



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 039

Date of Decision: 2022-03-08

IN THE MATTER OF A SECTION 45 PROCEEDING

McCarthy Tetrault LLP

Requesting Party

and

Habitat International S.A.

Registered Owner

TMA473,503 for HABITAT

Registration

Introduction

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA473,503 for the trademark HABITAT (the Mark).

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

Catalogues, posters, books, pamphlets, calendars, wrapping and packaging materials, table cloths and napkins of paper, cardboard boxes, paper bags; school stationery, namely, adhesive tapes, clips for offices, document files, pads, paper sheets, pencil holders, pencil sharpeners, stickers, writing or drawing books, drawing materials, drawing pads, tracing paper, writing chalk, desk blotters; bins, namely, dustbins, waste-paper baskets; writing pads, files and jackets for papers, note books, indexes, paperweights, writing cases (stationery), letter trays, pen cases, fountain pens, pens,

pencils, erasers; umbrellas, parasols, valises, suitcases, bags, namely, beach bags, rucksacks, handbags, school bags, school satchels, shopping bags, travelling bags, card cases, purses, leather for furnishing drapes; cupboards, sideboards, settees, chairs, stools, seats, divans, armchairs, chests of drawers, beds, tables, library shelves, racks (furniture); desks, trestles, filing cabinets, frames, mirrors; wickerwork; mattresses, mattress supports, pillows, cushions; carpets, rugs, wallpaper, door mats; mobiles, puzzles, plush toys, doll's houses, toys made of wood or fabrics, chess games, draughts; Christmas trees of synthetic material, balls, garlands and small bells for Christmas trees.

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

The Proceeding

[4] On July 16, 2019, at the request of McCarthy Tetrault LLP (the Requesting Party), the Registrar of Trademarks issued a notice pursuant to section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) to Habitat International S.A. (the Owner). 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 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 between July 16, 2016 and July 16, 2019 (the Relevant Period).

[5] The relevant definition of “use” in this 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.

[6] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary

overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with each of the goods specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[7] In response to the Registrar's notice, the Owner submitted the affidavit of Hervé Giaoui, sworn on October 14, 2019.

[8] Only the Requesting Party submitted written representations. Both parties were represented at an oral hearing.

The Owner's Evidence

[9] Mr. Giaoui is the General Director and Chairman of the Board of Directors of CAFOM, a French "*société anonyme*". He explains that CAFOM owns 100% of the shares of the Owner as well as 100% of the shares of Habitat Design International (HDI). According to Mr. Giaoui, "HABITAT brand products have been distributed in Canada by HDI".

[10] Mr. Giaoui attests that, during the Relevant Period, the Owner sold approximately 78,500 € (which he indicates is equivalent to approximately CA\$115,200) of "HABITAT brand products in Canada, through HDI".

[11] With respect to the specific products sold in association with the Mark, Mr. Giaoui asserts that the Owner used the Mark in association with only the following goods: "parasols, settees, chairs, stools, seats, divans, armchairs, chests of drawers, beds, tables, desks, trestles, mattress supports, cushions" (the Goods).

[12] Mr. Giaoui attaches the following exhibits to his affidavit:

- Exhibit A consists of representative invoices "in connection with the Canadian sale of HABITAT brand products". These invoices are dated within the Relevant Period,

and were issued by HDI to customers located in Canada. The particular products listed in the invoices will be described below in the analysis section.

- Exhibit B consists of a “representative sample of shipping tags used in Canada during the Relevant Period”. The shipping tags display the Mark, a product name, as well as other information such as the country of origin, the dimensions and weight of the shipping carton.
- Exhibit C consists of a “representative sample of photographs showing the way in which [the Mark] is used on the same type of products as those sold in Canada, during the Relevant Period”. I note that there are multiple photographs showing product signage and hang tags displaying prices in Euros. I also note that some of the exhibited photographs show labels bearing the Mark which are sewn onto upholstered products.
- Exhibit D consists of a “representative sample of user instructions”. Mr. Giaoui states that these materials “accompany the same type of products as those sold in Canada during the Relevant Period”. Each of the exhibited user instructions displays the Mark, along with a product image, product name and code, and product information such as dimensions, materials, assembly and maintenance instructions. The exhibited documents pertain to 15 different types of furniture or furniture-related products, such as a “Bold Armchair” and an “E Dream Bed base”.

Analysis

[13] The Requesting Party submits that the evidence is insufficient to satisfy the requirements of section 45 of the Act and that the registration should be expunged in its entirety. The Requesting Party first submits that any evidenced use of the Mark does not enure to the Owner’s benefit. Otherwise, it identifies various “material deficiencies” in the evidence, which will be discussed where relevant below.

[14] Before proceeding, I note that Mr. Giaoui only asserts use of the Mark in association with the 14 registered goods identified above as “the Goods”. As there is no evidence of use of the Mark in association with the other goods specified in the registration, or evidence of special circumstances to excuse non-use of the Mark, those other goods will be deleted.

Sales by HDI

[15] The Requesting Party first submits that the Owner cannot benefit from use of the Mark by HDI because there is no evidence of a licence between HDI and the Owner, nor evidence of direct or indirect control as required by section 50 of the Act. On this point, I agree with the Requesting Party – there is no evidence of a licence between HDI and the Owner.

[16] In fact, given a fair reading, the evidence is that HDI is a distributor. In this respect, it is well established that a trademark owner’s normal course of trade will often involve a chain of transactions occurring between the manufacturer and the ultimate consumer, potentially involving various distributors, wholesalers and/or retailers, and that distribution and sale through such entities enures to the owner’s benefit without the need for a licence, so long as the owner has initiated the first link in the chain of transactions [see, for example, *Miller Thomson LLP v Groupe Modulo Inc*, 2019 TMOB 118 at para 35, relying on *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD) and *Osler, Hoskin & Harcourt v United States Tobacco Co* (1997), 77 CPR (3d) 475 (FCTD)].

[17] The Requesting Party argues that HDI’s use of the Mark cannot enure to the benefit of the Owner in this case because there is no evidence that the Owner is the first link in the chain of distribution. At the hearing, the Requesting Party further argued that, per *United States Tobacco* at para 30, the Owner was required to show that it manufactured the goods, that it applied the Mark to the goods, and that it initiated the first link in the chain of transactions leading to sales in Canada.

[18] I agree that, in *United States Tobacco*, the trademark owner manufactured the goods and itself applied the trademark at issue to the packaging of those goods. However, this is not a requirement – a trademark owner may outsource manufacturing, or have one or more

manufacturer suppliers. In other words, contrary to the Requesting Party's suggestion, a registered owner need not be the actual manufacturer of goods for it to be considered the source of such goods for purposes of the Act [*Marks & Clerk v Tritap Food Broker, a division of 676166 Ontario Limited*, 2017 TMOB 35 at para 18].

[19] I therefore disagree with the Requesting Party that the Owner was required to show that it manufactured the Goods, or that it applied the Mark to such Goods itself, in order for sales along the Owner's distribution chain to enure to its benefit [for a similar conclusion, see *88766 Canada Inc v Tag Heuer SA*, 2010 TMOB 108 at para 10, where the Registrar concluded that, having ordered the production and shipment of specific clothing items to its Canadian distributor, the trademark owner was the first link in the chain of transactions that lead to sales in Canada].

[20] Furthermore, as noted by the Federal Court of Appeal in *Ridout & Maybee LLP v Omega*, 2005 FCA 306, the validity of a registration is not in dispute in section 45 proceedings. Any issues of ownership are more properly dealt with by way of application to the Federal Court pursuant to section 57 of the Act. As such, and given the nature and purpose of section 45 of the Act, it is proper to presume that a registered owner is the "source" of the goods in question, unless the evidence indicates otherwise, like in the case of a licensee. In the present case, such a presumption is consistent with Mr. Giaoui's statements that HABITAT brand products were "distributed in Canada by HDI" and that the Owner sold such products "through HDI".

[21] In view of the foregoing, I accept that any evidenced use of the Mark by HDI is deemed use by the Owner.

Association of the Mark with the Goods

[22] The Requesting Party argues that the Owner's evidence regarding the shipping tags and user instructions is ambiguous. In particular, it submits that Mr. Giaoui does not specify who used the shipping tags, how they were used, or that the shipping tags were *always* used. The Requesting Party further submits that Mr. Giaoui's statement regarding the exhibited user instructions leaves open the possibility that they are merely examples of how the Mark was used

elsewhere in the world “on the same type of products as those sold in Canada”, and not on those products actually sold in Canada.

[23] However, it is the evidence as a whole that must be considered and the Requesting Party’s dissection of the evidence amounts to an overly technical approach that is inconsistent with the purpose of section 45 proceedings. Further, absent evidence to the contrary, an affiant’s sworn statement is to be accepted at face value, and statements in an affidavit must be accorded substantial credibility in a section 45 proceeding [*Oyen Wiggs Green & Mutala LLP v Atari Interactive, Inc*, 2018 TMOB 79 at para 25].

[24] Considering the evidence as a whole, I accept Mr. Giaoui’s statement that the exhibited shipping tags and user instructions are representative examples and that these accompanied the goods sold by the Owner during the relevant period in Canada. As the Mark is prominently displayed on those materials, I conclude that the requisite notice of association was given to customers at the time of transfer.

Goods Sold by the Owner

[25] Although Mr. Giaoui asserts use of the Mark in association with the aforementioned 14 registered Goods, he provides no specific correlations between such Goods and the products in evidence. That being said, many of the invoiced product descriptions plainly correlate with the asserted Goods. Consequently, in view of the invoices referencing those products, I accept that the Owner has shown sales of the following Goods:

- “parasols” (BURNABY/RECTANGLE PARASOL ECRU),
- “chairs” (BLANCHE/WHITE METAL DIRECTORS CHAIR),
- “stools” (TAM TAM TABOURET),
- “armchairs” (BOLD/ARMCHAIR VELVET NAVY BLUE),
- “tables” (BLANCHE/WHITE METAL DINING TABLE),
- “trestles” (NIC II... TRESTLE CHROME), and
- “mattress supports” (EDREAM/SOMMIER).

[26] As for the registered goods “desks”, the Owner submitted that it offers desks in two parts, namely trestles and a glass panel, and directed attention to invoices referencing both components. In addition, the Owner pointed to exhibited user instructions for a “Lagon Glass panel” product, which shows images of desks assembled with two trestles below a glass panel, and provides weight capacities for the assembly depending on the distance between the trestles.

[27] The Requesting Party argues that, per *John Labatt, supra*, the Owner was obligated to furnish specific evidence with respect to each of the registered goods, and therefore cannot rely on the sale of trestles to maintain both trestles and desks in the registration. However, in this case, while trestles are sometimes sold on their own, the evidence shows that they are also sometimes sold as components of larger products, *i.e.*, desks. Having regard to the invoices showing sales of both components of desks, namely trestles and glass panels, as well as the user instructions showing the assembly of those components into a desk, I accept that the Owner has shown sales of “desks”.

[28] With respect to sales of the registered goods “beds”, the Owner relies on the invoices referencing the *PORTO 3/2ST SFBED MID GREY* product, which is described and depicted in the user instructions as a sofa bed. The Requesting Party argues that use of the Mark in association with goods that are not listed in the subject registration, such as sofa beds, cannot be relied upon to show use in association with registered goods such as beds and settees. The Requesting Party also submits dictionary definitions of the terms “bed” and “settee”, and argues that none of the evidenced products correspond to those definitions.

[29] In this case, I find that it is appropriate to accept the Owner’s position that the evidenced sofa beds correspond to “beds”. Indeed, not only is the term “bed” featured in the product name itself, but the user instructions for that product show that it can be configured as a bed. Consequently, I accept the invoiced *Porto 3 sofa bed* as corresponding to “beds” for purposes of this analysis.

[30] I note that the exhibited user instructions show that the *Porto 3 sofa bed* can be not only configured as a bed, but also as a settee. In fact, the user instructions feature both configurations

to an equal extent and provide instructions regarding the switch between configurations. As such, although not explicitly argued by the Owner, I accept that these configurations are both primary purposes of the sofa bed and therefore that this product also corresponds to “settees” for the purposes of this analysis [for a similar approach, see *88766 Canada Inc v Freedom Scientific BLV Group, LLC*, 2019 TMOB 129 where the Registrar maintained a registration for “hand held magnifiers and video magnifiers for low vision users” on the basis of sales of a “Handheld Video Magnifier” product].

[31] On the other hand, the evidence is insufficient to establish that the remaining Goods, namely “seats”, “divans”, “chests of drawers” and “cushions”, were sold during the relevant period or otherwise. In this respect, I would first note that none of the evidenced products, either in the invoices or elsewhere in the exhibited materials, are identified with those terms.

[32] With respect to the registered goods “seats”, the Owner submitted that these should be understood as furniture on which to sit, and pointed to an invoiced “*QUATRO/SMALL OAK CYLINDER*” product as an example of such goods. Similarly, the Owner argued that the registered goods “divans” are “long, low sofas without arms” and, therefore, that the invoiced “*CABANA/LOUNGE CHAIR*” product falls within the ambit of “divans”.

[33] However, a trademark owner making correlations in its representations, rather than in its evidence, is skating on thin ice. In this case, I note that neither Mr. Giaoui nor the exhibited materials refer to the “oak cylinder” and “lounge chair” as a “seat” and a “divan”, respectively. In my view, the evidence is insufficient to establish the correlations asserted by the Owner at the hearing, and I am not prepared to accept them on the basis of such representations made after the fact in this case.

[34] With respect to the registered goods “cushions”, the Owner conceded that there is no evidence showing sales of cushions as a separate good, but it argued that cushions are components of, and commonly sold together with, upholstered goods such as settees. At the hearing, the Owner pointed to photographs showing cushions placed on settees, armchairs and beds in Exhibit C. However, the fact that products are photographed together does not establish

that such products were, in fact, sold together. Without a clear statement, or any other evidence showing transfers of cushions as a separate good, I am not prepared to accept that the Owner has shown sales of cushions in Canada, during the relevant period or otherwise.

[35] Similarly, there is no evidence showing transfers of the registered goods “chests of drawers”. Although chests of drawers are depicted in the Exhibit C photographs, there is no evidence from which to conclude that these were sold in Canada, during the Relevant Period or otherwise.

[36] In light of the foregoing, I am satisfied that the Owner has shown use of the Mark within the meaning of sections 4 and 45 of the Act, but only in association with “parasols”, “settees”, “chairs”, “stools”, “armchairs”, “beds”, “tables”, “desks”, “trestles”, and “mattress supports”. As there is no evidence of special circumstances to excuse non-use of the Mark, the remaining Goods will be deleted.

Disposition

[37] 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 goods:

Catalogues, posters, books, pamphlets, calendars, wrapping and packaging materials, table cloths and napkins of paper, cardboard boxes, paper bags; school stationery, namely, adhesive tapes, clips for offices, document files, pads, paper sheets, pencil holders, pencil sharpeners, stickers, writing or drawing books, drawing materials, drawing pads, tracing paper, writing chalk, desk blotters; bins, namely, dustbins, waste-paper baskets; writing pads, files and jackets for papers, note books, indexes, paperweights, writing cases (stationery), letter trays, pen cases, fountain pens, pens, pencils, erasers; umbrellas, ... valises, suitcases, bags, namely, beach bags, rucksacks, handbags, school bags, school satchels, shopping bags, travelling bags, card cases, purses, leather for furnishing drapes; cupboards, sideboards, ... seats, divans, ... chests of drawers, ... library shelves, racks (furniture); ... filing cabinets, frames, mirrors; wickerwork; mattresses, ... pillows, cushions; carpets, rugs, wallpaper, door mats; mobiles, puzzles, plush toys, doll's houses, toys made of wood or fabrics, chess games, draughts;

Christmas trees of synthetic material, balls, garlands and small bells for Christmas trees.

[38] The statement of goods will now read as follows:

parasols; settees, chairs, stools, armchairs, beds, tables; desks, trestles; mattress supports.

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: January 25, 2022

APPEARANCES

Paula Clancy For the Registered Owner

Daniel Glover For the Requesting Party

AGENTS OF RECORD

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