



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2024 TMOB 146

**Date of Decision:** 2024-07-31

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

**Requesting Party:** Cassels Brock & Blackwell LLP

**Registered Owner:** Vescio Group Inc.

**Registration:** TMA1,030,540 for BurgerFi

### **INTRODUCTION**

[1] This decision involves a summary expungement proceeding under section 45 of the Trademarks Act, RSC 1985, c T-13 (the Act) with respect to registration No. TMA1,030,540 for the trademark BurgerFi (the Mark), owned by Vescio Group Inc. (the Owner).

[2] The Mark is registered for use in association with the following Goods and Services:

Goods - (1) All natural, antibiotic and hormone free beef hamburgers; vegetarian burgers; all natural hot dogs; french fries; onion fries; ice cream; frozen desserts; milkshakes; soft drinks; and water.

Services - (1) Restaurant services

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

### **PROCEEDING**

[4] At the request of Cassels Brock & Blackwell LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on June 30, 2022, to the Owner.

[5] The notice required the Owner to show whether the Mark was used in Canada in association with the Goods and Services 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 30, 2019 to June 30, 2022.

[6] The purpose of section 45 of the Act is to create a summary procedure for clearing the register of marks that have fallen into disuse, often described as a process for removing “deadwood” from the register [*Black & Decker Corp v Method Law Professional Corp*, 2016 FC 1109 at para 12]. Evidentiary overkill is not required [*Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at paras 9-10].

[7] Where an owner has not shown use within the meaning of section 4 of the Act, 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 an affidavit of Joseph Vescio, its President. Both parties submitted written representations and attended an oral hearing.

### **REASONS FOR DECISION**

[9] The registration of the Mark issued on June 24, 2019 (Exhibit B).

[10] The Owner concedes that the Mark has not yet been used in Canada (Owner's written submissions, para 13). As such, the issue is whether the Owner has established special circumstances that excuse this absence of use, in which case the registration may be maintained notwithstanding the lack of use [*Smart & Biggar v Scott Paper Ltd*, 2008 FCA 129 at para 22].

[11] To determine whether special circumstances have been established, the Registrar must first determine why 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)]. 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)].

[12] 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 Mills, supra*].

[13] In this case, the Owner submits that the COVID-19 pandemic and its aftermath (paras 22-23) is the special circumstance on account of which the Mark was not used during the relevant period. As noted by the Registrar in the recent decision in *The Wonderful Company LLC and Fresh Trading Limited* 2023 TMOB 8:

Regarding the Owner's submission that the COVID-19 pandemic is a special circumstance excusing non-use, I acknowledge that the pandemic has been a uniquely disruptive event for businesses in Canada and around the world.

Because of its scope and magnitude, it is a circumstance with no clear parallel in prior jurisprudence; accordingly, when assessing whether non-use of a trademark will be excused for reasons related to the pandemic, it is necessary to consider the unique realities of the pandemic.

[14] I have determined that the reasons for non-use put forth by the Owner, namely the COVID-19 pandemic and its aftermath (paras 19-23), do in fact constitute special circumstances given the goods and services at issue. I must now decide whether these special circumstances excuse the period of non-use.

[15] Regarding the first criteria in *Harris Knitting Mills*, use of the Mark has not been shown to have occurred at any time. Although it is arguable that the wording of section 45(1) of the Act requires a showing of a date of last use for the consideration of special circumstances, such an approach is overly technical and not consistent with the overall intent and purpose of section 45 of the Act [*Molson Breweries v Brasseries Pelforth*, 1996 CanLII 11314 (TMOB)].

[16] With respect to the second criteria in the *Harris Mills Knitting case*, Mr. Vescio's evidence with respect to the steps taken to use the Mark and why the Mark was not used during the relevant period is set out below:

- Prior to registration – the Owner worked with others on the design of a logo and stickers for packaging (paras 11-13, Exhibits C-D).
- June 30, 2019–January 2020 – Mr. Vescio attests that he focussed on developing a concept for the BURGERFI restaurant (para 11).
- January-March 2020 – the Owner hired a chef to work on a menu, recipes and suppliers (para 12), and investigated and leased a space (paras 16-18).

- March 20, 2020 – the Owner put the plans for a BURGERFI restaurant on hold due to COVID restrictions (para 22).
- Post-Covid lockdown, Mr. Vescio’s evidence is (para 23):

As noted above, in goods times, it is very difficult to launch a new restaurant. Even when COVID-19 lockdown restrictions were lifted, the restaurant industry has now encountered unprecedented shortages in staff and products, hyper increase on all food product costs, the highest inflation rate in decades, the highest gas prices in many years, the highest interest rates since the last recession in the 1980s, and enormous increases in utilities costs, widespread foreclosures and bankruptcies. While one or a few of these problems might be normal problems that any restaurant has to deal with, the combination of all of them, at the same time, is not a normal business problem, but rather a systemic problem that is well beyond my control and that affect the entire restaurant industry in particular.

[17] While Mr. Vescio does not detail in his evidence when the lockdown restrictions lifted, the Requesting Party submitted as part of its authorities Ontario Regulation 82/20 under Reopening Ontario (A Flexible Response to COVID-19) Act, 2020 Rules for Areas in Shutdown Zone and at Step 1 showing that this regulation was revoked on March 16, 2022 which was roughly three months before the end of the relevant period.

[18] Given the goods and services at issue, and the amount of overlap between the relevant period and the pandemic restrictions, I find that the special circumstances were beyond the control of the owner for a substantial part of the relevant period.

[19] Now turning to the third criteria of the *Harris Mills Knitting* test, the Owner’s only evidence that it intends to commence use shortly is Mr. Vescio’s statement at para 24:

Despite all of these problems, My Company has again begun the process of opening up a BURGERFI restaurant to offer the Services and sell the Goods, and the Trademark remains very important to My Company and to me, personally.

[20] In this case, Mr. Vescio has only provided a bald statement and there are no facts before me with respect to the third criterion of the *Harris Knitting Mills* test. There is no information as to what steps the Owner has taken to shortly commence use, nor any details about planned steps. The serious intent to shortly commence use must be substantiated by factual elements [*Molson, supra; Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 (FCTD); *NTD Apparel Inc v Ryan* 2003 FCT 780].

[21] Lastly, the Owner submits that a significant consideration in this case is that Parliament intended to give a reasonable start up time of three years to commence use [see the discussion in *Gouverneur Inc v The One Group LLC*, 2015 FC 128 at para 60, overturned but not on this point *One Group LLC v Gouverneur Inc*, 2016 FCA 109] and it did not have three years owing to the pandemic. The Owner submits that this informs my consideration of whether there are special circumstances. Even accounting for this, in the absence of evidence from which I could find there was a serious intention to shortly commence use, I find that the Owner has not put forward special circumstances excusing the non-use.

### **DISPOSITION**

[22] 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.

Natalie de Paulsen  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

**HEARING DATE:** April 10, 2024

## **APPEARANCES**

**For the Requesting Party:** Steven Kennedy

**For the Registered Owner:** Jonathan Colombo & Amrita V. Singh

## **AGENTS OF RECORD**

**For the Requesting Party:** Cassels Brock & Blackwell LLP

**For the Registered Owner:** Marks & Clerk