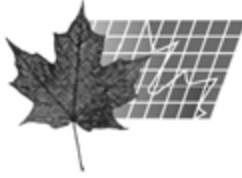


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C I P O

LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 268

Date of Decision: 2021-11-30

IN THE MATTER OF A SECTION 45 PROCEEDING

PNC IP Group Professional Corp.

Requesting Party

and

Mark Anthony Group Inc.

Registered Owner

TMA900,967 for ICONIC

Registration

INTRODUCTION

[1] At the request of PNC IP Group Professional Corp. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the *Trademarks Act*, RSC 1985, c T-13, (the Act) on May 17, 2018, to Mark Anthony Group Inc. (the Owner), the owner of registration No. TMA900,967 for the trademark ICONIC (the Mark).

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

Goods

- (1) Cutters for wine bottle foil
- (2) Stationery, namely pens.

- (3) Wine accessories, namely wine boxes, wine bottle bags, corkscrews, wine bottle stoppers, coasters, beverage glassware;
- (4) Clothing, namely t-shirts, jackets, vests, aprons and hats;
- (5) Grapes
- (6) Wine

Services

- (1) Operation of a retail business selling wine, wine accessories and related gift and souvenir items;
- (2) Operation of wineries
- (3) Operation of a vineyard to produce grapes for making wine

[3] The notice required the Owner to furnish evidence showing that he had used the Mark in Canada, in association with the registered goods and services, at any time within the three-year period immediately preceding the date of the notice, which in this case is between May 17, 2015, and May 17, 2018. If the Mark had not been used within the relevant period, the Owner was required to furnish evidence providing the date when the Mark was last in use and the reasons for the absence of use since that date.

[4] The relevant definition of “use” for goods and services is 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 trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[5] 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.

[6] In response to the Registrar’s notice, the Owner furnished three affidavits.

[7] Both parties filed written representations and only the Owner attended an oral hearing.

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

EVIDENCE

[9] As evidence, the Owner furnished the following:

- The affidavit of Alison Sloga, the Creative Director of Mark Anthony Services Inc., a company that provides administrative and other services affiliated with the Owner, sworn on December 6, 2018, to which were attached Exhibits A to E;
- The affidavit of Janet Lau, the Intellectual Property and Compliance Manager of the Owner, sworn on December 12, 2018, to which were attached Exhibits A to D;
- The affidavit of Matt Lebedoff, the Vice President Corporate Development of the Owner, sworn on December 12, 2018, to which were attached Exhibits A to L.

[10] Mr. Lebedoff is in charge of the *Iconic Project*, a “new business venture based upon a concept similar to La Cité du Vin, a visitor and cultural centre in Bordeaux”, since mid-2017. He came up with the names ICONIC and ICONIC Wineries of British Columbia for this new venture in August or September of the same year.

[11] Mr. Lebedoff states that the ICONIC Wineries of British Columbia visitor centre “will provide an innovative and interactive experience [...] and the premises will also include a retail area which will include an education centre, food service and wine tastings, and sales of our Iconic branded wines and other wine-related items and accessories”.

[12] The ICONIC Wineries of British Columbia is planned to be located at 1580 Water St., in Kelowna, British Columbia (the Premises), as the Owner signed a five-year lease, purchased equipment and leasehold from the previous tenant, and removed hazardous materials from the Premises. Attached to his affidavit as Exhibit B is a copy of the Lease Agreement dated September 1, 2017, between the Owner and Rayal Enterprises Ltd., and as Exhibit A is a copy of the Asset Purchase Agreement dated September 19, 2017, between the Owner and Lawrence Restaurants Ltd. According to Ms. Lau, the Owner’s intent is “to sell wine, wine accessories, and

other wine-related goods in association with the Trade-mark ICONIC at the downtown Kelowna premises.”

[13] In her affidavit, Ms. Lau states that the Owner bought the Mark from Henry of Pelham on October 17, 2017, after the Mark was identified in the course of a trademark search. A copy of the *Trademark Assignment* for the Mark, executed on behalf of Henry of Pelham, the predecessor in title, dated October 17, 2017 is attached to her affidavit as Exhibit B. She states that Henry of Pelham is a competitor and therefore, the Owner could not access their records.

[14] In November 2017, as stated by Mr. Lebedoff, the Owner retained the service of Casson Mann, an interior design and architectural firm based in London, responsible for designing La Cité du Vin in Bordeaux to provide an Envisioning/Strategic definition report containing their proposal for the visitor centre. Casson Mann delivered this report on December 21, 2017, which is attached to Mr. Lebedoff as Exhibit D.

[15] Mr. Lebedoff explains that the Premises need to be rezoned to allow the Owner to perform the services intended and sell alcoholic beverages. He states that the Owner “intends to have the premises zoned for at least the retail sales of alcoholic beverages, a wine tasting room, a licensed restaurant, and an A/V presentation where Mark Anthony Group can charge for tours”. In late 2017 or early 2018, Mr. Lebedoff met with Mo Bayat and Ryan Smith, respectively the Director of Development Services and the Community Planning Department Manager, both for the city of Kelowna, to discuss the Owner’s plan to rezone the Premises. Mr. Lebedoff states that the months following this meeting, he had conversations with both regarding the proposed rezoning of the Premises. He confirms that once the Owner has the final plans, it will proceed with “an application to change the zoning designation” and the Owner will apply to obtain licenses and approval from the provincial authorities to “sell bottled wine and to offer wine tastings”.

[16] Ms. Lau states that “the business name Iconic Wineries of British Columbia was reserved on May 8, 2018” with BC Registries. The statement of registration is dated June 13, 2018 and attached as Exhibit D is a copy of this statement.

[17] In early 2018, Ms. Sloga started working on the *Iconic project*. She states that “there was a specific desire to focus on the trade-mark ICONIC in logo development and design, and give it a distinctive stand-alone presence even when used with ICONIC Wineries of British Columbia”. She states that the Owner retained the services of O’Mara McBride, a contractor who works on brand and logo development. Attached to her affidavit are Exhibit A and B which consist of copies of PDF documents containing logo and design concepts and word branding concepts created by O’Mara McBride, which were sent to Ms. Sloga on April 18, 2018. The first document demonstrates design for “ICONIC” and “ICONIC Wineries of British Columbia”. She adds that, in the months that followed, the Owner mandated Henry Lannan, a branding and packaging design consultant to assist with the logo and branding concepts for the business venture. Exhibit D and E to her affidavit are copies of e-mails sent from Henry Lannan on September 12, 2018, and October 9, 2018, containing logo and design concepts for “ICONIC Wineries of British Columbia”.

[18] Mr. Lebedoff attests that the Owner hired different contractors to develop the Premises, such as architects, designers and digital media firms during and after the relevant period. He attached to his affidavit, Exhibits E, F, G, H, I and K which are invoices received by the Owner related to the *Iconic Project*, dated between March 1, 2017, and October 1, 2018.

[19] Mr. Lebedoff states that “preparations to launch the Iconic project and use the ICONIC trade-mark with our goods[...] and services[...] at the Kelowna premises commenced in late 2017. [...] Based on current progress and our projections, we anticipate that the Iconic Project in downtown Kelowna will be ready for launch in winter 2019 or early spring 2020”.

[20] As for the investment made by the Owner regarding the Mark, Mr. Lebedoff states that the total expenses are confidential, but the Owner “has expended in excess of \$1,000,000 CAD on the ICONIC Wineries of British Columbia business venture since its conception, including expenses in excess of \$700,000 CA during the Relevant Period”.

ANALYSIS

[21] In the absence of evidence of use of the Mark, the issue is whether, pursuant to section 45(3) of the Act, special circumstances existed to excuse such non-use. The general rule

is that absence of use will be penalized by expungement, but there may be an exception where the absence of use is excusable due to special circumstances [*Smart & Biggar v Scott Paper Ltd*, 2008 FCA 129].

[22] In its representations, the Owner submits that the reasons why the Mark was not used during the relevant period are that: i) the Owner was not the registered owner of the Mark until October 17, 2017, and ii) the Owner had to complete diverse preparatory steps before using the Mark in Canada.

[23] To determine whether special circumstances have been demonstrated, the Registrar must first determine, in light of the evidence, why in fact the trademark was not used during the relevant period. Second, the Registrar must determine whether these reasons for non-use constitute special circumstances [per *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 para 29].

[24] 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. The relevance of the first criterion is apparent, as reasons that may excuse a brief period of non-use may not excuse an extended period of non-use; in other words, the reasons for non-use will be weighed against the length of period of non-use [per *Harris Knitting Mills*] All three criteria are relevant, but satisfying the second criterion is essential for a finding of special circumstances excusing non-use [per *Scott Paper*].

[25] An assignment or change in title in itself does not constitute a special circumstance [*Taogosei Co v Servicios Corporativos De Administracion GMZ, SA De CV* (1999), 3 CPR (4th) 275 (TMOB)]. There are a number of cases wherein a recent assignment or the acquisition of a trademark during the relevant period was held to excuse non-use, as it was reasonable in those cases to assume that the new owner would need some time to make arrangements concerning the

use of a newly acquired trademark [see, for example, *Baker & McKenzie v Garfield's Fashions Ltd* (1993), 52 CPR (3d) 274 (TMOB); *Sim & McBurney v Hugo Boss AG* (1996), 67 CPR (3d) 269 (TMOB); and *Hudson's Bay Co v Bombay & Co Inc*, 2013 TMOB 159].

[26] More particularly in these cases, the reasons for non-use were not merely due to the recent acquisition of the trademark; regard was also given to individual circumstances deemed beyond the control of the registered owner which reasonably affected the timing of the reintroduction of the goods associated with the trademark at issue. For example, difficulties in finding the necessary financing to re-launch the product line, technical difficulties in manufacturing, or difficulties in finding a suitable supplier, etc. In each case, active steps were taken to resume use prior to the date of the section 45 notice.

[27] The Owner submits that it acquired the Mark only seven months prior the notice and the process of launching goods and services in association with the Mark includes several steps that could not have been achieved in only seven months, including obtaining approval to sell alcoholic beverages. Moreover, it submits that the expenses made by the Owner are significant.

[28] I accept that the Owner's recent acquisition and the aforementioned steps that needed to be accomplished considering the nature of the registered goods, can be considered special circumstances not found in most cases of absence of use. I consider that such circumstances excuse the period of non-use, as discussed below.

Length of time during which the trademark has not been in use

[29] 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); *Supreme Brands LLC v Joy Group OY*, 2019 TMOB 45; *Protein 2 O LLC v Inutrition Inc*, 2019 TMOB 6].

[30] I am aware that in *Dentons Canada LLP v CanWhite Sands Corp*, 2020 TMOB 95, the Board refused to consider the acquisition date as the relevant date to assess the length of non-use. Nevertheless, each case must be assessed on its own facts and as this was acknowledged in *Dentons*, it may be appropriate to accept the acquisition date to assess the length of non-use in

some cases. In my view, this is one of those cases, as the Mark was acquired from a competitor only seven months before the date of the notice. I consider that it would be an overly burdensome and technical approach here to require the Owner to justify alleged non-use for a period of several years when it only acquired the Mark seven months prior to the date of the notices and is not in a position to attest to the use or absence of use of the Mark by the previous owner [see *GPS (UK)* for a similar conclusion in respect of trademark transfer two months before the notice; see also *Morrison Brown; Fairweather Ltd v Registrar of Trade-marks*, 2006 FC 1248]. Accordingly, the period of non-use will be considered to begin at the date of assignment.

Non-use was beyond the Owner's control

[31] The Requesting Party submits that the Owner did not submit any application for rezoning or to obtain the approval from the provincial authorities to sell wine, therefore, it was a deliberate choice and not beyond the Owner's control that the Mark was not used during the relevant period. It also submits that many of the registered goods are not alcoholic beverages and could be sold without obtaining such approval.

[32] Compliance with legal or regulatory requirements associated with launch of (and as a prerequisite to use) a mark in Canada may be considered a circumstance beyond the control of the owner. However, where a registered owner submits that its efforts to comply with regulatory frameworks constitute special circumstances, such efforts must be substantiated by evidence of active steps taken to obtain regulatory approval [*Oyen Wiggs Green & Mutala LLP v Rath*, 2010 TMOB 34 at paras 17-18; *Currier + Kao LLP v LiFung Trinity Management (Singapore) Pte Ltd*, 2014 TMOB 289 at para 19].

[33] In the present case, the Owner submits that it invested considerable time and money into making use of the Mark in Canada and has been prevented from using it only due to necessary preparatory steps which are beyond its control. These steps are described as product conception, brand development, leasing and developing the Premises and obtaining the necessary municipal and provincial approval to sell bottles of wine and offering wine tasting.

[34] While preparatory steps regarding designing of logos and preparation of the Premises are not completely outside the Owner's control, I accept that these are necessary steps in the process

of obtaining a change of zoning and the required licences and approval to sell wines and offer wine tastings.

Owner's serious intention to shortly resume use

[35] The Owner submits that, at the time of the notice, it had a serious intention to resume use of the Mark in association with the registered goods and services. For instance, Mr. Lebedoff's evidence includes the following:

- On September 1, 2017, the Owner signed a five-year lease for the ICONIC Wineries of British Columbia visitor centre, located in Kelowna, British Columbia [para 10 and Exhibit B].
- On September 19, 2017, the Owner purchased from the previous tenant the equipment and leasehold improvements [paras 8-9 and Exhibit A].
- In November 2017, the Owner retained the service of Casson Mann, an interior design and architectural firm based in London, responsible for designing La Cité du Vin in Bordeaux to provide an *Envisioning/Strategic definition report* containing their proposal for the visitor centre. Casson Mann delivered this report on December 21, 2017 [para 13 and Exhibit D].
- In late 2017 or early 2018, the Mr. Lebedoff met with different employees of the City of Kelowna to discuss the potential re-zoning [paras 17-18].
- During the relevant period, the Owner's expenses regarding the *Iconic Project* were in excess of \$700 000 [para 32].

Intention to use a different trademark

[36] The Requesting Party submits that the evidence do not show the intent to use the Mark as registered, but instead use of "ICONIC Wineries of British Columbia".

[37] The evidence furnished by the Owner demonstrate different logos and design, some of them representing the Mark, while others are referring to "ICONIC Wineries of British Columbia". Although the Mark appears alongside other trademarks throughout the evidence filed, there is nothing in the Act that precludes the use of more than one trademark at the same time in association with the same goods or services. The evidence demonstrates that the Owner's intent is to use the Mark and also "ICONIC Wineries of British Columbia".

Intention to use the Mark with the registered goods and services

[38] The Requesting Party submits that the Owner has provided no evidence that it intends to use the Mark in association with the registered goods. I disagree with the Requesting Party. Mr. Lebedoff states that the Owner commenced the preparation to use the Mark in association with the registered goods and services commenced in late 2017 and those preparations have continued consistently since that date. Ms. Lau states specifically in her affidavit that the Owner's intent is to sell goods at the Premises in association with the Mark. Moreover, Exhibit B branding concepts to the Sloga affidavit demonstrates how the Mark will be used with at least one good listed in the registration, namely wine.

[39] The Requesting Party submits that at least two of the services are fundamentally incompatible with the venture described in the evidence: "operation of wineries" and "operation of a vineyard to produce grapes for making wine". Given that the Premises are described by Mr. Lebedoff as a former restaurant in downtown Kelowna, I agree that the evidence filed by the Owner is incompatible with these two services.

[40] Upon reviewing the evidence as a whole, including preparatory steps taken before the date of the notice, I find that the Owner has provided a sufficient factual basis substantiating its serious intention to use the Mark, but not in association with these services: "operation of wineries" and "operation of a vineyard to produce grapes for making wine".

DISPOSITION

[41] Accordingly, 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 following services:

- (2) Operation of wineries
- (3) Operation of a vineyard to produce grapes for making wine

[42] The Mark will now be registered in association with the following goods and services:

Goods

- (1) Cutters for wine bottle foil
- (2) Stationery, namely pens.
- (3) Wine accessories, namely wine boxes, wine bottle bags, corkscrews, wine bottle stoppers, coasters, beverage glassware;
- (4) Clothing, namely t-shirts, jackets, vests, aprons and hats;
- (5) Grapes
- (6) Wine

Services

- (1) Operation of a retail business selling wine, wine accessories and related gift and souvenir items;

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 2021-09-01

APPEARANCES

Kelly Gill	For the Registered Owner
No one appearing	For the Requesting Party

AGENTS OF RECORD

Gowling WLP (Canada) LLP	For the Registered Owner
PNC IP Group Professional Corp.	For the Requesting Party