

Federal Court



Cour fédérale

Date: 20111130

Docket: T-2084-10

Citation: 2011 FC 1390

Ottawa, Ontario, November 30, 2011

PRESENT: The Honourable Mr. Justice O'Keefe

BETWEEN:

DAVID M. LOCKE

Applicant

and

OSLER, HOSKIN & HARCOURT LLP

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is an application under subsection 56(1) of the *Trade-Marks Act*, RSC 1985, c T-13 and Rule 300(d) of the *Federal Courts Rules*, SOR/98-106, for an appeal of the decision of the Canadian Intellectual Property Office Registrar of Trade-marks (the Registrar) dated August 4, 2010, wherein the applicant's Canadian Trade-mark Registration No. TMA505,431 (the trade-mark) was expunged from the Register of Trade-marks (the Register). This conclusion was based on the Registrar's finding that the applicant had failed to file evidence demonstrating his use of the trade-mark.

[2] The applicant requests that the Registrar's decision be set aside and that the trade-mark be reinstated on the Registry.

Background

[3] The applicant, David M. Locke, runs a dog kennel (Cedar Ridge Kennels) and sells products for dogs and hunting from his home-based business. He is the owner of the trade-mark "SPORTSMAN'S CHOICE".

[4] The applicant filed the trade-mark on July 3, 1997 and it was registered to him on December 14, 1998. The trade-mark is for the following wares and services:

Wares:

Pet supplies: namely dog and cat food, collars, leashes and bedding material namely mattresses and wood chips;

Sporting gear: namely coats and pants, accessories; and

Accessories: namely hats, gloves, boots and hunting lights.

Services:

Retail and wholesales of pet food;

Pet supplies; and

Sporting gear.

[5] In a letter dated March 25, 2010, at the request of the respondent and pursuant to section 45 of the *Trade-marks Act*, the Registrar issued a notice to the applicant stating that within three

months of the date of the notice, it required evidence demonstrating use in Canada during the preceding three year period of each ware and service covered by the trade-mark. The applicant allegedly did not understand the legal significance of this notice and therefore did not file any evidence in response to the request.

[6] In a letter dated August 4, 2010, the Registrar notified the applicant that due to his failure to file the required evidence, the registration would be expunged from the Register pursuant to subsection 45(4) of the *Trade-marks Act*.

[7] Between mid-August 2010 and October 26, 2010, the applicant completed various Federal Court forms, sought legal aid and retained legal counsel.

[8] In a letter dated November 9, 2010, the Registrar notified the applicant that the trade-mark was expunged from the Register as of the date of the letter.

Issues

[9] The applicant submits the following point at issue:

Whether the applicant has demonstrated the use of the trade-mark within the three years prior to March 25, 2010.

[10] I would rephrase the issues as follows:

1. What is the appropriate standard of review?

2. Should this Court issue an order reinstating the trade-mark on the Register?

Applicant's Written Submissions

[11] The applicant submits that decisions of the Registrar are generally reviewed on a standard of reasonableness. However, when additional evidence is adduced, the decision made by the Registrar is subject to a correctness standard.

[12] The applicant submits that it is established jurisprudence that a trade-mark holder should not be punished for disregarding a section 45 notice and may submit new evidence before the Federal Court even if no evidence was originally submitted. The applicant has provided evidence of his use of the trade-mark in an affidavit sworn on February 1, 2011.

[13] The applicant submits that the purpose of section 45 of the *Trade-marks Act* is to remove dead wood from the Register, not to require an “over-abundance of evidence of use or utilization of the mark” (see *Eclipse International Fashions Canada Inc v Shapiro Cohen*, 2005 FCA 64, [2005] FCJ No 316 at paragraph 6).

[14] The applicant refers to the definitions of use under section 4 of the *Trade-marks Act* and jurisprudence which it submits requires that use be “in the normal course of trade”. Further, the applicant submits that continuous use must not be shown throughout the three year period; even a single sale made in the normal course of trade in the relevant time can be sufficient.

[15] Nevertheless, the applicant submits that through his affidavit and accompanying exhibits he has demonstrated his use of the trade-mark within the last three years as required under section 45 of the *Trade-marks Act*. The applicant submits that since it was registered to him, he has used the trade-mark continuously in advertising and in the sale of goods through his home based business. The applicant further submits that his use of the trade-mark is consistent with his operation of a small, home based business that is widely known in the field trial (dog events put on by the United Kennel Club) community.

[16] Finally, the applicant submits that should this Court find that certain wares or services have not been used by the applicant in accordance with section 4 of the *Trade-marks Act*, this Court may delete unused wares or services while maintaining those for which use has been shown.

Respondent's Written Submissions

[17] The respondent is not opposing this appeal and will not be participating in the hearing on November 2, 2011.

Analysis and Decision

[18] **Issue 1**

What is the appropriate standard of review?

Where previous jurisprudence has determined the standard of review applicable to a particular issue before the Court, the reviewing court may adopt that standard (see *Dunsmuir v New Brunswick*, 2008 SCC 9, [2008] 1 SCR 190 at paragraph 57).

[19] It is well established that the appropriate standard of review of an appeal made under section 56 of the *Trade-marks Act* depends on whether or not new evidence has been filed that would materially affected the Registrar's findings or its exercise of discretion. Where no such evidence has been filed, the standard of review is reasonableness. Conversely, where such evidence has been filed, the Court must decide the issue *de novo* after considering the evidence before it (see *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145, [2000] FCJ No 159 at paragraph 29; *Prince v Orange Cove-Sanger Citrus Assn*, 2007 FC 1229, [2007] FCJ No 1697 at paragraph 9; and *1459243 Ontario Inc v Eva Gabor International Ltd*, 2011 FC 18, [2011] FCJ No 27 at paragraph 2).

[20] In *Prince* above, Mr. Justice Luc Martineau explained the Court's role in *de novo* determinations on this issue (at paragraph 9):

To determine whether the new evidence is sufficient to warrant a determination *de novo*, this Court must look at the extent to which the additional evidence has a probative significance that extends beyond the material that was before the Registrar. If the new evidence adds nothing of significance, but is merely repetitive of existing evidence, without increasing its cogency, the issue will be whether the Registrar's decision can survive a somewhat probing examination.

[21] **Issue 2**

Should this Court issue an order reinstating the trade-mark on the Register?

Subsection 45(1) of the *Trade-marks Act* grants “any person” the right to request that the Registrar require a trade-mark holder to furnish evidence of use of a trade-mark in Canada within the previous three years. If a trade-mark holder fails to furnish sufficient evidence to satisfy the Registrar of such use, or good reason for absence of the use, the Registrar may expunge the trade-mark (subsection 45(3) of the *Trade-marks Act*). The purpose of this provision is “to provide a simple and expeditious method of expunging marks which have fallen into disuse” (*Eva Gabor* above, at paragraph 3).

[22] Under subsection 56(5) of the *Trade-marks Act*, applicants may adduce in appeal new evidence that was not previously before the Registrar. Additional evidence may be considered even where the applicant did not previously adduce any evidence before the Registrar (see *Austin Nichols & Co Inc v Cinnabon Inc*, [1998] 4 FC 569, [1998] FCJ No 1352 (FCA) at paragraph 22; and *Sols R Isabelle Inc v Stikeman Elliott LLP*, 2011 FC 59, [2011] FCJ No 269 at paragraph 9).

[23] The threshold to establish use is relatively low and it is sufficient if the applicant establishes a *prima facie* case of use (*Eva Gabor* above, at paragraph 5; and *Arbour Recycled Products v Canada (Attorney General)*, 2010 FC 925, [2010] FCJ No 1140 at paragraph 12).

[24] The type of evidence that is acceptable was described by Mr. John D. Justice Richard at paragraph 25 in *Osler Hoskin & Harcourt v United States Tobacco Co*, 139 FTR 64, [1997] FCJ No

1671 (recently referred to in *Kiss My Face Corp v Lapointe Rosenstein Marchand Melançon LLP*, [2011] FCJ No 171, 2011 FC 150 at paragraph 7):

Evidence of a single sale, whether wholesale or retail, in the normal course of trade, can suffice so long as it follows the pattern of a genuine commercial transaction and is not seen as being deliberately manufactured or contrived to protect the registration of the mark.

[25] In this appeal, the applicant filed evidence on the use of the trade-mark in his business. As the applicant did not previously submit any evidence, this new evidence was not before the Registrar when it issued its decision expunging the trade-mark.

[26] The new evidence included the use of the trade-mark on the following items sold by the applicant in the previous three years:

Labels affixed to pet food;

Packaging and brochures for dog food;

Labels on pants and coats for hunting;

Tags on pet supplies (dog leads, collars and leashes);

Labels sewn onto material of sporting gear (hats, t-shirts, sweatshirts, bib-style pants, regular pants, and hunting jackets); and

Labels on hunting lights.

[27] The evidence also included the use of decals bearing the trade-mark on the applicant's trucks and trailer.

[28] This new evidence clearly shows that the applicant has been continuously using the trade-mark since it was issued to him in 1998. Had this evidence been before the Registrar, it would likely

have materially affected its decision to expunge the trade-mark. This Court must therefore decide whether the evidence is sufficient to establish the applicant's use of the trade-mark during the relevant period.

[29] In previous cases, the reliability of evidence given by business owners or operators has been accepted as these individuals are presumed to be knowledgeable about the affairs of their businesses (*Eva Gabor* above, at paragraph 13). In this case, the evidence submitted by the applicant, the business owner, corresponds with the definition of use under subsections 4(1) and 4(2) of the *Trade-marks Act*.

[30] In summary, I find that the applicant has provided additional evidence that has a probative significance extending beyond the material that was before the Registrar. The burden of proof for this evidence is not heavy. I find that the applicant has provided clear evidence of use of the wares and services. I would therefore allow this appeal and order that the trade-mark be reinstated on the Register.

[31] A final note should be made on the timing of this appeal. This Court is empowered under subsection 56(1) of the *Trade-marks Act* to allow an appeal even after the expiration of the two months from the date on which notice of the decision was dispatched by the Registrar. I find that the applicant's continuous efforts to have his trade-mark reinstated, coupled with the underlying purpose of section 45 (as discussed above), are sufficient to warrant an extension of time for this appeal.

[32] The applicant has sought costs of the appeal. I am not prepared to make an award of costs to the applicant based on the facts of this case.

JUDGMENT

THIS COURT’S JUDGMENT is that:

1. The appeal is allowed. The decision of the Registrar to expunge Registration No. TMA505,431 is set aside.
2. Registration No. TMA505,431 for the “SPORTSMAN’S CHOICE” trade-mark is to be maintained on the Register.
3. There shall be no order as to costs.

“John A. O’Keefe”

Judge

ANNEX

Relevant Statutory Provisions

Trade-Marks Act, RSC 1985, c T-13

- | | |
|---|---|
| <p>4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.</p> | <p>4. (1) Une marque de commerce est réputée employée en liaison avec des marchandises si, lors du transfert de la propriété ou de la possession de ces marchandises, dans la pratique normale du commerce, elle est apposée sur les marchandises mêmes ou sur les colis dans lesquels ces marchandises sont distribuées, ou si elle est, de toute autre manière, liée aux marchandises à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.</p> |
| <p>(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.</p> | <p>(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.</p> |
| <p>(3) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.</p> | <p>(3) Une marque de commerce mise au Canada sur des marchandises ou sur les colis qui les contiennent est réputée, quand ces marchandises sont exportées du Canada, être employée dans ce pays en liaison avec ces marchandises.</p> |
| <p>45. (1) The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee</p> | <p>45. (1) Le registraire peut, et doit sur demande écrite présentée après trois années à compter de la date de l'enregistrement d'une marque de commerce, par une personne</p> |

shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the wares or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.

(2) The Registrar shall not receive any evidence other than the affidavit or statutory declaration, but may hear representations made by or on behalf of the registered owner of the trade-mark or by or on behalf of the person at whose request the notice was given.

(3) Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears to the Registrar that a trade-mark, either with respect to all of the wares or services specified in the registration or with respect to any of those wares or services, was not used in Canada at any time during the three year period immediately preceding the date

qui verse les droits prescrits, à moins qu'il ne voie une raison valable à l'effet contraire, donner au propriétaire inscrit un avis lui enjoignant de fournir, dans les trois mois, un affidavit ou une déclaration solennelle indiquant, à l'égard de chacune des marchandises ou de chacun des services que spécifie l'enregistrement, si la marque de commerce a été employée au Canada à un moment quelconque au cours des trois ans précédant la date de l'avis et, dans la négative, la date où elle a été ainsi employée en dernier lieu et la raison de son défaut d'emploi depuis cette date.

(2) Le registraire ne peut recevoir aucune preuve autre que cet affidavit ou cette déclaration solennelle, mais il peut entendre des représentations faites par le propriétaire inscrit de la marque de commerce ou pour celui-ci ou par la personne à la demande de qui l'avis a été donné ou pour celle-ci.

(3) Lorsqu'il apparaît au registraire, en raison de la preuve qui lui est fournie ou du défaut de fournir une telle preuve, que la marque de commerce, soit à l'égard de la totalité des marchandises ou services spécifiés dans l'enregistrement, soit à l'égard de l'une de ces marchandises ou de l'un de ces services, n'a été employée au Canada à aucun moment au cours des trois ans

of the notice and that the absence of use has not been due to special circumstances that excuse the absence of use, the registration of the trade-mark is liable to be expunged or amended accordingly.

(4) When the Registrar reaches a decision whether or not the registration of a trade-mark ought to be expunged or amended, he shall give notice of his decision with the reasons therefor to the registered owner of the trade-mark and to the person at whose request the notice referred to in subsection (1) was given.

(5) The Registrar shall act in accordance with his decision if no appeal therefrom is taken within the time limited by this Act or, if an appeal is taken, shall act in accordance with the final judgment given in the appeal.

47. (1) If, in any case, the Registrar is satisfied that the circumstances justify an extension of the time fixed by this Act or prescribed by the regulations for the doing of any act, he may, except as in this Act otherwise provided, extend the time after such notice to other persons and on such terms as he may direct.

(2) An extension applied for after the expiration of the time fixed for the doing of an act or

précédant la date de l'avis et que le défaut d'emploi n'a pas été attribuable à des circonstances spéciales qui le justifient, l'enregistrement de cette marque de commerce est susceptible de radiation ou de modification en conséquence.

(4) Lorsque le registraire décide ou non de radier ou de modifier l'enregistrement de la marque de commerce, il notifie sa décision, avec les motifs pertinents, au propriétaire inscrit de la marque de commerce et à la personne à la demande de qui l'avis visé au paragraphe (1) a été donné.

(5) Le registraire agit en conformité avec sa décision si aucun appel n'en est interjeté dans le délai prévu par la présente loi ou, si un appel est interjeté, il agit en conformité avec le jugement définitif rendu dans cet appel.

47. (1) Si, dans un cas donné, le registraire est convaincu que les circonstances justifient une prolongation du délai fixé par la présente loi ou prescrit par les règlements pour l'accomplissement d'un acte, il peut, sauf disposition contraire de la présente loi, prolonger le délai après l'avis aux autres personnes et selon les termes qu'il lui est loisible d'ordonner.

(2) Une prorogation demandée après l'expiration de pareil délai ou du délai prolongé par le

the time extended by the Registrar under subsection (1) shall not be granted unless the prescribed fee is paid and the Registrar is satisfied that the failure to do the act or apply for the extension within that time or the extended time was not reasonably avoidable.

registraire en vertu du paragraphe (1) ne peut être accordée que si le droit prescrit est acquitté et si le registraire est convaincu que l'omission d'accomplir l'acte ou de demander la prorogation dans ce délai ou au cours de cette prorogation n'était pas raisonnablement évitable.

56. (1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

56. (1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.

...

...

(5) On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

Federal Courts Rules, SOR/98-106

300. This Part applies to

300. La présente partie s'applique :

...

...

(d) appeals under section 56 of the [Trade-marks Act](#);

d) aux appels interjetés en vertu de l'article 56 de la [Loi sur les marques de commerce](#);

301. An application shall be

301. La demande est introduite

commenced by a notice of application in Form 301, setting out	par un avis de demande, établi selon la formule 301, qui contient les renseignements suivants :
(a) the name of the court to which the application is addressed;	a) le nom de la cour à laquelle la demande est adressée;
(b) the names of the applicant and respondent;	b) les noms du demandeur et du défendeur;
(c) where the application is an application for judicial review,	c) s'il s'agit d'une demande de contrôle judiciaire :
(i) the tribunal in respect of which the application is made, and	(i) le nom de l'office fédéral visé par la demande,
(ii) the date and details of any order in respect of which judicial review is sought and the date on which it was first communicated to the applicant;	(ii) le cas échéant, la date et les particularités de l'ordonnance qui fait l'objet de la demande ainsi que la date de la première communication de l'ordonnance au demandeur;
(d) a precise statement of the relief sought;	d) un énoncé précis de la réparation demandée;
(e) a complete and concise statement of the grounds intended to be argued, including a reference to any statutory provision or rule to be relied on; and	e) un énoncé complet et concis des motifs invoqués, avec mention de toute disposition législative ou règle applicable;
(f) a list of the documentary evidence to be used at the hearing of the application.	f) la liste des documents qui seront utilisés en preuve à l'audition de la demande.
317. (1) A party may request material relevant to an application that is in the possession of a tribunal whose order is the subject of the application and not in the	317. (1) Toute partie peut demander la transmission des documents ou des éléments matériels pertinents quant à la demande, qu'elle n'a pas mais qui sont en la possession de

possession of the party by serving on the tribunal and filing a written request, identifying the material requested.

(2) An applicant may include a request under subsection (1) in its notice of application.

(3) If an applicant does not include a request under subsection (1) in its notice of application, the applicant shall serve the request on the other parties.

318. (1) Within 20 days after service of a request under rule 317, the tribunal shall transmit

(a) a certified copy of the requested material to the Registry and to the party making the request; or

(b) where the material cannot be reproduced, the original material to the Registry.

(2) Where a tribunal or party objects to a request under rule 317, the tribunal or the party shall inform all parties and the Administrator, in writing, of the reasons for the objection.

(3) The Court may give directions to the parties and to a

l'office fédéral dont l'ordonnance fait l'objet de la demande, en signifiant à l'office une requête à cet effet puis en la déposant. La requête précise les documents ou les éléments matériels demandés.

(2) Un demandeur peut inclure sa demande de transmission de documents dans son avis de demande.

(3) Si le demandeur n'inclut pas sa demande de transmission de documents dans son avis de demande, il est tenu de signifier cette demande aux autres parties.

318. (1) Dans les 20 jours suivant la signification de la demande de transmission visée à la règle 317, l'office fédéral transmet :

a) au greffe et à la partie qui en a fait la demande une copie certifiée conforme des documents en cause;

b) au greffe les documents qui ne se prêtent pas à la reproduction et les éléments matériels en cause.

(2) Si l'office fédéral ou une partie s'opposent à la demande de transmission, ils informent par écrit toutes les parties et l'administrateur des motifs de leur opposition.

(3) La Cour peut donner aux parties et à l'office fédéral des directives sur la façon de

tribunal as to the procedure for making submissions with respect to an objection under subsection (2).

(4) The Court may, after hearing submissions with respect to an objection under subsection (2), order that a certified copy, or the original, of all or part of the material requested be forwarded to the Registry.

procéder pour présenter des observations au sujet d'une opposition à la demande de transmission.

(4) La Cour peut, après avoir entendu les observations sur l'opposition, ordonner qu'une copie certifiée conforme ou l'original des documents ou que les éléments matériels soient transmis, en totalité ou en partie, au greffe.

Federal Court



Cour fédérale

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-2084-10

STYLE OF CAUSE: DAVID M. LOCKE

- and -

OSLER, HOSKIN & HARCOURT LLP

PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: November 2, 2011

**REASONS FOR JUDGMENT
AND JUDGMENT OF:** O'KEEFE J.

DATED: November 30, 2011

APPEARANCES:

Emily Kettel
Alison Lester

FOR THE APPLICANT

No Appearance

FOR THE RESPONDENT

SOLICITORS OF RECORD:

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FOR THE APPLICANT

Bereskin & Parr
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FOR THE RESPONDENT

