, the list of registered goods is not similar to the one in *Saks*. It is not a long list of goods and is not divided by categories.

[29] Therefore, I am not satisfied that the Owner has shown use of the Mark in association with the remaining goods, within the meaning of sections 4 and 45 of the Act. As the Owner has not provided evidence of special circumstances that would excuse the non-use of the Mark in association with these goods, I conclude that they ought to be deleted from the registration.

DISPOSITION

[30] In view of all 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 amended to delete from the registration the following goods:

Bleaching preparations and detergents for laundry use; all purpose cleaning preparations, all purpose scouring liquids, all purpose scouring powders, and general use abrasives; soaps, namely bath soaps, body soaps, hand soaps; perfumery, essential oils for aromatherapy, essential oils for personal use, essential oils for the manufacture of perfumes, hair lotions; dentifrices; precious metals and their alloys; jewellery, precious stones; horological and chronometric instruments, namely clocks, wristwatches; clothing, namely lingerie, underwear, scarfs; footwear, namely shoes, boots, sandals, beach footwear, casual footwear, evening footwear, sports footwear; headgear, namely hats.

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

(1) Cosmetics.

Ann-Laure Brouillette
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE October 14, 2021

APPEARANCES

No one appearing	For the Registered Owner
Jane Jiaoyu Wu and Marek Nitoslawski	For the Requesting Party

AGENTS OF RECORD

Osler, Hoskin & Harcourt LLP	For the Registered Owner
Fasken Martineau Dumoulin LLP	For the Requesting Party