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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 176

Date of Decision: 2022-08-30

IN THE MATTER OF A SECTION 45 PROCEEDING

Stewart McKelvey	**Requesting Party**
and	
Brookfield Residential (Alberta) LP	**Registered Owner**
TMA640,116 for PARKLAND and 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. TMA640,116 for the trademark PARKLAND and Design (the Mark), owned by Brookfield Residential (Alberta) LP (the Owner) and shown below:

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

THE PROCEEDINGS

[3] At the request of Stewart McKelvey (the Requesting Party), the Registrar of Trademarks issued a notice to the Owner under section 45 of the Act on June 4, 2020.

[4] The notice required the Owner to show whether the Mark had been 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 June 4, 2017, to June 4, 2020.

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

> (1) Sales of residential and commercial properties; leasing of residential and commercial properties.
>
> (2) Residential and commercial land development.

[6] The relevant definition of use in the present case is set out in section 4 of the Act as follows:

> 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] It is well established that 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)]. However, 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 and services specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[8] The display of the trademark in the advertisement of the services is sufficient to satisfy the requirements of section 4(2) of the Act, from the time the owner of the trademark offers and

is ready to perform the services in Canada [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[9] In response to the Registrar's notice, the Owner furnished the affidavit of Richard Westren, Senior Vice President of Edmonton Communities, Land and Housing for the Owner, sworn on December 31, 2020. Both parties submitted written representations; only the Requesting Party was represented at an oral hearing.

THE EVIDENCE

[10] Mr. Westren states that the Owner is engaged in residential and commercial land development and homebuilding. He explains that the "lifecycle" of the Owner's residential and commercial development services involves purchasing bare land, applying for necessary approvals, subdivision of the property according to the approved plan, installation of services and infrastructure, building residential and commercial properties for sale or lease to consumers and/or third-party developers, and transition of ongoing management and administration of community development to a new entity created by the Owner. He defines the latter entity as a "Residents Association".

[11] The Mark was first used around 1999 by the Owner's predecessors in title, Carma Developers Ltd., Carma Developers LP and Brookfield Properties Ltd., in association with the development, sale and leasing of land in Edmonton (the Parkland Community). The Owner acquired the Mark from its predecessor in title in 2011. Around that time, "in the normal course of offering its Services", the Owner's predecessor in title incorporated the Parkland Neighbourhood Residents Association (PNRA) and "transitioned the ongoing development of the Parkland Community" to the PNRA. Mr. Westren explains that at this time, the Owner and/or its predecessor in title licenced the Mark to the PNRA for use in association with the registered services. He explains that he believes that such use was pursuant to a written formal trademark licence, and states that the Owner has direct or indirect control of the character and quality of the registered services offered by the PNRA by means of the Owner's continued right to prescribe standards of quality in association with such services.

[12] As Exhibits A and B, Mr. Westren attaches screenshots from the PNRA website. The screenshots were taken on December 28, 2020, but Mr. Westren confirms that they are an accurate representation of the pages as they appeared during the relevant period. The pages display a variation of the Mark with the words "by Carma" omitted, and state that the PNRA's responsibilities include "development, enhancement and maintenance of the Parkland area amenities", "enforcement of the architectural controls", and "ensur[ing] that the Parkland Neighbourhood remains a preferred choice for current owners and potential buyers".

[13] As Exhibit C, Mr. Westren attaches a copy of a "Parkland Architectural Guidelines" document displaying the Mark and a date of 2002. He explains that such guidelines are mandatory for the Parkland community and are enforced by the PNRA, and as such, the document is brought to the attention of all potential purchasers and current owners. He states that the document has continued to display the Mark through the relevant period. He further states that the document can be accessed through the PNRA webpage, a copy of which is attached as Exhibit D. He confirms that the screenshot is an accurate reproduction of the webpage as it appeared during the relevant period.

[14] As Exhibit E, Mr. Westren attaches a copy of a PNRA brochure, which he states is provided to all occupants and potential purchasers in the Parkland community. The brochure includes an agreement to which occupants must adhere, confirming that they understand the services provided by the PNRA and the development standards prescribed by the Owner. The Mark appears on the brochure. He states that this brochure was displayed and published during the relevant period on the PNRA website attached as Exhibit D, discussed above.

[15] As Exhibits F and G, Mr. Westren attaches photographs of monuments displaying a variation of the Mark that omits the words "by Carma". He states that these monuments were located at the entrances to the Parkland community during the relevant period.

[16] Finally, Mr. Westren states that the Owner received subdivision approval for further areas within the Parkland community in 2015, allowing the Owner to develop the area and then sell and/or lease the resulting properties to third party developers and other potential purchasers. He states that approval for a significant change to the subdivision request was subsequently granted

on May 7, 2020, thereby delaying the Owner's ability to sell and/or lease properties in the area, and that such activities were further delayed by the COVID-19 pandemic.

REASONS FOR DECISION

[17] As a preliminary matter, I note that in their written representations, the Requesting Party and Owner include and refer to facts and materials not in evidence. Pursuant to sections 45(1) and (2) of the Act, I can only consider evidence submitted in the form of an affidavit or statutory declaration filed by the Owner. Accordingly, these materials and submissions will be disregarded.

[18] The Requesting Party submits that the Owner has not demonstrated use of the Mark in association with any of the registered services. In this respect, the Requesting Party contends that any use of the modified version of the Mark would not amount to use of the Mark as registered, that the PNRA has not performed any of the registered services, and that there are no special circumstances excusing non-use. Each submission will be considered in turn.

Would use of the modified Mark amount to use of the Mark as registered?

[19] The Requesting Party submits that the words "by Carma" are "by far the most distinctive element" of the Mark, and submits that the remaining elements of the Mark are "arguably too descriptive to be registered" and serve only to describe the Parkland neighbourhood. In response, the Owner submits that the words "by Carma" are irrelevant to the overall commercial impression of the "visually-rich design mark that is the Registered Mark". The Owner further submits, and I agree, that the questions of registrability and whether a trademark serves to distinguish an owner's goods or services are beyond the scope of this proceeding [see *United Grain Growers Ltd v Lang Michener*, 2001 FCA 66 at para 14; *Norton Rose Fulbright Canada v Roper House Publishing Ltd*, 2021 TMOB 140].

[20] I cannot concur with the Requesting Party that "by Carma" is "by far the most distinctive element" of the Mark. The words "by Carma" are set in a smaller font than the word Parkland, and are smaller than the design element depicting a deer standing over its reflection in a body of water in the midst of several trees. While it may be that a member of the public familiar with the

Mark as registered might notice the absence of the words "by Carma", the omission of these words does not, in my view, render the Mark unrecognizable [see *Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA)]. On the contrary, I find that the dominant elements of the Mark, namely, the design element and the word PARKLAND (set in all caps, in a larger font than "by Carma"), have been preserved such that any display of this modification of the Mark would amount to display of the Mark as registered.

[21] In any event, as noted below, certain documents attached to Mr. Westren's affidavit display the Mark as registered and were available during the relevant period.

Does the licensee perform the registered services?

[22] The Requesting Party submits that the Owner's evidence demonstrates that the PNRA does not perform any of the registered services. In this respect, the Requesting Party refers to the Exhibit E brochure, which states that the PNRA's responsibilities include "maintenance of certain amenities", "enforcement of the architectural controls", and "collection of fees from the residents of the Parkland Lands" to fund "maintenance and operation of the amenities", whereas the Owner's predecessor in title would be responsible for constructing and developing various amenities. The Requesting Party further notes that the agreements listed in this document include provisions stating that the PNRA "acknowledges that it has had no part in the planning or the development" of the Parkland community or amenities, "that all the planning has been done by Carma and that the responsibility for developing the Parkland Amenities is Carma's", and that "Carma has undertaken the full responsibility for the design, engineering, development and construction of and the initial management and operation of the Parkland Amenities". Finally, the Requesting Party submits that mere enforcement of architectural guidelines cannot reasonably be considered land development.

[23] In response, the Owner submits that the ongoing maintenance and administration of community development by the PNRA are an essential element of land development, noting that a statement of services is to be given a generous interpretation in a section 45 proceeding, following *Molson Canada v Kaiserdom-Privatbrauverei Bamburg Wörner KG* (2005), 43 CPR (4th) 313 (TMOB). The Owner submits that "the Requesting Party's narrow interpretation of

'land development' cannot reasonably be accepted", and that the definition of land development should "include maintenance and enforcement of land development (architectural) controls and maintenance/operation of significant community amenities".

[24] As noted by the Owner, registered services should be given a broad and liberal interpretation; furthermore, registered services may include incidental or ancillary services [*Venice Simplon-Orient-Express Inc v Société Nationale des Chemins de Fer Français SNCF* (2000), 9 CPR (4th) 443 (FCTD)]. In this case, the question before me is whether the functions performed by the PNRA, most notably the enforcement of architectural guidelines, amount to "Residential and commercial land development".

[25] At the hearing, counsel for the Requesting Party submitted that it does not logically follow that an entity engaged in maintenance or enforcement of community amenities or standards is engaged in land development; as an example, counsel submitted that a party enforcing a community ban on chicken coops cannot reasonably be considered to be engaged in land development. While I might be inclined to agree with the Requesting Party with respect to the example of a chicken coop ban, in my view, there is a qualitative difference between enforcement of such a ban and enforcement of the architectural guidelines, which provide detailed, restrictive, and mandatory instructions on many aspects of construction of houses in the Parkland community, including their siting, size, appearance, external features and accessories. In other words, through enforcement of the architectural guidelines, the PNRA controls the type and character of buildings constructed in the community. In my view, such activities fall within the ambit of a broad and liberal interpretation of "land development". I concur with the Owner that the enforcement of architectural guidelines would fall within the ambit of "residential and commercial land development", or could be construed as incidental or ancillary to such services. In reaching this conclusion, I am mindful of the following:

(a) Mr. Westren's description of the Owner's normal course of trade, including the final phase in which the Owner "[t]ransitions ongoing management of administration of community development to a new entity created by the Trademark Owner", namely, the PNRA;

(b) Mr. Westren's statement that the "Owner's residential and commercial development standards are codified in […] the Parkland Architectural Guidelines";

(c) The "PNRA Mission Statement" on the Exhibit A website screenshot stating that "Our mission is to provide improved value to the Parkland Neighbourhood residents and owners through the development, enhancement and maintenance of the Parkland area amenities". (Emphasis added)

[26] Finally, although the Requesting Party notes that the Parkland Management Agreement and Acknowledgments by Purchaser documents attached as Exhibit E specifically state that Carma, not the PNRA, is responsible for development, I do not take these documents to be fatal in and of themselves to the Owner's submission that the PNRA's activities amount to land development. As noted above, section 45 jurisprudence requires me to give a broad and liberal interpretation to the term "land development" which will not necessarily align with how the term is to be interpreted in the specific context of these agreements, particularly given that Mr. Westren uses a broader definition of "development" throughout his affidavit (and in this respect, I note that an affiant's statements are to be accepted at face value and afforded substantial credibility in a section 45 proceeding). Similarly, although the Requesting Party submits that the PNRA's status as a not-for-profit entity shows that it would not be in the same business as the Owner, I note that there is no requirement that services must be performed for profit; as long as some members of the public receive a benefit from the activity, it is a service [*Renaud Cointreau & Co v Cordon Bleu International Ltd* (2000), 11 CPR (4th) 95 (FCTD), aff'd 2002 FCA 11; *Live! Holdings LLC v Oyen Wiggs Green & Mutala LLP*, 2019 FC 1042].

[27] In sum, I am satisfied based on the evidence before me that the PNRA's activities, particularly its enforcement of the architectural guidelines, can be considered "land development" for the purposes of this proceeding, consistent with Mr. Westren's sworn statements. I am further satisfied that the display of the Mark (in its unmodified form) in the Parkland Architectural Guidelines attached as Exhibit C, and the PNRA Brochure attached as Exhibit E, amount to display in the performance or advertising of these services provided by the PNRA. In view of Mr. Westren's statements that the Owner controls the character and quality of

the services delivered by the PNRA under licence in association with the Mark, I am satisfied that any such use of the Mark would enure to the Owner. I further note that as set out in Mr. Westren's affidavit and in the website attached as Exhibit A, membership in the PNRA and adherence to the architectural guidelines is mandatory for both residential and commercial purchasers. Given that Mr. Westren confirms that these were provided to purchasers and potential purchasers during the relevant period, and that each document displays the Mark as registered, I am satisfied that the Owner has demonstrated use of the Mark in association with the registered services "Residential and commercial land development" within the meaning of the Act.

Are there special circumstances excusing non-use of the sales and leasing services?

[28] Neither Mr. Westren's affidavit nor the Owner's written representations state or suggest that services (1), "Sales of residential and commercial properties" and "leasing of residential and commercial properties", were performed by the Owner or the PNRA during the relevant period. Instead, Mr. Westren indicates that the Owner intended to perform these services after obtaining subdivision approval for further areas within the Parkland community, which was granted in May 2020 but further delayed by the COVID-19 pandemic.

[29] As noted by the Requesting Party, Mr. Westren states that subdivision approval was obtained in 2015, but provides no explanation as to why the sales and leasing services were not provided at this time. With respect to the delay in obtaining regulatory approval for the change to the subdivision, the Requesting Party submits that mere regulatory obstacles are not special circumstances, citing *Clark O'Neill Inc v Pharmacommunications Group Inc*, 2004 FC 136 at para 19. In response, the Owner submits that awaiting necessary approval by a government agency is a circumstance that excuses non-use, citing *Cassels Brock & Blackwell LLP v Montorsi Francesco E Figli SpA* (2003), 29 CPR (4th) 106.

[30] 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 (*Scott Paper*)].

[31] 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 [*Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA) (*Harris Knitting*)]. 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].

[32] 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*]. All three criteria are relevant, but satisfying the second criterion is essential for a finding of special circumstances *excusing* non-use [*Scott Paper*].

[33] In some cases, efforts to comply with regulatory standards can constitute unusual, uncommon or exceptional circumstances [*Spirits International NV v Canada (Registrar of Trade-Marks)*, 2006 FC 520, aff'd 2007 FCA 162]. However, as noted by the Requesting Party, 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 [see *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].

[34] In this case, Mr. Westren states that the Owner "received subdivision approval for further areas within the Parkland Community in 2015", meaning that the Owner "would be developing the area and then selling and/or leasing the resulting property" to developers, purchasers and tenants. However, "approval for a significant change to the subdivision request was not granted until May 2020"; as a result, the Owner "was delayed in its ability to sell and/or lease residential and commercial properties […] until this approval was granted". No explanation is provided as to the nature of this "significant change", nor why the Owner was prevented from performing

any of the sales or leasing services until such approval was granted. In the absence of such details, I cannot be certain that it was not simply a business decision to request a change to the approval granted in 2015 rather than to begin performance of these services.

[35] In any event, even if I were to conclude that the circumstances described in the Owner's evidence could be described as "unusual, uncommon, or exceptional", I would still not be satisfied that such circumstances would excuse non-use in accordance with the *Harris Knitting* test. In this respect, I note that the Owner has not furnished any evidence demonstrating that it performed the sales or leasing services since its acquisition of the Mark in 2011. As noted above, there is insufficient evidence demonstrating that the Owner's decision to apply for a significant change to its subdivision request, instead of beginning to perform its services, was anything but a business decision within the control of the Owner. Finally, I note that the Owner's written representations contain the unsworn assertion that it has recently begun performance of the services; even if I were able to consider such evidence and conclude that it demonstrates a serious continuing intention to use the Mark *during the relevant period*, continuing intention to use the Mark cannot be a special circumstance which excuses to non-use of the Mark on its own [*Scott Paper* at para 28].

[36] Finally, while the COVID-19 pandemic undoubtedly caused disruption in the Owner's industry, the pandemic on its own cannot constitute special circumstances as it only applies to a few months at the end of the relevant period. Special circumstances must apply to the entire relevant period [see, for example, *Oyen Wiggs Green & Mutala LLP v Rath*, 2010 TMOB 34 at para 12; *PM-DSC Toronto Inc v PM-International AG*, 2013 TMOB 15 at para 15; *Norton Rose Fulbright Canada LLP v Solomon Kennedy trading as Luv Life Productions*, 2019 TMOB 22 at para 35; *Supreme Brands LLC v Joy Group OY*, 2019 TMOB 45 at para 31].

[37] In view of the above, I am not satisfied that the circumstances described by the Owner amount to special circumstances excusing non-use of the Mark in association with the registered services "Sales of residential and commercial properties; leasing of residential and commercial properties". Accordingly, the registration will be amended to delete these services.

DISPOSITION

[38] 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 services (1).

[39] The amended registration will be as follows:

Residential and commercial land development.

G.M. Melchin
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2022-07-26

APPEARANCES

No one appearing	For the Registered Owner
Robert Aske	For the Requesting Party

AGENTS OF RECORD

Richard P.W. Stobbe (Field LLP)	For the Registered Owner
Stewart McKelvey	For the Requesting Party