



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 263

Date of Decision: 2022-12-21

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Trees Cheesecake Ltd.

Registered Owner: Susan Bate

Registration: TMA334,257 for THE COFFEE TREE & DESIGN

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. TMA334,257 for the trademark THE COFFEE TREE & DESIGN (the Mark) shown below.



[2] The registration includes a colour claim which states “the darker line is purple and the lighter line is turquoise.”

[3] The statement of services contained in the registration is operation of a business dealing coffee and other food products (the Services).

[4] For the reasons that follow I conclude the registration ought to be maintained.

THE PROCEEDING

[5] On June 3, 2021, at the request of Trees Cheesecake Ltd. (the Requesting Party), the Registrar of Trademarks issued a notice pursuant to section 45 of the Act to Susan Bate (the Owner).

[6] The notice required the Owner to show whether the trademark had been used in Canada in association with 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 period for showing use is between June 3, 2018, and June 3, 2021 (the Relevant Period).

[7] The relevant definition of “use” 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.

[8] In response to the Registrar’s notice, the Owner submitted the statutory declaration of Ms. Susan Bate, the Owner, sworn on December 20, 2021, in Toronto, Canada.

[9] Only the Requesting Party submitted written representations. No hearing was held.

THE OWNER’S EVIDENCE

[10] Ms. Bate explains that in addition to being the Owner of the Mark, she is also the President of “The Coffee Tree Inc” [para 16], operating under “The Coffee Tree Roastery”, which is a coffee shop located in Toronto where clients can buy food and coffee [para 9].

[11] Ms. Bate licensed the Mark to “The Coffee Tree Inc.” (the Licensee) and controlled the character and quality of the goods and services provided by the Licensee by directing operations, training staff, contracting coffee sourcing, etc. throughout the Relevant Period [paras 17 & 18]. A copy of a licence agreement, signed December 14, 2021 with an identified effective date of July 9, 2018, containing provisions relating to control over the services performed is provided in Exhibit J.

[12] Ms. Bate states that the Mark was displayed prominently as interior signage on the back wall of the coffee bar during the Relevant Period and provides photographs showing this [paras 10 & 11 and Exhibits D & E]. I note the Mark appears without the two angled lines to the left and beneath the wording. This manifestation of the Mark is shown below:



[13] Ms. Bate also provides photographs showing the display of the Mark on uniforms worn by staff members serving at the coffee bar [para 12 and Exhibits F & G]. The uniforms show the Mark appearing in the same manner as the interior signage, namely:



[14] Ms. Bate explains that during the Relevant Period the services of the coffee shop were advertised on Instagram [para 14] and through a monthly electronic newsletter sent out to more than one thousand subscribers [para 15]. The depiction of the Mark is essentially in the form registered but not showing the colours as claimed [Exhibits H & I].

[15] Ms. Bate also provides several customer receipts from the “Coffee Tree Roastery” for various food items and coffees all dated during the Relevant Period [Exhibits K, L and M].

[16] Ms. Bate provides gross sales figures for coffee and food products for the years 2018, 2019, 2020 and up to May 31, 2021. These annual figures range from \$750,000 to more than \$1,000,000 [para 20].

ANALYSIS AND REASONS FOR DECISION

Preliminary Issue - Deviation

[17] The questions to be asked are whether the identity of the Mark was lost, and if the trademark remained recognizable, despite the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trademarks) v Cie internationale pour l'informatique CII Honeywell Bull SA* (1985), 4 CPR (3d) 523 (FCA)]. In deciding this issue, one must consider whether the dominant features of the registered trademark have been preserved [*Promafil Canada Ltée v Munsingwear Inc*, 1992 CanLII 12831, 44 CPR (3d) 59 (FCA); *Pizzaiolo Restaurants Inc v Les Restaurants La Pizzaiolle Inc*, 2016 FCA 265]. This is a question of fact to be determined on a case-by-case basis.

[18] The evidence described above explains the use of two versions of the trademark, both slightly different than the Mark, as registered. The first, as it appears on the interior signage and on uniforms worn by staff, shows the Mark without the two angled lines [Exhibits F & G]. The second version used in advertising shows the Mark, with the angled lines, but those lines, along with the words THE COFFEE TREE appear in white, rather than purple and turquoise as claimed [Exhibit I].

[19] The dominant features of the Mark, namely the words "The Coffee Tree" as well as the font style used, having been preserved, I conclude that the trademark has not lost its identity and remains recognizable, such that the slightly modified display of the Mark constitutes a display of the Mark as registered [per *Promafil Canada Ltée c. Munsingwear Inc* (1992), 1992 CanLII 12831 (FCA), 44 CPR (3d) 59 (CAF)].

Preliminary Issue - Licensing

[20] There are three main methods through which a trademark owner can successfully demonstrate the control over a licensee required under section 50(1) of the Act: first, by clearly attesting to the fact that it exerts the requisite control; second, by providing evidence demonstrating that it exerts the requisite control; or third, by providing a copy of the license agreement that provides for the requisite control [see *Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102, aff'd 2011 FCA 340].

[21] In this case, the Owner clearly attests to control, provides specific examples of how that control is exerted [paras 17 & 18] and provides a copy of a confirmatory license agreement containing provisions to ensure the standards set by the owner for the services provided are met [Exhibit J].

[22] Additionally, when an individual is a director or officer of both the owner and licensee, an inference may be drawn that the requisite control exists [see *Petro-Canada v 2946661 Canada Inc* (1998), 83 CPR (3d) 129 (FCTD); *Lindy v Canada (Registrar of Trademarks)*, [1999] FCJ No 682 (FCA)]. The same holds true when the legal entity of the owner takes the form of an individual who is also President of the licensee.

[23] For these reasons, I find that use of the Mark by the Licensee, operating under “The Coffee Tree Roastery”, is properly considered use by the Owner.

Usage of the Mark

[24] The threshold for establishing use in in the context of section 45 proceedings is low [see *Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [see *Union Electric Supply Co Ltd v Canada (Registrar of Trademarks)* (1982), 63 CPR (2d) 56 (FCTD)]. Nonetheless, sufficient facts must be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with the services specified in the registration during the relevant period [see *John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[25] In order to show use of a trademark in association with services, the evidence must satisfy the test set out in section 4 of the Act. This is achieved if the trademark is used or displayed in the performance or advertising of the services. The presence of the Mark on the back wall of the coffee shop [Exhibit D & E] and on the uniforms worn by the staff when serving customers [Exhibit F,G and I] allows me to conclude that the Mark was displayed in the performance of the operation of a business dealing coffee and other food products. Furthermore, the Services were not only advertised, but performed during the Relevant Period with coffee and food sold to customers [Exhibits K, L and M].

[26] In view of the foregoing, I am satisfied that the Owner has shown use of the Mark in Canada within the meaning of sections 4 and 45 of the Act, in respect to the Services listed in the registration.

DISPOSITION

[27] 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 maintained.

Martin Béliveau
Chairperson
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Requesting Party: Dean Palmer (c/o Palmer IP)

For the Registered Owner: Piasetzki Nenniger Kvas LLP