



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2025 TMOB 4

Date of Decision: 2025-01-20

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Borden Ladner Gervais LLP

Registered Owner: JAWHP, LLC

Registration: TMA1,066,389 for JOE JOSEPH ABBOUD & 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. TMA1,066,389 for the design trademark depicted below (the Mark):



[2] The Mark, owned by JAWHP, LLC (the Owner), is registered in association with the following goods (the Goods):

CL 14 (1) Jewelry; watches; cuff links; tie bars; tie clips; tie pins

CL 26 (2) Formalwear accessories, namely, button studs

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

PROCEEDING

[4] At the request of Borden Ladner Gervais LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act to the Owner on June 19, 2023.

[5] The notice required the Owner to show whether the Mark was used in Canada with each of the Goods at any time within the three-year period immediately preceding the date of the section 45 notice. If not, the Owner had to provide the last date of use and the reason for the absence of use since that date. In this case, the relevant period for showing use is June 19, 2020 to June 19, 2023 (the Relevant Period).

[6] The definition of "use" for a trademark in association with goods 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.

[7] 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. As such, the evidentiary threshold that a registered owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448 at para 68] and "evidentiary overkill" is not required [see *Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD) at para 3]. That said, mere

assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)], and sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with each of the goods and services specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[8] Where an owner has not shown "use", a registration is liable to be expunged or amended, unless there are special circumstances that excuse the absence of use.

[9] In response to the Registrar's notice, on February 16, 2024, the Owner filed the affidavit of Jeffery Jones (the Jones Affidavit), identified as the vice president for the JOSEPH ABBOUD brand for the Owner.

[10] Both parties filed written representations and attended an oral hearing that was held in conjunction with hearings for related registrations TMA1,044,194 for the trademark JOE JUST ONE EARTH JOSEPH ABBOUD & Design and TMA1,044,162, for the trademark JOE JOSEPH ABBOUD & Design, decisions for which will be issued under separate cover.

EVIDENCE

The Jones Affidavit

[11] The Jones Affidavit contains, *inter alia*, the following statements, information and exhibits:

- The Owner owns the JOSEPH ABBOUD brand, which includes trademarks comprised of, or which include, JOSEPH ABBOUD and/or JOE, and includes the Mark (collectively, the JA Marks) [para 2].

- All business activities related to the JOSEPH ABBOUD brand are controlled and managed by the Owner. More specifically, the goods sold in association with the Mark are manufactured, sold, and provided by the Owner's network of authorized licensees [para 3].
- Although the specific terms of the license agreements with the authorized licensees are confidential, all of the licenses for the JA Marks have terms providing the Owner has control over the character and quality of the goods manufactured, sold and provided by the licensees in association with the JA Marks [para 4].
- The Relevant Period covers a period of transition and unusual circumstances in the business of the Owner with respect to the manufacture and sale of goods bearing the Mark in Canada [para 6].
- The Owner only acquired the Mark, along with the other JA Marks, in March 2020. Attached as Exhibit A is a copy of the trademark assignment for the JA Marks to the Owner [para 7].
- Following the acquisition of the JA Marks, the internal team responsible overseeing the manufacture, distribution, sale and provision of goods and services associated with the JA Marks underwent a significant transition whereby there was little carry over of employees responsible for managing the JA Marks. Further, the Owner does not have access to the business records of the prior owner of the JA Marks [para 7].
- In addition, the relationship with some of the licensees of the JA Marks, including those licensed to use the JA Marks with "jewelry; cuff links; tie bars; tie clips; tie pins; footwear, namely button

studs" (the Jewelry Goods) and "watches", were terminated [para 8].

- For watches, a new license for the JA Marks was signed around July 2020. Attached as Exhibit B is a copy of a press release dated July 29, 2020 announcing the appointment of E. Gluck Corporation (Gluck) as the new licensee of the JA Marks in association with watches and describing Gluck's intention to launch a new collection of watches associated with the JA Marks in Winter 2020 which would be available at Gluck's existing retail partners in the United States and internationally [para 9]. The reference to "internationally" in the press release includes Canada as the license between the Owner and Gluck extends, among others, to Canada [para 9].
- In respect of the Jewelry Goods, notwithstanding diligent efforts, the Owner has not yet signed a new licensee for these goods [para 9].
- Further, the acquisition of the JA Marks, termination of existing license agreements and signing of Gluck as a new licensee for watches all took place during the global COVID pandemic (the Pandemic) [para 10]. Attached as Exhibit C are printouts from the World Health Organization (WHO) website that show the Pandemic was declared a public health emergency of international concern by WHO on January 30, 2020 and was not declassified as such until May 5, 2023. This period of time overlaps almost entirely with the Relevant Period [para 10].
- The Pandemic significantly affected (a) the ability of the Owner to sign a new licensee for the Jewelry Goods and (b) the ability of the Gluck, the Owner's new licensee for the JA Marks in

association with watches, to develop, design, manufacture and sell watches during the Relevant Period for the following reasons:

- Worker availability was affected due to illness and/or stay-at-home mandates;
 - Supply chain issues made it difficult to manufacture, ship, and/or sell any goods due to increased costs (in production, storage and shipping);
 - Labour shortages resulted in shipping delays, both in respect of components necessary to manufacture goods and the shipping of finished goods; and
 - Many retailers/distributors/wholesalers of watches and the Jewelry Goods were shut down and, therefore, there was no demand for new stock. This lack of demand eliminated the desire for manufacturers, such as Gluck and any other potential new licensee for the Jewelry Goods, to develop new product lines [para 11].
- Notwithstanding the above-noted difficulties, it is, and has at all times been, the Owner's intention to sell watches and Jewelry Goods bearing the Mark in Canada [para 12].

ANALYSIS

[12] As it is clear from the evidence of record that there was no use of the Mark with any of the Goods in Canada during the Relevant Period, what must be assessed is whether the Owner has established that special circumstances existed during the Relevant Period that excuse the lack of use.

[13] In determining 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)].

[14] 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*].

[15] As set out above in the summary of the Jones Affidavit, the circumstances surrounding the lack of use of the Mark with watches are more complex than the lack of use with the Jewellery Goods. I will therefore address each of these circumstances separately below.

Do Special Circumstances Excuse Non-use with Watches?

[16] The Owner submits that the combination of acquiring rights in the Mark only a few months prior to the Relevant Period, the significant transitions associated with the acquisition of the Mark, the termination of relationships with certain licensees of the Mark (including the licensee for the Mark in association with watches), the signing of a new licensee for watches in approximately July 2020, and the negative effects of the Pandemic on business and trade represent special circumstances [Jones Affidavit, paras 7 to 9 and 11].

[17] The Requesting Party submits that the Owner's reasons for the lack of use with the Goods, including watches, do not constitute special circumstances as:

- It is not uncommon to purchase entire trademark portfolios, and while a recent assignment might excuse a short absence of use, this alone cannot be considered a special circumstance [written representations, para 35];
- As the Mark was acquired by the Owner three months before the Relevant Period, the Owner had a total of three years and three months to commence use of the Mark. Three years is considered to be the usual time post-registration of a trade mark to commence use of the mark (based on the time at which section 45 proceedings can be commenced). Accordingly, the Requesting Party submits that the Owner, as an assignee of the Mark, had sufficient time to commence use of the Mark [written representations, para 38];
- The Owner provided no evidence to support that significant transition and little carry-over of employees after the acquisition of the Mark was unusual or uncommon when a trademark portfolio is purchased [written representations, para 39]. Further, as the fact the Owner states that there was "little carry-over of employees" implies that there was some carry-over of employees and, therefore, this fact does not amount to a special circumstance [written representations, para 40];
- While the Owner's evidence provides that relationships with some licensees of the Mark were terminated following the acquisition of the Mark, the Owner provides no explanation as to why the licensees were terminated. There is no evidence that the

terminations were not merely business decisions on the part of the Owner [written representations, paras 43 and 44]; and

- The Owner also does not provide information on any steps taken to rectify the non-use of the Mark with watches by the new licensee, despite the fact that the Owner must have been aware that the new licensee was not meeting its purported target (being an expected launch of a new watch collection in Winter 2020) [written representations, para 46].

[18] With respect to the Owner's evidence relating to minimal carry-over of employees and termination of relationships with licensees following the acquisition of the JA Marks, I agree with the Requesting Party that the Owner's evidence does not make it clear whether the loss of employees and licensees were common in such cases (*i.e.* the acquisition of a trademark portfolio) or whether these were matters within or beyond the control of the Owner. In any event, as the Owner entered into a new licence agreement with Gluck around July 2020, approximately three to four months after the acquisition of the JA Marks, it does not appear that either the loss of several employees or the termination of certain relationships with former licensees, were, individually or in combination, special circumstances that posed long term challenges to entering new licence agreements for the Goods.

[19] Having entered into a new license agreement with Gluck for use of the Mark with watches, the only further special circumstance relied on by the Owner for the lack of use of the Mark with watches during the Relevant Period is the Pandemic. More specifically, the Owner asserts that the Pandemic overlapped with almost the entire Relevant Period restricting worker availability, causing supply chain issues, increasing costs and causing a lack of demand for goods, including watches. This lack of demand eliminated the desire for manufacturers such as Gluck to develop new lines

of goods, such as watches associated with the Mark [Jones Affidavit, para 11].

[20] Overall, I am willing to accept that the combination of the acquisition of the Mark shortly after the commencement of the Relevant Period, the transitional challenges associated with the acquisition in combination with the Pandemic covering almost all of the Relevant Period, constitute special circumstances. What must now be determined is whether these special circumstances excuse the lack of use of the Mark during the Relevant Period in accordance with the three-part *Harris Knitting Mills* test.

[21] With respect to the first criterion of the *Harris Knitting* test, while the period of non-use is generally calculated from the last known date of use of the trademark, in the present case, the Owner has attested to the fact that it has no access to the records of the previous owner and provides no last known date of use of the Mark. Given the lack of evidence of actual use of the Mark, and considering the acquisition of the Mark occurred less than two months after the commencement of the Relevant Period, the period of non-use will be assessed from the March 2020 acquisition date [see *Centric Brands Holding LLC v Stikeman Elliott LLP*, 2024 FC 204 at para 40].

[22] While I acknowledge that three years is the period a registrant is given to commence use of a trademark in Canada before it is subject to non-use cancellation proceedings under section 45 of the Act, I do not consider the fact that the Owner had not commenced use of the Mark three years and three months after its acquisition to be notable in this case given that the majority of the Relevant Period overlapped with the Pandemic. For reasons specified by the Owner in its evidence, the Pandemic posed significant challenges to trade and commerce [Jones Affidavit, para 11]. Accordingly, I do not consider that the lack of use of the Mark for slightly more than three

years from the date of acquisition to, in and of itself, be unusual in the circumstances.

[23] Overall, I am satisfied that the trade and commerce challenges posed by the Pandemic were beyond the control of the Owner.

[24] Finally, for special circumstances to excuse non-use of a trademark during the relevant period, there must be a clear intention to shortly resume use of the trademark. To satisfy this third criterion of the *Harris Knitting Mills* test, the serious intent to shortly commence use of a trademark 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].

[25] In the present case, the Owner's evidence contains the statement that it is, and has at all times been, the Owner's intention to sell watches in association with the Mark in Canada [Jones Affidavit, para 12], but provides no information as to what steps the Owner has taken to commence use of the Mark or details of any plans to commence such use. Accordingly, the Owner's evidence merely provides a bald assertion that it intends to use the Mark in association with watches.

[26] As the Owner has not provided any facts to substantiate the commencement of use of the Mark with watches, it has failed to establish it had a serious intention to commence such use. Accordingly, the Owner has failed to establish special circumstances that excuse the period of non-use of the Mark with watches.

Do Special Circumstances Excuse Non-use with the Jewellery Goods?

[27] The Owner's evidence and submissions regarding the absence of use of the Mark with the Jewellery Goods is more limited than those for watches.

[28] Essentially, the Owner's evidence in respect of the Jewellery Goods are based solely on the acquisition of the Mark approximately three months prior to the commencement of the Relevant Period, and the effects on business and trade during the Pandemic, which coincide with most of the Relevant Period.

[29] Despite the statement in the Jones Affidavit that the Owner has at all times intended to sell the Jewellery Goods in association with the Mark in Canada, as with the watches, there are no facts in the evidentiary record that allow me to conclude that the Owner has a serious intention to shortly commence use of the Mark with the Jewellery Goods. The Owner has not provided any information as steps it took to secure new licensing arrangements for use of the Mark with the Jewellery Goods or what steps it has taken, or plans to take to shortly commence use.

[30] Accordingly, the Owner has failed to establish special circumstances that excuse the period of non-use of the Mark with the Jewellery Goods.

DISPOSITION

[31] 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 expunged.

Leigh Walters
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2024-10-17

APPEARANCES

For the Requesting Party: Jeff Gordon and David Schnittker

For the Registered Owner: Kevin Graham

AGENTS OF RECORD

For the Requesting Party: Borden Ladner Gervais LLP

For the Registered Owner: Stikeman Elliott S.E.N.C.R.L., SRL/LLP