

Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 048

Date of Decision: 2023-03-15

[UNREVISED ENGLISH

CERTIFIED TRANSLATION]

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: JD Sports Fashion Plc.

Registered Owner: 9176-0264 Québec Inc.

Registration: TMA617,361 for JD COLLECTION & 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) in respect of registration No. TMA617,361 for the trademark JD COLLECTION & Design (the Mark), shown below:



[2] The statement of goods, including the Nice classes (CI), is reproduced below:

[TRANSLATION]

CI 18 (1) Clothing covers, garment bags, carry-all bags, shoulder bags.

CI 25 (2) Clothing and fashion accessories for men, women and children, namely pants, jeans, overalls, vests, jackets, skirts, dresses, shirt blouses, blazers, blouses, shirts, T-shirts, sweaters, pullovers, cardigans, jerseys, camisoles, vests, tunics, waist-length jackets, coats, wind-resistant jackets, anoraks, raincoats, hose; scarves, shoulder scarves, gloves, mitts, mittens; millinery, namely hats, peak caps, visor hats, headbands; belts.

[3] For the reasons that follow, I conclude that the registration ought to be amended to delete all products except “Clothing and fashion accessories for men, women and children, namely pants, jeans”, “scarves” and “millinery, namely hats”.

THE PROCEEDING

[4] At the request of JD Sports Fashion Plc. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on June 26, 2020, to 9176-0264 Quebec Inc. (the Owner), registered owner of the Mark at the time of the notice.

[5] The notice required the Owner to show whether the trademark has been 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 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 26, 2017 to June 26, 2020.

[6] I note that on November 1, 2020, the Mark was transferred to the licensee of the Owner, 9368-1476 Québec Inc. (the Licensee). The change in ownership does not affect this decision.

[7] The relevant definition of “use” is 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.

[8] In the absence of use as defined above, a trademark registration is liable to be expunged, unless the absence of use is due to special circumstances.

[9] In response to the Registrar’s notice, the Licensee submitted the solemn declaration of Mélanie Dubé, dated March 12, 2021, which included exhibits MD-1 to MD-5 as attachments.

[10] Both parties submitted written representations and a hearing was held at which both parties were represented.

ADMISSIONS OF THE OWNER

[11] At the hearing, the Licensee admitted that it only claimed use of the Mark in association with the following goods: “Clothing and fashion accessories for men, women and children, namely pants, jeans”, “scarves” and “millinery, namely hats” (the Goods). It also admitted that the evidence did not show any special circumstances justifying the lack of use of the Mark in association with the other goods specified in the registration. In light of these admissions, the registration will be amended accordingly.

SUMMARY OF THE EVIDENCE

[12] In her declaration, Ms. Dubé identified herself as an administrative assistant of the Licensee and who has been employed since 2017. She stated that the Owner is a franchisor that manages intellectual property assets, including the Mark, and that the Licensee is a Canadian clothing retail business that has 19 establishments in Quebec [paras 1, 2 and 7 to 10].

[13] With respect to use of the Mark, Ms. Dubé stated that the Owner sold the Goods through its Licensee in Canada during the relevant period [para 9].

[14] The evidence will be examined in greater detail in the analysis section below.

ANALYSIS AND REASONS FOR DECISION

Admissibility of the evidence

[15] In its written representations, the Requesting Party challenges Ms. Dubé's personal knowledge and contends that the submitted evidence is inadmissible hearsay. In this regard, it submits that Ms. Dubé is only an employee of the Licensee, has not explained her duties and has not demonstrated her involvement in the Owner's activities. Furthermore, while acknowledging that evidence can be submitted by the Licensee, the Requesting Party considers that no weight should be given to Ms. Dubé's assertions regarding the licence on the ground that she does not work for the Owner.

[16] It is well established that an affiant's sworn statements are 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].

[17] Ms. Dubé states that because of her [TRANSLATION] "title, function and position", she has full authority and is completely entitled to support her declaration. She also states that she is generally aware of matters and [TRANSLATION] "particularly aware of the circumstances and events surrounding the use of the [Mark] in Canada". In addition, she confirms having access [TRANSLATION] "to all documents and all information affecting the marketing in Canada of the Mark for the goods [specified in the registration]" [Dubé Declaration, paras 1 to 4].

[18] In light of Ms. Dubé's explicit assertions regarding her personal knowledge and the position she holds within the Licensee, I accept that she has the personal knowledge required to testify on the facts found in her declaration. Moreover, given the summary nature of this proceeding, requiring the affidavit from an officer of the Licensee or the Owner would be tantamount to requiring evidentiary overkill and, in my view, would be exaggerated and unjustified.

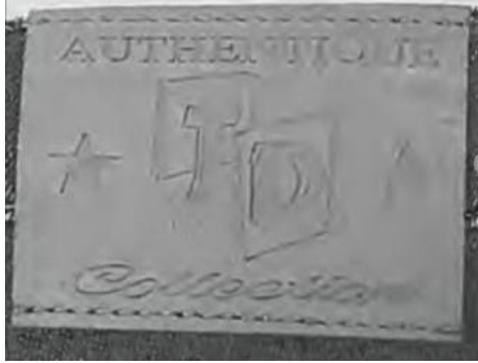
[19] Thus, following *Eva Gabor* and *Oyen Wiggs*, I find that Ms. Dubé's statements are sufficient to admit her declaration and the documents submitted to support her as evidence.

Acceptable variations of the Mark

[20] The Requesting Party submits that the mark used is not the Mark as registered. In particular, it considers that no label submitted as evidence presents all the dominant features of the Mark. In addition, in its view, the addition of other features means that the Mark is no longer recognizable.

[21] In considering whether the display of a trademark constitutes display of the trademark as registered, the question to be asked is whether the trademark was displayed in such a way that it did not lose its identity and remained recognizable, in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull SA*, 1985 CanLII 5537, (1985), 4 CPR (3d) 523 (FCA); *Pizzaiolo Restaurants Inc v Les Restaurants La Pizzaiolle Inc*, 2016 FCA 265]. In deciding this issue, one must look to see if the "dominant features" of the trademark have been preserved [*Promafil Canada Ltée v Munsingwear Inc*, 1992 CanLII 12831, 44 CPR (3d) 59 (FCA)]. This is a question of fact that must be answered on a case-by-case basis.

[22] The variations of the Mark in evidence are those shown in the photographs attached to Ms. Dube's declaration [exhibits MD-3 and MD-4]. The clothing and accessories shown in these photographs bear sewn labels and hangtags, which are reproduced below:



No. 1



No. 2



No. 3



No. 4



No. 5

[23] Based on my review of the evidence, labels nos. 1 and 2 are presented on several pairs of jeans [Exhibit MD-3, page 22 and Exhibit MD-4, pages 29 and 44], labels nos. 3 and 5 are presented on men’s scarves [Exhibit MD-4, pages 41 and 42], label no. 5 is presented on tuques [Exhibit MD-4, page 31] and label no. 4 on pants [Exhibit MD-4, pages 28 and 48].

[24] I find that the dominant feature of the Mark is the combination of the letters J and D, which are vertically offset from one another and presented in a striking typeface.

[25] The letters J and D are written and presented in the same way on all the labels in evidence. With respect to the additions, in light of labels nos. 1 and 2, I find that the addition of the descriptive terms [TRANSLATION] “Authentic”, “Expandable” and “Strong Fabric”, as well as stars and the banner, do not cause the Mark to lose its identity and do not prevent the Mark from being perceived as being the registered trademark. Similarly, on the basis of labels nos. 3, 4 and 5, I find that the replacement of two shaded squares with the image of a shield or a square and the absence of the word “Collection” on labels nos. 3 and 4 have no impact on the Mark.

[26] Overall, I find that the dominant feature of the Mark is preserved on all the labels and that the Mark has not lost its identity and remains recognizable, despite the differences presented.

Sales are in the normal course of trade

[27] The Requesting Party submits that invoices issued by the Licensee to some of its customers indicate symbolic sales that were not made in the Owner's normal course of trade.

[28] It has been established that even the evidence of a single sale can be sufficient to establish use for the purposes of section 45 expungement proceedings, so long as it follows the pattern of a genuine commercial transaction and is not seen as deliberately manufactured or contrived to protect the registration [see *Philip Morris Inc v Imperial Tobacco Ltd*, (1987), 13 CPR (3d) 289 (FCTD) at para 12].

[29] Ms. Dubé states that, in the normal course of her trade, the Owner sells clothing bearing the Mark to its Licensee and the Licensee then re-sells them at the retail level. In particular, she states that the Goods are sold in the Licensee's establishments to individual and institutional customers. With respect to sales to individuals, Ms. Dubé states that the Licensee is not [TRANSLATION] "very computerized" and that it only provides cashier receipts that only detail the sale price, so neither the Mark nor the models of clothing are shown on them.

[30] Unlike sales to individuals, Ms. Dubé asserts that detailed invoices are issued during sales to institutional clients and during [TRANSLATION] "Internet sales" [Dubé Declaration, paras 9 to 20]. In support, she attached invoices issued by the Licensee that report sales to customers with addresses in Canada, including the City of Montréal, and sales identified as being [TRANSLATION] "Internet sales" [Exhibit MD-5].

[31] In this case, I find that the Owner's normal course of trade is determined by the examination of the evidence as a whole. In fact, Ms. Dubé statements are clear on this matter and she provides details regarding sales and the Licensee's clientele, as well as

invoices showing a portion of the sale to that clientele. In addition, there is no evidence that these invoices were deliberately fabricated to protect the registration.

[32] Before proceeding, I note that the Requesting Party alleges that numbered companies identified as clients on certain invoices may be parties that are [TRANSLATION] “related” to the Owner and/or Licensee. I note, first, that the Requesting Party did not make such representations regarding the other invoiced customers, the City of Montréal and Permacon.

[33] Second, I note that the normal course of trade for an owner often involves a series of transactions between the manufacturer and the end consumer, involving parties in its distribution chain, including parties that may have a relationship such as exclusive distributors or even sub-licensees [*Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD); *Lin Trading Co v CBM Kabushiki Kaisha* (1988), 21 CPR (3d) 417 (FCA); *Osler, Hoskin & Harcourt v Canada (Registrar of Trademarks)* (1997), 77 CPR (3d) 475 (FCTD)]. Such a business relationship does not make a transaction suspicious.

[34] Thus, following *Philip Morris, supra*, I am satisfied that the Licensee’s sales are not symbolic and that they were made in the normal course of trade.

The sales benefit the Owner

[35] The Requesting Party submits that the Owner has not established the relationship that binds it to its Licensee and, because of this, there is no proof of employment from which it can benefit.

[36] It has been established that it is not necessary to furnish a written licence agreement to establish licensed use of a trademark [see *Wells’ Dairy Inc v UL Canada Inc* (2000), 7 CPR (4th) 77 (FCTD)]. The trademark owner can demonstrate the requisite control of the character or quality of the goods sold under licence pursuant to section 50(1) of the Act either by attesting to the fact it exerts the requisite control or by providing evidence that demonstrates that it exerts the requisite control [*Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102].

[37] In her declaration, Ms. Dubé states that the Owner sold the Goods in Canada through its Licensee. She also explicitly states that during the relevant period, the Owner had direct or indirect control over the character or quality of the clothing associated with the Mark and the use, advertisement or display of the Mark by the Licensee [paras 9 and 12]. In these circumstances, following *Wells' Dairy* and *Empresa Cubana, supra*, the Owner demonstrated the required control within the meaning of section 50(1) of the Act and it was not obliged to present additional evidence.

[38] The question therefore becomes whether the evidence satisfactorily establishes use of the Mark in association with each of the Goods during the relevant period in Canada.

Use of the Mark in association with each Good

[39] The Requesting Party challenges, first, the evidence of transfers and, second, the correlation of the Goods. With respect to evidence of transfers, it submits that the invoices are insufficient to demonstrate sales in Canada. In particular, it submits that the Mark is not present on these invoices, that the [TRANSLATION] “style” of the invoiced goods is not always identified and the invoices for online sales only identify the customer as “Internet sale”. With respect to the correlation of the Goods, the Requesting Party submits that the “men’s scarves” are not specified among the Goods and that they cannot be grouped together with “scarves”.

[40] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing “deadwood” from the register. In light of this, the evidentiary threshold that the registered owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448 at para 38] and “evidentiary overkill” is not required [see *Union Electric Supply Co Ltd v Registrar of Trademarks* (1982), 63 CPR (2d) 56 (FCTD) at para 3]. Nevertheless, sufficient facts must still be provided to enable the Registrar to conclude that the mark was used in association with the registered goods.

[41] First, with respect to the evidence of transfer, Ms. Dubé not only provided the invoices for Exhibit MD-5, but also sales figures for goods bearing the Mark,

[TRANSLATION] “at least \$16,000,00.00 [sic] for jeans; at least \$3,000,000.00 for pants; at least \$600,000.00 for hats (tuques) and scarves (men’s scarves)”. According to Ms. Dubé, these figures represent sales by the Licensee during the relevant period in Canada.

[42] I note that there was a typographical error in the sales of jeans. However, given the format of the other sales figures, it seems reasonable to conclude that the sales of jeans exceeded \$16,000,000. That being said, even if my conclusion is incorrect, I would consider sales of more than \$16,000 to be significant as well.

[43] With respect to the goods specified in the invoices, it is true that they do not systematically indicate the style number of the products invoiced. However, I note invoices dated during the relevant period for goods identified in the invoices themselves as pants, jeans and tuques. In addition, the invoices are accompanied by photographs of certain goods that match those shown in the photographs in exhibits MD-3 and MD-4. The invoices in question were issued to the City of Montréal and Permacon, both of which have addresses in Canada.

[44] It is also true that the Mark does not appear on the invoices. However, Ms. Dubé states that, during the relevant period, the Mark was affixed directly to the Licensee’s goods or on their hangtags at the time of sale to individual and institutional customers [Dubé Declaration, paras 15 and 17]. As mentioned above, she attached photographs to Exhibit MD-4, showing the Marks on the labels of jeans, men’s scarves, tuques and pants. She also describes this Exhibit as being [TRANSLATION] “some illustrations of Clothing bearing the Mark: there are pants, jeans, scarves (or men’s scarves) and hats (which are tuques)” [Dubé Declaration, para 19].

[45] Lastly, regarding the correlations, given the reasonable interpretation to be given to a statement of goods [*ConAgra Foods, Inc. v Featherstonehaugh & Co.* (2002), 23 CPR (4th) 49 (FCTD)] and the clear correlations made by Ms. Dubé, I accept that the men’s scarves in evidence correspond to “scarves”.

[46] In light of the above, I find that the evidence as a whole demonstrates the transfer, during the relevant period in Canada, of pants, jeans, scarves and hats, and that the Mark was affixed to them as shown in Exhibit MD-4.

[47] Therefore, I am satisfied that the Owner has provided sufficient factual evidence to enable me to conclude that the Mark has been used in association with “Clothing and fashion accessories for men, women and children, namely pants, jeans”, “scarves”, and “millinery, namely hats” within the meaning of sections 4 and 45 of the Act.

DISPOSITION

[48] 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:

CI 18 (1) Clothing covers, garment bags, carry-all bags, shoulder bags.

CI 25 (2) [Clothing and fashion accessories for men, women and children, namely ...] overalls, vests, jackets, skirts, dresses, shirt blouses, blazers, blouses, shirts, T-shirts, sweaters, pullovers, cardigans, jerseys, camisoles, vests, tunics, waist-length jackets, coats, wind-resistant jackets, anoraks, raincoats, hose; ... gloves, mitts, mittens; [millinery, namely ...] peak caps, visor hats, headbands; belts.

[49] The statement of goods will read as follows:

CI 25 (2) Clothing and fashion accessories for men, women and children, namely pants, jeans, scarves; millinery, namely hats.

Maria Ledezma
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

Certified translation
Tony Santin
The English is WCAG compliant

Appearances and Agents of Record

HEARING DATE: 2023-02-07

APPEARANCES

For the Requesting Party: Kathleen Lemieux

For the Registered Owner: Barry Gamache

AGENTS OF RECORD

For the Requesting Party: Borden Ladner Gervais LLP

For the Registered Owner: ROBIC