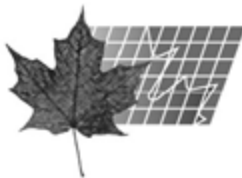


O P I C



C I P O

**LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS**

Citation: 2022 TMOB 144

Date of Decision: 2022-08-01

IN THE MATTER OF A SECTION 45 PROCEEDING

Smart & Biggar

Requesting Party

and

MAGG Gifts Inc.

Registered Owner

**TMA917,255 for DRAGON & Dragon
Design**

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. TMA917,255 for the trademark DRAGON & Dragon Design (the Mark). The Mark is shown below:



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

Goods:

- (1) Glass bowls, ornaments made of glass, glass downstems, smokers' articles, namely glass pipes, bongs, water pipes of glass, downstems made of glass, clothing, namely t-shirts.
- (2) Smokers' articles, namely hand grinders, spice grinders, herb grinders.
- (3) Cigarette rolling papers, rolling papers for legal smoking mixtures.
- (4) Business cards, stickers, flyers, posters.
- (5) Food storage containers, plastic storage containers, and medication containers; glass rods, stoppers, glass tubes not for scientific purposes, namely blown glass tubes and molded glass tubes used for essential oil extraction from tobacco, herbs and plant material, and glass vials; Casual and athletic clothing; smokers' articles, namely tobacco pouches, humidors, chewing tobacco, smoking tobacco, matchbooks, metal pipes, ceramic pipes, and water pipes of acrylic, plastic or ceramic, ash catchers made of glass; electric grinders for tobacco, herbs and spices; vaporizers, namely smokeless cigarette vaporizer pipes, aromatherapy devices used to heat oils and non-medicinal herbs for inhaling, and devices used to extract for inhalation the active ingredients of plant material, aromatherapy diffusers, ash trays, jars, digital scales, cigarette lighters, playing cards, keychains, buttons, patches for clothing.

Services:

- (1) Operation of a retail store featuring smokers' articles and accessories, clothing, glassware, and novelties.
- (2) Operation of a wholesale and distribution business featuring smokers' articles and accessories, clothing, glassware, and novelties.
- (3) Manufacture of smoking accessories and novelties.
- (4) Operation of an Internet on-line wholesale store featuring smokers' articles and accessories.
- (5) Operation of an Internet on-line retail store featuring smokers' articles and accessories.

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

THE PROCEEDING

[4] At the request of Smart & Biggar (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on January 30, 2020, to MAGG Gifts Inc. (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 and 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 January 30, 2017 to January 30, 2020.

[6] The relevant 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.

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

[8] In response to the Registrar's notice, the Owner furnished the affidavit of Mr. D. Michael Goldlist, President of the Owner, sworn on December 24, 2020, to which were attached Exhibits A to N.

[9] Only the Owner filed written representations and was represented at an oral hearing.

THE EVIDENCE

[10] In his affidavit, Mr. Goldlist states that the Owner is a company that "sells high quality smoking, hemp accessories and related goods". He explains that, during the relevant period, the Owner operated two locations as retail stores and as resource centers, and a third location until January 2019, in the City of Toronto [para 9].

[11] With respect to the services, Mr. Goldlist attests that the Owner has been operating its online retail business via *dragon@smokesessions.com* and the websites *thedragon.ca* and *smokesessionsdepot.com*, as well as its wholesale business through the website *Qwholesale.ca*. He states that the Owner's websites were accessed by "thousands" of Canadians during the relevant period. He further attests that the Owner has been operating its wholesale and distribution services through the aforementioned retail stores located in Toronto

[paras 11 and 21]. Furthermore, he states that the Owner advertised its services through its websites, through social media websites (such as its Facebook, Instagram, Pinterest and YouTube accounts) and distributed business cards, stickers, free branded lighters, and printed flyers through the retail stores and throughout the city of Toronto [paras 12 to 15 and 18 to 24].

[12] With respect to the registered goods, Mr. Goldlist states that the Owner used the Mark by selling its products at the retail store locations or distributing them online, both retail and wholesale, through the Owner's websites [paras 5, 14 and 26 to 28]. He also affirms that thousands of Canadians accessed the Owner's websites and made purchases during the relevant period [para 13]. Referring to all the photographs, screenshots and images filed in support of his affidavit, Mr. Goldlist states that they "are representative of the use of the [Mark] on the goods set out in the [registration]" that were "offered for sale and sold during the Relevant Period" [para 25]. He further attests that the Owner distributed thousands of plastic bags to its customers upon purchase of its goods [para 29]. Finally, regarding the volume of sales, he states that sales figures "in general for the business of the [Owner]" were in excess of \$1,300,000 in each of 2017 and 2018 and in excess of \$500,000 in 2019 [para 32].

[13] Further, Mr. Goldlist states that the Owner advertised its goods and services through its websites and social media accounts [paras 12 to 15 and 18 to 24]. Again, he states that the Owner distributed "thousands" of promotional materials such as the aforementioned business cards, stickers, free branded lighters, and printed flyers through the retail stores and throughout the city of Toronto to individuals residing near the stores and at trade shows during the relevant period [paras 30 and 31].

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

- Exhibit B consists of several screenshots of webpages from the Owner's website, *thedragon.ca*, that appear to have been taken from four different dates between May 2017 and August 2020. The screenshots display the Owner's retail locations and a "Shop online!" feature. Mr. Goldlist confirms that the screenshots are representative of the way the website appeared during the relevant period. I note that the Mark is prominently displayed at the top of each webpage.

- Exhibit C consists of six photographs showing the exterior signs of the store locations, each of which display the Mark.
- Exhibit D consists of 11 photographs and social media screenshots showing the interior signs at the retail store locations. I note that some photographs show numerous products displayed inside the store on wall shelves, in showcases or along the walls. In general, while I am able to determine that some of the products are made of glass, it is not clear what those products are or whether the Mark is displayed on them. In addition, some of the smaller products are not discernible at all.
- Exhibits E and L both consist of six sales receipts dated during the relevant period. I note that the Mark is prominently displayed on each receipt and that some products listed in the body of the invoices are identified with the word mark The Dragon. For example, the first receipt includes a listing for “Dragon Glass 9mm 15” Beaker BA DT Blue”; the third receipt includes a listing for “Grinder Card The Dragon Brand”; and the last receipt includes a listing for an “Official The Dragon T-Shirt”.
- Exhibit F consists of a screenshot taken from the third-party website *Alibaba.com*. The screenshot appears to show a transaction from “My Alibaba” for four custom-printed metal products, dated August 2019. Mr. Goldlist explains that it is representative of one of the Owner’s wholesale transactions during the relevant period; he correlates the exhibit with services (4), “Operation of an Internet on-line wholesale store featuring smokers’ articles and accessories”. However, I note that neither the Owner’s name nor the Mark are visible on the screenshot.
- Exhibit G consists of one screenshot of the website *Qwholesale.ca* and two invoices dated within the relevant period. Mr. Goldlist explains that Q Wholesale is a trade name owned and used by the Owner in the operation of services (4) and that the invoices relate to its wholesale transactions. I note that two products bearing the Mark are displayed on the webpage. I also note that the invoices are issued by “*Qwholesale-Qwholesale.ca*” and that only one of them is clearly issued to a customer in Canada.
- Exhibit H consists of 16 screenshots of the *smokesessionsdepot.com* website. Mr. Goldlist explains that the screenshots are representative of the way the website appeared during the relevant period. I note that the Dragon Design (being the dragon design element of the Mark alone, without the word DRAGON underneath) is displayed on the top of the

webpages, but that the full Mark is displayed as a watermark-like image in the photographs of some of the products appearing throughout the webpages. I also note that two screenshots show tabs entitled “waterpipes”, “vaporizers”, “rolling papers” and “grinders” and that the products can be browsed by category.

- Exhibits I and J both consist of numerous photographs, screenshots and images taken from the *smokesessiondepot.com* website and the Owner’s social media accounts showing products either individually or together with other products. Mr. Goldlist attests that they are representative of the use of the Mark during the relevant period. With respect to the products shown individually, I note that some of them display either the Mark or the Dragon Design. However, as with the interior store photographs in Exhibit D, it is not clear what products are depicted in some of the other images, or whether the Mark is displayed on such products.
- Exhibit K consists of seven photographs showing t-shirts, as well as copies of three sales receipts showing sales of t-shirts (I note that these sales receipts are also reproduced in Exhibits E and L). The Mark is prominently displayed on the t-shirts and this product is clearly identified in the body of the sales receipts either as “Official The Dragon T-shirt” or “The Dragon T-shirt”.

ANALYSIS AND REASONS FOR DECISION

Use of the Mark in association with the Services

[15] With respect to services (1), the evidence clearly demonstrates that the Owner operated a retail store featuring smokers’ articles, etc., during the relevant period, and that the Mark was displayed in association with such services through, *inter alia*, exterior and interior signage. Similarly, with respect to services (5), it is clear from the evidence that the Owner operated an online retail store in association with the Mark during the relevant period.

[16] With respect to services (2), “Operation of a wholesale and distribution business...”, as noted above, Mr. Goldlist attests that the Owner has been operating its wholesale and distribution services through its retail stores [paras 11 and 21]. Absent representations from the Requesting Party, as the Mark was displayed prominently on store signage, I accept the evidence

as a whole to be sufficient to demonstrate use of the Mark in association with services (2) as well.

[17] In view of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with services (1), (2) and (5) within the meaning of sections 4(2) and 45 of the Act.

[18] In contrast, I find the evidence to be insufficient to demonstrate use of the Mark with respect to “Operation of an Internet on-line wholesale store...” as set out in services (4). Mr. Goldlist submits the Q Wholesale invoices as examples of sales receipts issued by the Owner in association with its online wholesale services. However, as the Mark does not appear on them, the Q Wholesale invoices at best demonstrate use of the word mark The Dragon in association with particular products, rather than use of the Mark in association with the operation of an online wholesale store. Similarly, while at least two products bearing the Mark are offered for sale on the *Qwholesale.ca* website, the Mark does not appear otherwise on the webpage so as to be associated with the operation of the website itself. Thus, while the Owner appears to operate an online wholesale service, the association with the Mark is at best not clear from the evidence before me. Rather, the evidence indicates that the Owner operates its online wholesale business in association with the Q Wholesale trademark, or via *Albiba.com*.

[19] Therefore, I am not satisfied that the Owner has demonstrated use of the Mark in association with services (4) within the meaning of sections 4(2) and 45 of the Act. As the Owner furnished no evidence of special circumstances excusing non-use of the Mark, the registration will be amended accordingly.

[20] Finally, with respect to services (3), “Manufacture of smoking accessories and novelties”, Mr. Goldlist’s affidavit is silent and, at the hearing, the Owner conceded no evidence was submitted in support. Consequently, I am not satisfied that the Owner has demonstrated use of the Mark in association with services (3) within the meaning of sections 4(2) and 45 of the Act. Again, as there is no evidence of special circumstances excusing non-use of the Mark, the registration will be amended accordingly.

Use of the Mark in association with the Goods

[21] At the hearing, the Owner submitted that it had provided sufficient evidence of use of the Mark in association with all the goods set out in the registration, in view of Mr. Goldlist's statements along with the supporting documentary evidence. In particular, the Owner submits that the registered goods can be identified through the hashtag references (such as "#grinders") shown along with the photographs and screenshots from the Owner's social media accounts. The Owner also submits that, even though the registration contains several categories of goods, as each category contains a number of similar goods, it is not necessary to show use for each registered good. At the hearing, relying on *Union Electric Supply Co Ltd v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD), the Owner submitted that requiring "different" evidence for each good is tantamount to requesting evidentiary overkill that entails an unfair burden.

[22] While there is no need for evidentiary overkill in a section 45 proceeding, a registered owner is nevertheless obligated to provide evidence to the extent that the Registrar is able to form an opinion on "use" for each of the registered goods within the meaning of the Act [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448]. In these circumstances, an affidavit must contain clear statements regarding transfers of each of the registered goods within the relevant period and must provide sufficient facts or representative evidence to permit the Registrar to conclude that the trademark was used in association with each of the registered goods.

[23] In this case, there is clear evidence that t-shirts bearing the Mark were sold in Canada during the relevant period. Indeed, several photographs show the Mark displayed on t-shirts and three sales receipts identify this product with the word mark The Dragon.

[24] That being said, Mr. Goldlist states that the Owner used the Mark in association with "Casual and athletic clothing, *including* t-shirts" [Goldlist affidavit, para 26, emphasis added]. However, these goods are set out in two different categories in the registration: goods (1) includes "Clothing, namely t-shirts" and goods (5) includes "Casual and athletic clothing". However, as the evidence does not show use of the Mark in association with "Casual and athletic

clothing” other than t-shirts, I am only satisfied that the Owner has demonstrated use of the Mark in association with “clothing, namely t-shirts”.

[25] I also accept that the evidence allows me to conclude that the Mark was used in association with the registered goods “bongs”. In this respect, one of the products bearing the Mark shown on the exhibited *Qwholesale.ca* webpage is also shown and identified in the Owner’s social media accounts as “bongs”. Furthermore, the wholesale invoice, dated June 4, 2017 and issued to a Canadian customer, includes a product described as “Dragon Glass 9mm Beaker”. Taking the evidence as a whole, I find it reasonable to infer that those products correlate with the registered good “bongs” listed in goods (1).

[26] As for other goods for which there are clear evidence of transfers, I note a sales receipt for that includes a product identified as “Cheech Ash Catcher 22 Arm Tree Perc 14mm” in one of the sales receipt. While I accept that this product correlates with “ash catchers made of glass” listed in goods (5), the Owner’s website screenshots show a third party’s trademark displayed on it.

[27] With respect to “business cards” in goods (4) and “cigarette lighters” in goods (5), while the evidence shows that the Mark was displayed on them, Mr. Goldlist specifically states that the Owner distributed such as promotional material. However, it has been held that the free distribution of a good merely to promote one’s own brand does not constitute a transfer in the normal course of trade [see, for example, *Smart & Biggar v Sutter Hill Corp*, 2012 TMOB 12; and *Riches, McKenzie & Herbert LLP v Park Pontiac Buick GMC Ltd* (2005), 50 CPR (4th) 391 (TMOB)]. For the free distribution of a good to qualify as a transfer in the normal course of trade, the evidence must show that the good was delivered, not merely as a means of promoting other products or services, but as an object of trade in itself, leading to some kind of payment or exchange for such goods or in anticipation of securing future orders of those goods [see *Bremont Watch Company Limited v Bremont Homes Corporation*, 2016 TMOB 102; *Canada Goose Inc v James*, 2016 TMOB 145; and *Oyen Wiggs Green v Flora Manufacturing and Distributing Ltd*, 2014 TMOB 105]. In this case, it is clear that the Owner’s business cards were not objects of trade in and of themselves, and there is insufficient evidence before me to conclude that the Owner’s freely-distributed lighters were objects of trade either.

[28] As for the remaining goods listed in the registration, while the Owner provided numerous photographs, screenshots and images, I note that some of the depicted products do not display the Mark or, as already noted, such products actually display third-party trademarks. Therefore, it is necessary to determine (i) whether the examples provided in the evidence are truly representative of the goods otherwise set out in the registration, and (ii) whether the Owner satisfactorily demonstrated the required transfer of each of the registered goods.

[29] In this respect, I first note that Mr. Goldlist does not clearly correlate the products listed in the sales receipts to those shown in the photographs, screenshots and images throughout the evidence. Nor does he correlate any product shown in the exhibits with each of the goods listed in the registration. In this respect, it is well established that, although reasonable inferences may be drawn from the evidence provided, it is the responsibility of the Owner to show the connection between the registered goods and those included in the evidence [see *Fraser Milner Casgrain LLP v Fabric Life Ltd*, 2014 TMOB 135; and *Wrangler Apparel Corp v Pacific Rim Sportswear Co*, 2000 CarswellNat 3686 (TMOB)].

[30] Concerning the Owner's submission at the hearing that the products can be correlated through the social media screenshots, I note that while some products are shown along with a hashtag reference, the references are not specific enough to clearly correlate a product with a specific registered good. For example, with respect to "#grinders", three different types of grinders are listed in goods (2).

[31] With respect to evidence of transfers, while the word mark The Dragon appears under the description field in some of the sales receipts, the products listed therein are not clearly identified or are not identified in the same way as in the statement of goods. For example, the second sales receipt from Exhibits E and L lists a "DRAGON 4 Piece Green Large". In my view, this description is not clear enough to determine which of the registered goods is concerned or whether the Mark as registered appeared on such goods. Similarly, while the third sales receipt includes a "Grinder Card The Dragon Brand", there is no "grinder card" or the like in the statement of goods. Concerning the same product's description, the Owner submitted at the hearing that it correlates to "hand grinders" and referred to a social media screenshot showing several round metal products in different colors along with the reference "#grinders". However, a

different product bearing a variation of the Dragon Design is clearly identified as a “Grinder Card” on the *smokesessionsdepot.com* website. Therefore, absent a clear statement from Mr. Goldlist as to which of the registered goods the “Grinder Card The Dragon Brand” corresponds to, I am not prepared to accept the Owner’s submission in this respect.

[32] While I am able to identify some other products bearing the Mark in the evidence, such as “glass bowls” and “posters”, there is no clear evidence of transfers of such goods.

[33] In this respect, while I agree with the Owner that invoices are not mandatory in order to satisfactorily reply to a section 45 notice [*Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)], some evidence of transfer in the normal course of trade in Canada is necessary [per *John Labatt*]. Such evidence can be in the form of documentation like invoices or sales reports, but can also be through clear sworn statements regarding volumes of sales, dollar value of sales, or equivalent factual particulars [see, for example, *1471706 Ontario Inc v Momo Design srl*, 2014 TMOB 79]. In this case, although Mr. Goldlist provides annual sales figures, they are not detailed by good. Furthermore, no clear distinction is made between goods bearing the Mark and goods bearing other trademarks, as Mr. Goldlist refers to the these sales figures as being in general for the Owner’s business. As such, I find that general sales figures are not specific enough to support the finding of transfers and therefore a finding of use of the Mark in association with any of the remaining goods. Even in the context of the evidence as a whole, I find that Mr. Goldlist’s statement that “the goods” were “offered for sale and sold” in Canada during the relevant period along with general sales figures to be insufficient factual particulars in this case.

[34] In view of all the foregoing, I am only satisfied that the Owner has demonstrated use of the Mark in association with the registered goods “bongs” and “t-shirts” within the meaning of sections 4 and 45 of the Act. As the Owner has not provided any evidence of special circumstances excusing the absence of use of the Mark, the registration will be amended accordingly.

DISPOSITION

[35] 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 services (3) and (4), and all of the registered goods except for “(1) Smokers’ articles, namely ... bongs; ... clothing, namely t-shirts”.

[36] Consequently, the amended statement of goods and services will read as follows:

Goods:

(1) Smokers’ articles, namely bongs; clothing, namely t-shirts.

Services:

(1) Operation of a retail store featuring smokers' articles and accessories, clothing, glassware, and novelties.

(2) Operation of a wholesale and distribution business featuring smokers' articles and accessories, clothing, glassware, and novelties.

(5) Operation of an Internet on-line retail store featuring smokers' articles and accessories.

Maria Ledezma
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE: 2022-06-29

APPEARANCES

Colleen Spring Zimmerman

For the Registered Owner

No one appearing

For the Requesting Party

AGENTS OF RECORD

Fogler, Rubinoff LLP

For the Registered Owner

Smart & Biggar LLP

For the Requesting Party