



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2023 TMOB 168

**Date of Decision:** 2023-10-03

## **IN THE MATTER OF A SECTION 45 PROCEEDING**

**Requesting Party:** Clark Wilson LLP

**Registered Owner:** Divertissement Dreamwave inc./Dreamwave  
Entertainment inc.

**Registration:** TMA545,378 for ECHO

### **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. TMA545,378 for the trademark ECHO (the Mark).

[2] The Mark is registered for use in association with Comic books.

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

### **PROCEEDING**

[4] At the request of Clark Wilson LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on April 25, 2022, to

Divertissement Dreamwave inc./Dreamwave Entertainment 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 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 April 25, 2019 to April 25, 2022.

[6] The relevant definitions of “use” in the present case 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 Christian Déry, sworn July 15, 2022, together with Exhibit CD-1 (the Déry Affidavit) and the affidavit of Karl André Talbot, sworn July 25, 2022, together with Exhibits KAT-1 to KAT-3 (the Talbot Affidavit).

[9] Only the Requesting Party submitted written representations and was represented at an oral hearing.

## **THE EVIDENCE**

### ***The Déry Affidavit***

[10] Mr. Déry has been the Owner’s President since its incorporation in 2005. He describes the Owner’s normal course of trade as follows:

[TRANSLATION] “[The Owner] operates in the field of publishing in all its forms. It has a comic books portfolio sold in more than 15 countries and translated into 6 languages. Our main mission is to take advantage of the full value of [its] portfolio, and to create added value to [its] comic books portfolio by developing new derivative products such as novels, films, video games, toys, new comic books in different forms, etc., and to allow the exploitation by third parties of our portfolio and products derived therefrom through a user agreement.” [para 2].

[11] At paragraph 6 of his affidavit, Mr. Déry concedes that the Owner has not [TRANSLATION] “directly sold” comic books bearing the Mark to its customers during the relevant period. Nevertheless, at paragraph 7, he adds:

[TRANSLATION] “for more than 5 years, [the Owner] has undertaken a new major project and steps to commercialize all the comic books in its portfolio, including those bearing [the Mark], on different web platforms and under different forms such as: new editions in electronic and paper format of comic books bearing [the Mark], television series, cinematographic films and web broadcasting.”

[12] Within the context of this “major project” (the Project), the Owner granted a worldwide exclusive licence to Talk Entreprises Inc. (Talk) to use the Mark in association with comic books. Mr. Déry confirms that the Owner directly controls the character and quality of the registered goods. He further confirms that Talk is in charge of the necessary steps to commercialize the comic books in the forms he detailed at paragraph 7 of his affidavit. To complement his affidavit, Mr. Déry refers to the Talbot Affidavit for further details regarding all the steps taken and the progress of the Project [paras 8 and 9].

[13] Mr. Déry states that the mandatory closure of all non-essential businesses due to the COVID-19 pandemic significantly slowed down the Owner’s commercialization activities. However, he asserts that [TRANSLATION] “the comic books bearing [the Mark] will again be available and on sale on our web platform from January 2023” and that animated versions will be introduced in June 2023. He adds that the Owner did not abandon and is still interested in the Mark and the registered goods [paras 12-14].

[14] Mr. Déry ends his affidavit by stating at paragraph 15 that, although no sale by the Owner occurred during the relevant period, comic books bearing the Mark are still sold online on specialized websites such as *www.mycomicsshop.com* and

*www.newkadia.com* (collectively, the Specialized Websites). As Exhibit CD-1, he provides two screenshots showing two comic books' covers bearing the Mark, two emails, sent by Mycomicshop to Mr. Déry, confirming the purchase order and shipping of these comic books, and a screenshot of an order confirmation for two comic books identified with the Mark and purchased by Mr. Déry on the Newkadia website. It is to note that the emails and the Newkadia order confirmation are all dated after the relevant period, that is between July 15 and 25, 2022. I also note that the comic books' covers references are the same indicated in the confirmation emails sent by Mycomicshop to Mr. Déry.

### ***The Talbot Affidavit***

[15] Mr. Talbot has been the President of Talk since its incorporation in 2010. Talk operates in the fields of marketing, production and entertainment.

[16] With respect to the use of the Mark, Mr. Talbot states that [TRANSLATION] “[s]ince the beginning of this major project, we have not sold comic books bearing [the Mark]” [para 8].

[17] Mr. Talbot confirms the Project's duration and that it involves the commercialization of the Owner's comic books, including those bearing the Mark on different web platforms and under different forms. As the Déry Affidavit, the Talbot Affidavit provides exactly the same examples of different forms, that is, electronic and paper format (the Different Forms), and the same derivative products, that is, television series, cinematographic films and web broadcasting (the Derivative Products) [para 6].

[18] In particular, regarding the different web platforms, Mr. Talbot states that negotiations with major distribution platforms, such as iTunes, Apple and Netflix, will allow the Owner to commercialize the Different Forms and the Derivative Products. In addition, the Owner's own platform will allow the streaming in high resolution and the resale of all its comic books, including those bearing the Mark.

[19] Regarding the implementation of the Project, Mr. Talbot explains that one key phase was to scan all the Owner's comic books, including those bearing the Mark. He

states that it took several years to purchase all those comic books [TRANSLATION] “as some high quality copies are difficult to find on the market” [para 10]. Several months were further required afterwards to scan all the comic books purchased, which he estimates to be several thousand pages [paras 6, 9-11]. In support, he provides two comic book purchase order confirmations, dated between January and April 2, 2019, and a receipt dated November 20, 2018 [Exhibit KAT-1]. The two purchase order confirmations were sent to Mr. Talbot by the Specialized Websites and list comic books identified with the Mark. The receipt, sent to Mr. Talbot by PayPal, lists several comic books; all but one is identified with the Mark. Mr. Talbot also provides nine comic books’ covers bearing the Mark [Exhibit KAT-2].

[20] Mr. Talbot confirms that the mandatory closure of all non-essential businesses due to the pandemic significantly slowed down the Project’s pace. Nevertheless, he asserts that, at the time of filing his affidavit, the current status of the Project was as follows [paras 12-15]:

- All the comic books were already scanned and their resolution was in the process of being increased;
- The animated versions of comic books for television and for viewing online were in the process of being tested;
- The negotiations with major distribution platforms were ongoing;
- The Owner’s platform was in the process of being configured and tested. As Exhibit KAT-3, Mr. Talbot provides a screenshot, showing that the platform was created on September 27, 2019 and last updated on July 25, 2022, and a set of screenshots of the “Beta version” of the platform <https://talkencounters.wixsite.com/websitedreamwave>. The screenshots of the platform show, under the heading “The Entire Collection”, 13 comic books’ covers, including one displaying the Mark.

[21] Lastly, Mr. Talbot confirms that the launch of the Owner’s platform will take place in January 2023 and the animated versions will be available in June 2023 [para 16].

## **ANALYSIS**

### ***Preliminary remarks regarding the correlation of the evidence***

[22] At the outset, I note that neither the Déry Affidavit nor the Talbot Affidavit expressly links the purchases [Exhibits CD-1 and KAT-1] to the comic books' covers in evidence [Exhibits CD-1 and KAT-2]. Nevertheless, it is well established that reasonable inferences can be made from the evidence provided [see *Eclipse International Fashions Canada Inc v Shapiro Cohen*, 2005 FCA 64].

[23] In this case, with respect to the Talbot Affidavit, as all the purchase order confirmations and receipt show comic books identified with the Mark and all the comic books' covers bear the Mark, I infer that the purchases made by Mr. Talbot correspond to the comic book covers he provides. As for the Déry Affidavit, as the references in the confirmation emails also appears under the comic books' covers, I infer that the purchases made by Mr. Déry correspond to the comic books whose covers he provides.

### ***Preliminary remarks regarding the absence of use of the Mark***

[24] I note that while the Déry Affidavit appears to claim indirect sales during the relevant period [paras 6 and 15], Mr. Déry does not specifically refer to sales in Canada or to Canadian customers. Nor does he refer specifically to exports from Canada. Further, while the Déry Affidavit could be interpreted as claiming that the goods used to be available and on sale on the Owner's platform [para 14], the Talbot Affidavit is clear that such platform was in the phase of configuration and testing at the time of filing the Déry Affidavit. All in all, I find that Mr. Déry's concession related to the lack of direct sales equates to a concession of lack of any sales of the registered goods in association with the Mark in Canada during the relevant period. Such a concession is corroborated by Mr. Talbot as he states that no comic books bearing the Mark were sold since the beginning of the Project.

[25] More particularly, concerning the documentary evidence, the Requesting Party submitted, in its written representations and at the hearing, that the sales documented in both affidavits are outside of the relevant period [paras 15 and 21]. I agree that all the supporting purchase order confirmations and receipt [Exhibits CD-1 and KAT-1] are

dated outside of the relevant period. That said, these exhibits show that comic books in paper format bearing the Mark were available on the Internet before and after the relevant period, and that M. Talbot purchased several of them shortly before the beginning of the relevant period.

[26] In view of the above, I conclude that the Owner has failed to show use of the Mark in association with the registered goods in Canada during the relevant period.

### ***The special circumstances***

[27] As there is no evidence of use of the Mark in Canada during the relevant period, the general rule is that absence of use should result in 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*)]. Special circumstances means circumstances or reasons that are unusual, uncommon, or exceptional [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)]

[28] To determine whether special circumstances have been established, I first must determine why the Mark was not used during the relevant period. Second, if I determine that the reasons constitute special circumstances, I must still decide whether such special circumstances *excuse* the absence of 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 *Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)].

[29] The Owner points to two reasons to excuse the absence of use of the Mark in association with comic books in Canada during the relevant period, namely the Project and the pandemic. Even if not expressly stated either in the Déry Affidavit or in the Talbot Affidavit, I consider these two reasons as being combined.

[30] The Requesting Party submits that as the Specialized Websites sold comic books in paper format before and after the relevant period, the Owner could have done the same during the relevant period. The Requesting Party therefore submits that the

Project does not explain the absence of use of the Mark in association with registered goods in Canada during the relevant period. As for the pandemic, the Requesting Party submits that the relevant period includes about a year prior to the closure of all non-essential businesses [Paras 39, 41 and 47].

[31] With respect to the Project, I summarize below the different phases as stated in the Talbot Affidavit:

- Purchasing of high quality copies of comic books, including those bearing the Mark;
- Scanning all the Owner's comic books, including those bearing the Mark;
- Increasing the comic books' resolution and/or introducing animation;
- Negotiations with major distribution platforms;
- Configuration and test of the Owner's platform.

[32] I first note that both affidavits state that the Project started more than five years prior to their signature, that is early 2017, at the latest. I also note that, leaving aside the pandemic, except for the alleged difficulty in finding high quality copies of some comic books on the market, the Talbot Affidavit is silent as to any difficulty encountered by the Owner with respect to the remaining phases of the Project.

[33] Regarding the alleged difficulty in finding high quality copies of some comic books in paper format, the Talbot Affidavit simply states that it was difficult to find high quality copies for scanning on the market. Mr. Talbot does not explain whether this difficulty is a common challenge in the publishing industry or an unusual situation arising out of the particular circumstances surrounding the Owner's portfolio. Without further explanation as to how such a difficulty amounts to circumstances that were unique to the Owner, it cannot constitute special circumstances that were unusual, uncommon or exceptional.

[34] Further, as noted in the preliminary comments, the documentary evidence shows that Mr. Talbot purchased several paper format of comic books bearing the Mark before the issuance of the section 45 notice [Exhibit KAT-1]. I also note that the Talbot Affidavit



states that it took several years to purchase and months to scan all the comic books, including those bearing the Mark [emphasis added]. While I accept that the phase of scanning a comic book requires the previous purchasing of such comic book, nothing in the evidence allows me conclude that the scanning of a comic book bearing the Mark required the purchase of all the comic books. Absent further explanation from the Owner on this point, I find that the absence of use of the Mark in association with comic books in electronic format in Canada during the relevant period could be attributable, at least in part, to the Owner's voluntary decision to purchase all the comic books prior to scanning those bearing the Mark and to scan all of the books prior to start offering for sale any of them. In this respect, it is well established that voluntary business decisions of a trademark owner are not the sort of uncommon, unusual or exceptional reasons for non-use that constitute special circumstances [see *Harris Knitting, supra*; *Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)].

[35] In addition, as noted by the Requesting Party, both affidavits state that electronic format was one out of the two Different Forms in which the comic books were to be associated with the Mark. Indeed, the Owner's normal course of trade is to operate in the field of publishing in all its forms and both affidavits state that comic books in paper format were also to be commercialized as part of the Project. Similarly, according to the Déry Affidavit, one of the Owner's missions is to create added value to its comic books portfolio by developing new Derivative Products and both affidavits state that commercialization of such Derivative Products was also part of the Project. As noted above, the Talbot Affidavit is silent as to any difficulties encountered by the Owner, during the negotiations with major distribution platforms or otherwise, that could explain the non-use of the Mark in association either with the Different Forms or with the Derivative Products through iTunes, Apple and Netflix.

[36] If there were other Project-related reasons explaining why the Owner could not have used the Mark in association with the registered goods in Canada during the relevant period, such reasons are not set out in the evidence.

[37] With respect to the pandemic, I first note that neither of the affidavits provides details regarding when the pandemic's effects on the Owner's activities started and ended. Nor do the affidavits provide details as to how the pandemic affected the Owner's activities. Nevertheless, taking both affidavits at face value, I find it reasonable to conclude that the pandemic impacted the Owner's and Talk's ability to maintain a constant work rate for the Project from the spring of 2020 to the end of the relevant period.

[38] While I accept that the pandemic could cause disruption in the Owner's business, given the finding above regarding the Project, the pandemic alone does not explain the absence of use of the Mark prior to spring 2020. In this respect, it has been held that special circumstances must apply to the entire 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].

[39] In view of all of the foregoing, I am not satisfied that the Owner has demonstrated that the reasons for non-use constitute special circumstances.

[40] Moreover, even if I were to accept that the Owner's reasons could be considered unusual, uncommon, or exceptional circumstances, I would not be satisfied that such reasons excuse the absence of use.

[41] First, with respect to the length of non-use, there is no evidence before me as to when the Mark was last used in Canada. Where a registered owner does not state the date of last use, the Registrar may consider the date of registration, in this case, May 18, 2001, as the relevant date for purposes of assessing the length of non-use [see, for example, *Oyen Wiggs*, supra]. However, where there has been a recent acquisition of the trademark, the case law suggests to assess the length of non-use as starting with the new owner's date of acquisition [see *Sim & McBurney v Anheuser-Busch, Inc* (2007), 61 CPR (4th) 450 at para 16 (TMOB), and *Cassels Brock & Blackwell LLP v Canada (Registrar of Trade-Marks)*, 2004 FC 753 at para 17]. In this

respect, the Registrar has repeatedly held that it is an overly technical approach to require a new owner to justify the absence of use of the trademark by its predecessors [see, *PNC IP Group Professional Corp v Mark Anthony*, 2021 TMOB 268 at para 29; *Life Maid Right - 2799232 Ontario Inc. v Maid Right, LLC*, 2022 TMOB 104 at para 33, and *Smart & Biggar LLP v Canadian Tire Corporation, Limited*, 2023 TMOB 118 at para 44]. Accordingly, the period of non-use will be considered to begin at the date of assignment, namely September 1, 2005. Therefore, the absence of use of the Mark lasts almost 17 years. Per *Harris Knitting Mills*, this lengthy period of non-use weighs against the Owner.

[42] With respect to the second criterion, which is essential for a finding of special circumstances excusing non-use [per *Scott Paper, supra*], nothing indicates that the Owner was forced to purchase all the comic books before starting to scan and offering for sale those bearing the Mark that were purchased before the relevant period. As such, the Owner's decision to scan and offering for sale the comic books bearing the Mark only after having purchased all the comic books cannot be considered as being beyond its control [see *Lander, supra*]. Furthermore, even if I were to accept the pandemic as being beyond the Owner's control, there would still be a period of non-use of approximately 15 years, which is a lengthy period of time. I therefore conclude that the Owner does not satisfy the second criterion.

[43] Lastly, with respect to the third criterion, even if I were to accept that the evidence shows the Owner had a serious intention to shortly resume use of the Mark in association with comic books in Canada during the relevant period, the law is clear that such intention cannot amount to special circumstances excusing non-use on its own [per *Scott Paper, supra*].

[44] 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**

[45] 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:** 2023-09-07

## **APPEARANCES**

**For the Requesting Party:** David Bowden

**For the Registered Owner:** No one appearing

## **AGENTS OF RECORD**

**For the Requesting Party:** Clark Wilson LLP

**For the Registered Owner:** Therrien Couture Joli-Cœur S.E.N.C.R.L.