



# Canadian Intellectual Property Office

## THE REGISTRAR OF TRADEMARKS

**Citation:** 2023 TMOB 152

**Date of Decision:** 2023-08-30

## IN THE MATTER OF A SECTION 45 PROCEEDING

**Requesting Party:** 88766 Canada Inc.

**Registered Owner:** Via Motors, Inc.

**Registration:** TMA991,717 for Via Logo

### 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. TMA991,717 for the trademark Via Logo (the Mark), reproduced below.



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

(1) Electric powered land vehicles; vehicles propelled by electricity; vans, pickup trucks; sport utility vehicles.

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

## **PROCEEDING**

[4] At the request of 88766 Canada Inc. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on August 30, 2021, to Via Motors, 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 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 August 30, 2018 to August 30, 2021.

[6] The definitions of “use” with respect to goods 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(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] Where the Owner does not show “use”, the registration is liable to be expunged or amended, unless there are special circumstances that excuse the absence of use.

[8] In response to the Registrar’s notice, the Owner furnished the affidavit of Alan Perriton, sworn March 30, 2022, to which were attached Exhibits A to F.

[9] Both parties submitted written representations, but only the Owner was represented at an oral hearing.

## **EVIDENCE**

[10] In his affidavit, Mr. Perriton identifies himself as the President of the Owner, a U.S. corporation and wholly-owned subsidiary of VIA Motors International Inc. (International). He describes the Owner as an electric vehicle technology and

manufacturing company engaged in developing commercial electric vehicles with electric range and operational capabilities compatible for application in fleets [paras 1-3].

[11] While Mr. Perriton asserts use of the Mark in the U.S. since 2011, he concedes that it has not yet been used in association with the registered goods in Canada, including during the relevant period [paras 6-7].

[12] Mr. Perriton states that, from June 2014 to December 2019, the Owner converted pickup trucks and vans manufactured by General Motors (GM) to Plug-in Hybrid Electric Vehicles (PHEV) which were sold in association with the Mark in the U.S. He explains that, in 2017, GM stopped manufacturing the trucks and vans with engine sizes that the Owner had certified with the U.S. authorities. He asserts, however, that the Owner immediately began the process of revamping its portfolio to accommodate GM's new engine sizes [para 8].

[13] Mr. Perriton also states that, from May 2016 to May 2019, demonstration trucks and vans bearing the Mark were displayed and tested with prospective Canadian fleet customers at tradeshow and dealership demonstrations. Nevertheless, the Owner's marketing and business development efforts were curtailed afterwards. In this regard, Mr. Perriton states that towards the end of 2019 there was "a shift in the focus of the commercial electric vehicle market towards fully electric vehicles, instead of [PHEV]". He further states that the Owner "again had to quickly revamp its portfolio to match the demand and design a skateboard-based, fully electric line of vehicles from the ground up" [paras 8-9]. In support, he provides:

- Six photos posted on Facebook between 2016 and 2019 [Exhibit A]. Mr. Perriton states that the demonstration vehicles shown in the photos were exhibited during a cross country event held by Sun Country Highway promoting a coast-to-coast charging network. The photos show different vans and a black pickup truck, along with promotional material placed around the vehicles in some of the photos. The vans display the Mark as part of the grille while the pickup truck displays the Mark followed by the word "electrified" on its left side.

- A screenshot obtained from the Internet Archive Wayback Machine showing the Owner's website as it appeared on August 30, 2021 [Exhibit B]. The screenshot shows one class 2 and one class 3 commercial vehicle, one 9 meter bus, one class 4 electric step van and one skateboard platform. The bus and vans display the Mark as part of the grille, the vans also display the Mark on one side.

[14] According to Mr. Perriton, in addition to the Owner's efforts being cut off due to the market shift, all commercialization plans were stalled in spring 2020 due to the Covid-19 pandemic. In particular, he states that the pandemic's associated lockdowns impacted the Owner's ability to maintain a constant work force, receive shipments of components, and get vehicles across the U.S.-Canada border to customers [para 12]. Nonetheless, in early 2020, the Owner (through International), began to negotiate an agreement with a Canadian company, Sun Country Highway (SCH), to introduce its electric vehicles in Canada. Mr. Perriton asserts that, while the agreement (concluded on July 23, 2020) initially set the delivery of vehicles in association with the Mark for Q3 2021, the Owner and SCH revised their projected timeline to begin delivering in 2023 [paras 10-13]. In support, he provides :

- A copy of the July 2020 agreement with SCH [Exhibit C]. Section 2.1 establishes that SCH agrees to purchase a minimum of 1,000 production vehicles;
- A screenshot from the website *viamotors.com* from March 2022 [Exhibit D], indicating that Class 3 electric vehicles are scheduled to be available in 2023 and 2024. The Mark is displayed on the top of the page and on a truck;
- A screenshot taken in March 2022 of a post on the Owner's LinkedIn social media page [Exhibit E]. The post indicates that "In 2023, our vehicles will go into mass production and we are taking orders now". The Mark appears on the post; and
- A copy of a marketing flyer [Exhibit F] that Mr. Perriton states was distributed to potential consumers at "Work Truck Week" held March 8-11, 2022 in the U.S. The flyer is entitled "100% Electric Commercial Platform Class 2-5 - Beginning in 2023". The Mark is displayed on the flyer's top and on two depicted trucks.

[15] Lastly, Mr. Perriton states that that none of the PHEV vehicles could be sold in Canada as the “homologation” requirements (i.e. regulatory approval) had not been completed when the market shifted ending 2019. He adds that the Owner had to delay such homologation requirements in Canada until the portfolio was revamped to fully electric vehicles [para 8].

### **REASONS FOR DECISION**

[16] As there is no evidence of use of the Mark in Canada during the relevant period, the issue in this case is one of special circumstances. In its written representations, the Owner outlines three circumstances that excuse the absence of use of the Mark in Canada during the relevant period, namely (i) the need to revamp its portfolio in 2019; (ii) the need to meet homologation requirements in order to sell the goods in Canada; and (iii) delays due to the pandemic. However, at the hearing, the Owner modified its submission, limiting its argument and representations to reasons (i) and (iii). Consequently, my analysis below addresses these two reasons, being the combination of the portfolio revamp and the pandemic.

### ***Special Circumstances***

[17] The general rule is that the 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 [*Scott Paper Limited v Smart & Biggar*, 2008 FCA 129]. 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 [per *Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. 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)].

[18] 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 [per *Harris Knitting Mills*].

[19] 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 [per *Harris Knitting Mills*].

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

[21] Finally, the intention to shortly resume use must be substantiated by “a sufficient factual basis” [*NTD Apparel Inc v Ryan*, 2003 FCT 780, 27 CPR (4th) 73 (FCTD)].

#### The parties’ representations

[22] In its written representations, the Requesting Party notes that the relevant period began in August 2018, “much earlier” than the end of 2019, and submits that neither the market shift nor the pandemic amount to special circumstances. Relying on *Mentorum Solutions Inc. v BFS Entertainment & Multimedia Limited*, 2017 TMOB 95, it submits that the portfolio revamp constitutes a voluntary strategic decision which was not beyond the Owner’s control. The Requesting Party further submits that the Owner failed to provide specific evidence regarding the period concerned by the pandemic’s effects on the Owner’s activities [paras 30-41].

[23] In response, in its written representations, the Owner submits that the evidence clearly shows a continued and consistent attempt to use the Mark in Canada, “even in light of various setbacks” beyond its control. In this respect, the Owner describes the electric vehicles market in Canada as a specialized and emerging market in which a shift in demand “can dramatically affect sales and the ability to find suitable commercial partners”. It also describes this market as a costly niche market in which high prices tend to have a longer purchase decision cycle and may require longer negotiations to

finalize a commercial partnership. From these characterizations, the Owner submits that the shift in the commercial electrical vehicle market required it to design a completely different product line, which amounts to special circumstances that were beyond its control. The Owner also submits that the pandemic-related delays prevented the Owner from delivering its fully electric vehicles, as originally planned, in Q3 of 2021. In this regard, it submits that between July 1 and August 30, 2021, at least one sale was likely to occur if delivery had been completed as scheduled in the agreement with SCH [paras 20-28 and 33-37].

#### Conclusion with respect to special circumstances

[24] I agree with the Requesting Party that neither the market shift nor the pandemic explain the absence of use of the Mark prior to December 2019. In this respect, it is a well-established principle that the reasons for non-use must account for the entirety of the relevant period [see *Oyen Wiggs Green & Mutala LLP v Rath*, 2010 TMOB 34; *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; and *Supreme Brands LLC v Joy Group OY*, 2019 TMOB 45 at para 31].

[25] With respect to the electric vehicles market characterisations, I note that Mr. Perriton does not describe it in any meaningful way, and I am not prepared to take judicial notice of the facts alleged by the Owner only in its representations.

[26] Even if I were ready to infer from Mr. Perriton's statements that the market shift forced the Owner to revamp its portfolio, I would not be satisfied that this amounts to special circumstances.

[27] First, the Owner's proposition that a shift in demand can "dramatically affect sales" underlies a case of difficult market conditions. In this regard, it has been held that unfavourable market conditions are not the sort of unusual, uncommon, or exceptional circumstances that constitute special circumstances excusing non-use of a trademark [per *Harris Knitting Mills Ltd, supra*; and *Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)].

[28] Further, although Mr. Perriton links the shift in the focus to the commercial electric vehicle market to the revamp of the Owner's portfolio, he does not explain how the need to remake a new line of vehicles from the ground up could amount to circumstances that were unique to the Owner. In this regard, as described by the Owner, the market of electric vehicles is and was evolving. Therefore, the need to design a completely different product line was either a common challenge faced by all similar businesses within the electrical vehicle market, or a choice made by the Owner. Either way, whether such design is best characterized as a need or choice, it cannot constitute special circumstances that were unusual, uncommon or exceptional.

[29] In the absence of additional explanation from Mr. Perriton, the "need" to revamp the Owner's portfolio appears to a voluntary strategic decision of the Owner, rather than special circumstances.

[30] Thus, although the Owner's decision to create a fully electric line of vehicles from the ground up may have been made due to the market shift, it still remains a deliberate business decision. In this respect, the Registrar has previously characterized the prioritization of certain goods over others as voluntary business decisions [see, for example, *Canada Goose Inc v James*, 2016 TMOB 145; and *Osler, Hoskin & Harcourt LLP v Esprit International*, 2018 TMOB 9]. I find the present case similar to *Mentorum Solutions Inc.*, relied upon by the Requesting Party, where the CD ROMs' market shifted to DVDs due to technological developments and the registered owner also decided to focus on the new product to meet the market demands.

[31] A similar conclusion applies to the period preceding the market shift. Indeed, the evidence shows that the Owner revamped its portfolio to adapt GM's new engine sizes and sold PHEV in association with the Mark in the U.S. Therefore, the lack of sales of PHEV vehicles in association with the Mark in Canada prior to December 2019 resulted from the Owner's voluntary business decision to prioritize the U.S. market.

[32] If there were other reasons why the Owner could not have used the Mark in association with the registered goods in Canada prior to the market shift, such reasons are not set out in the evidence.



[33] As for the pandemic, I agree with the Requesting Party that Mr. Perriton could have provided more details regarding the start and end of the alleged pandemic effects on the Owner's activities. However, taking his statements related to the challenges faced due to the lockdown at face value, I am prepared to accept that the pandemic caused disruption to the Owner's business from the spring of 2020 to the end of the relevant period.

[34] That being said, the Owner's proposition that at least one sale was likely to occur between July 1 and August 30, 2021 is merely speculative. Indeed, as the Mark has never been used in Canada, there is nothing that would assist in establishing any pattern of sales such that use in Canada might reasonably have occurred if not for the pandemic.

[35] In any event, given the finding above regarding the alleged market shift, the pandemic alone does not explain the absence of use of the Mark prior to spring 2020.

[36] In view of all of the foregoing, I am not satisfied that the Owner has demonstrated special circumstances excusing non-use of the Mark within the meaning of section 45(3) of the Act.

### **DISPOSITION**

[37] Accordingly, 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 expunged.

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Maria Ledezma  
Hearing Officer  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

**HEARING DATE:** 2023-06-21

## **APPEARANCES**

**For the Requesting Party:** No one appearing

**For the Registered Owner:** Rhiannon Adams

## **AGENTS OF RECORD**

**For the Requesting Party:** ROBIC

**For the Registered Owner:** PARLEE MCLAWS LLP