



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 106

Date of Decision: 2022-05-27

IN THE MATTER OF A SECTION 45 PROCEEDING

Cory Adam Schneider

Requesting Party

and

Lot Boy Interactive Inc.

Registered Owner

TMA894149 for RIDES.CA

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. TMA894,149 for the trademark RIDES.CA (the Mark).

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

Services of providing an on-line searchable database advertising for sale and purchase of automobiles, trucks, motorcycles, all terrain vehicles (ATV), boats, personal watercraft, recreational vehicles and snowmobiles of others and parts and accessories therefor; classified advertising services, namely the dissemination of advertisement listings for automobiles, trucks, motorcycles, all terrain vehicles (ATV), boats, personal watercraft, recreational vehicles and snowmobiles of others and for parts and accessories therefor by means of websites and on-line databases; operation of websites featuring advertising for automobiles, trucks, motorcycles, all terrain vehicles (ATV), boats, personal watercraft,

recreational vehicles and snowmobiles of others and for parts and accessories therefor; providing on-line, interactive, multimedia information relating to the sale and purchase of vehicles, watercraft and equipment, including detailed analysis of items and price and evaluation guides for items; providing access to on-line information relating to the maintenance and servicing of vehicles and equipment, namely providing an online, searchable database of providers of vehicle and equipment maintenance services; providing an online, searchable database of community events relating to vehicles; providing access to an online searchable database of dealers of vehicles, watercraft and equipment; news and information dissemination services by means of a global computer network relating to vehicles; advertising and marketing services, namely preparing classified advertisements for automobiles, trucks, motorcycles, all terrain vehicles (ATV), boats, personal watercraft, recreational vehicles and snowmobiles of others and for parts and accessories therefor (the Services)

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

THE PROCEEDING

[4] On October 7, 2020, at the request of Cory Adam Schneider (the Requesting Party), the Registrar of Trademarks issued a notice pursuant to section 45 of the Act to Lot Boy Interactive Inc. (the Owner). The notice required the Owner to show whether the Mark was used in Canada in association with each of the 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 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 between October 7, 2017 and October 7, 2020 (the Relevant Period).

[5] In the absence of use, pursuant to section 45(3) of the Act, the Mark is liable to be expunged, unless the absence of use is due to special circumstances.

[6] The 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 trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

4(3) A trademark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.

[7] In response to the Registrar's notice, the Owner submitted the affidavit of Kevin Bent, the Chief Executive Officer of the Owner, sworn on April 28, 2021.

[8] Neither party submitted written representations and no hearing was held.

THE OWNER'S EVIDENCE

[9] At the outset, I note that Mr. Bent's affidavit provides no evidence or statement regarding use of the Mark at any time. Rather, his affidavit appears to focus on the issue of special circumstances. I also note that no exhibit is attached to the affidavit.

[10] In his affidavit, Mr. Bent states that the Owner is a technology company specializing in online classified ads for vehicles. He explains that the Owner has created technology to "power" websites, including for the website *rides.ca* [para 8].

[11] Mr. Bent states that in July 2017 the Owner was fixing issues related to the original development of its website and upgrading its services to enable use with mobile devices. The development took approximately three years with successful beta version testing in the fall of 2019 and a planned launch in the spring of 2020 [paras 9 to 11]. The Owner's plan was put on hold with the announcement of the global pandemic of Covid-19 by the World Health Organization [para 12].

[12] Mr. Bent adds that, shortly after the onset of the pandemic, competitors reduced their prices making the Owner's pricing model no longer competitive. At that time, the Owner's Board of Directors agreed to delay the relaunch of the upgraded services [paras 13 and 14].

[13] Mr. Bent states that the Owner fully intended to recommence use of the Mark but was delayed as a result of the pandemic and he further states that the Owner is “currently” relaunching the services in Canada [paras 15 and 16].

ANALYSIS AND REASONS FOR DECISION

[14] As the Owner did not provide any evidence of use of the Mark in Canada during the Relevant Period, the issue is whether, pursuant to section 45(3) of the Act, there were special circumstances which excused 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].

The Test for Special Circumstances

[15] To determine whether special circumstances have been established, 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 [*Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA) (*Harris Knitting Mills*)]. 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)].

[16] 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 Mills*].

[17] The relevance of the first criterion is apparent, as reasons that may excuse a brief period of non-use may not be sufficient to excuse an extended period of non-use; in other words, the reasons for non-use will be weighed against the length of non-use [*Harris Knitting Mills*].

[18] All three criteria are relevant but satisfying the second criterion is essential for a finding of special circumstances *excusing* non-use [*Smart & Biggar v Scott Paper Ltd*, 2008 FCA 129].

[19] The intention to shortly resume use must be substantiated by “a sufficient factual basis” [*NTD Apparel Inc v Ryan* (2003), 27 CPR (4th) 73 (FCTD)].

Why was the trademark not used during the relevant period?

[20] Although the Owner submitted no representations, as set out in Mr. Bent’s affidavit, it would appear that the Owner’s reasons for non-use of the Mark during the relevant period were as follows: efforts to fix and upgrade the Owner’s website over a three-year period; the Covid-19 pandemic; and the competitors’ subsequent price reductions.

[21] However, given that Mr. Bent does not state when the Mark was last in use, it is not actually clear what the reasons for non-use of the Mark were in this case, particularly given that the Mark was registered in January 2015.

[22] Nevertheless, taking Mr. Bent’s statements at face value, the reason for non-use of the Mark during the Relevant Period appears to be a combination of the Owner’s decision to fix and upgrade its website to enable use with mobile devices and the Owner’s Board of Directors’ decision to delay the launch of the new services because of unfavorable market conditions, which was initially related to the Covid-19 pandemic towards the end of the Relevant Period.

Do the reasons for non-use constitute special circumstances?

[23] Even taking the circumstances described in Mr. Bent’s affidavit at face value, they do not constitute special circumstances. First, Mr. Bent doesn’t explain, for example, how fixing issues related to the original development of its website and upgrading its services to enable use with mobile devices prevented the Owner to use the Mark. Furthermore, while the pandemic may have disrupted the Owner’s business, it only accounted for a short period near the end of the Relevant Period. In the absence of any evidence of use, the initial absence of use appears to be the result of a voluntary business decision to upgrade its web services. Whether compounded by

the pandemic or not, such a voluntary business decision does not constitute circumstances that are “unusual, uncommon or exceptional”.

[24] Furthermore, the Owner’s Board of Directors’ decision to delay the launch of the new services because of unfavorable market conditions was a voluntary decision that does not constitute special circumstances [*Harris Knitting Mills*].

[25] In view of the foregoing, I am not satisfied that the reasons for non-use of the Mark amount to special circumstances in the present case.

Would the circumstances excuse non-use?

[26] In any event, even if I were to accept that the Owner’s circumstances could be considered “unusual, uncommon or exceptional” circumstances, I would not be satisfied that they excuse the period of non-use in this case. In this respect, I would not find that the Owner has satisfied the criteria set out in *Harris Knitting Mills*.

[27] First, with respect to the length of non-use, in cases such as this where an owner cannot or does not state the date of last use, the Registrar may consider the date of registration as the relevant date for purposes of assessing the length of non-use [see, for example, *Clark, Woods v Canaglobe International Inc* (1992), 47 CPR (3d) 122 (TMOB)]. In this case, as the Mark was registered in January 2015, the length of non-use for purposes of this criterion is more than 5 years.

[28] Second, it is at best unclear how the Owner’s business decisions (e.g., the website upgrade & delayed launch) were beyond the control of the Owner.

[29] Third, other than broad statements regarding the Owner’s intent to recommence use and that the Owner is “currently” relaunching the services in Canada [paras 15 and 16], one is left in the dark as to whether the Owner will commence (or recommence) use of the Mark in association with any of the particular Services, and if so when that might happen.

[30] In view of the foregoing, I would not be satisfied that the Owner has demonstrated special circumstances excusing non-use of the Mark with respect to any of the Services during the Relevant Period.

DISPOSITION

[31] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be expunged in compliance with the provisions of section 45 of the Act.

Martin Béliveau
Chairperson
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

Fasken Martineau Dumoulin LLP

For the Registered Owner

Cory Adam Schneider

For the Requesting Party