



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2015 TMOB 95**  
**Date of Decision: 2015-05-28**

**IN THE MATTER OF A SECTION 45  
PROCEEDING requested by Osler, Hoskin &  
Harcourt LLP against registration  
No. TMA647,874 for the trade-mark  
SMOOTHIES Design in the name of SGS Sports  
Inc.**

[1] This is a decision involving a summary expungement proceeding with respect to registration No. TMA647,874 for the trade-mark SMOOTHIES Design shown below (the Mark), owned by SGS Sports Inc.



[2] The trade-mark is registered for use in association with “swimwear, cover-ups and shorts”.

[3] On September 19, 2013, at the request of Osler, Hoskin & Harcourt LLP (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 to SGS Sports Inc. (the Registrant). The notice required the Registrant to provide evidence showing that the Mark was in use in Canada

at any time between September 19, 2010 and September 19, 2013, in association with each of the registered goods. If the Mark had not been so used, the Registrant was required to furnish evidence providing the date when the Mark was last in use and the reasons for the absence of use since that date.

[4] Section 4 of the Act sets out the meaning of use. In this case, the following subsections apply:

4(1) A trade-mark 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.

(3) A trade-mark 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.

[5] It has been well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for clearing the register of “deadwood”. The criteria for establishing use are not demanding and an overabundance of evidence is not necessary. However, sufficient evidence must nevertheless be provided to allow the Registrar to conclude that the trade-mark was used in association with each of the registered goods during the relevant period [see *Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)]. Furthermore, mere statements of use are insufficient to prove use [see *Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)].

[6] In response to the Registrar’s notice, the Registrant furnished the affidavit of Steven Gellis, the President of the Registrant, dated October 24, 2013. Both parties filed written submissions and were represented at an oral hearing.

[7] The Requesting Party’s submissions centre around the following contentions:

- The Mark has not been used by the Registrant, as the Registrant is merely a distributor of the goods; and

- There is no evidence of how the Mark was associated with the goods at the time of transfer.

[8] For the reasons that follow, I conclude that the registration ought to be maintained. However, before discussing the reasons for my decision, I will begin with a brief summary of the evidence.

### The Evidence

[9] In his affidavit, Mr. Gellis explains that for many years prior, including during the relevant period, the Registrant has sold SMOOTHIES swimwear, shorts and cover-ups, in Canada and abroad. He refers to the registered goods collectively as the SMOOTHIES products. He states that specifically, during the relevant period, the Registrant continuously sold its SMOOTHIES products in Canada and has exported its SMOOTHIES products from Canada, all in the normal course of trade.

[10] Mr. Gellis states that from October 2010 to September 2013, the Registrant's total sales of SMOOTHIES products have been in the millions of dollars. He indicates that when the SMOOTHIES products are sold in or exported from Canada, the Registrant has affixed a packing slip on the packaging of the SMOOTHIES products, wherein an invoice would follow. He states that in every case, the packing slip and the invoice clearly show the Mark in respect of the SMOOTHIES products.

[11] Mr. Gellis explains that the SMOOTHIES products are featured in catalogues, including the Registrant's Canadian Body Glove swimwear catalogues. In this regard, he further explains that the Registrant is a licensee of Body Glove International LLC (BGI). Attached at Exhibits A, B, and C are copies of the Registrant's Body Glove catalogues for the years 2011, 2012, and 2013 respectively. Mr. Gellis points to specific pages in these catalogues which he attests show the Registrant's SMOOTHIES products that were available in these years, including multiple pieces of swimwear, shorts (identified as "sidekick" shorts), a mesh tank top, cover-up skirts (identified as "Lambada", "Angel" and "Blossom" skirts), a cover-up dress (identified as a "Niki" dress), and a cover-up top (identified as an "Isla" top). He states that the model names and/or style names of the

Registrant's SMOOTHIES products, as identified above, are the same for products sold by the Registrant in Canada and for products exported by the Registrant from Canada.

[12] The Mark is displayed on all pages of the catalogues which feature the above-noted goods. The pages of the catalogues include what appear to be check boxes to place orders for various quantities of the goods according to size, colour, and style/model name. In addition, public notice is given in the catalogues that "Body Glove and the Hand Design are registered trademarks of Body Glove International", and that the Registrant is BGI's North American licensee. Lastly, the final page of each catalogue exhibit identifies the Registrant as one of several Canadian Body Glove "swimwear reps"; however, the Registrant appears to be the main swimwear rep, given its prominence on the page, in addition to the general customer service number being identical to the Registrant's listed toll-free number.

[13] With respect to sales in Canada during the relevant period of the SMOOTHIES products, Mr. Gellis attaches invoices together with their associated packing slips (Exhibits D, F, G, I, K, and L) as well as additional invoices without associated packing slips (Exhibits E, H, J, and M).

[14] With respect to export sales, Mr. Gellis indicates that the Registrant has exported SMOOTHIES products from Canada to international customers for many years, including during the relevant period. He indicates that similar to domestic sales, in each export sale, the packing slip is attached to the packaging that contains the SMOOTHIES products.

[15] As evidence of export sales, Mr. Gellis once again attaches invoices together with their associated packing slips (Exhibits N-Q).

[16] Mr. Gellis repeatedly states throughout his affidavit that the associated packing slips are attached to the packaging that contains the SMOOTHIES products, both in respect of sales in Canada and export sales.

[17] I note that the Mark as it appears on the packing slips and the invoices (for both products sold in Canada and exported from Canada), is in plain text format, and appears

in conjunction with other product descriptors, including the model names and/or style names identified in the catalogues.

Submissions, Analysis and Reasons for Decision

*Has Use of the Mark been shown by the Registrant?*

[18] The Requesting Party submits that the evidence is deficient in that it does not establish or satisfactorily demonstrate the requisite “use” of the Mark in Canada by the Registrant or any “use” which enures to its benefit. More specifically, the Requesting Party submits that the facts are more consistent with the conclusion that the Mark is a trade-mark of BGI (or another third party) and that the Registrant: (1) is a licensee of BGI; or (2) has simply sourced wares branded with the Mark from BGI which it resells in Canada and elsewhere.

[19] In support of the above-noted submissions, the Requesting Party notes Mr. Gellis’ statement in his affidavit that the Registrant is a licensee of BGI, that nothing in the affidavit contradicts that the Registrant is using the Mark under license from BGI, and that the catalogue excerpts (Exhibits A-C) are clearly BGI catalogues, refer to BGI’s website and identify the Registrant as one of several Canadian “Swimwear Reps”.

[20] Moreover, the Requesting Party submits, nowhere in the affidavit does Mr. Gellis state that the Registrant fabricates or manufactures any of the SMOOTHIES products bearing the Mark, nor does he state that the SMOOTHIES products were manufactured or produced for the Registrant by a third party under license; the affidavit is silent in this respect as to the normal course of trade of the Registrant. Thus, in summary, the Requesting Party submits, the facts are more consistent with the conclusion that the Registrant is a licensee of BGI and that the Registrant merely acts as a distributor of swimwear emanating from BGI or some source other than the Registrant.

[21] The Registrant submits that on reading the Gellis affidavit as a whole and in context, it is clear that the Mark belongs to the Registrant and not to BGI. For example, in paragraph 5 of the affidavit, Mr. Gellis states that the Registrant “has sold **its**

SMOOTHIES products in Canada and has exported **its** SMOOTHIES products from Canada” [emphasis of the Registrant].

[22] The Registrant submits that the ownership of the Mark is further supported throughout the affidavit by consistent reference to the registered goods as being the Registrant’s SMOOTHIES products. In addition, the Registrant submits, the invoices and packing slips make no mention of BGI, but rather bear the Mark within the body of the document and refer exclusively to the Registrant at the top of the packing slip or invoice. Thus, the Registrant submits, customers receiving the packing slips and invoices would readily identify the Registrant as the source of the product. Furthermore, while there is explicit reference in the catalogues to the Registrant being a North American licensee of BGI in reference to the registered trade-marks for BODY GLOVE and The Hand Design, there is no similar public notice with respect to the Mark.

[23] In essence, the Registrant submits, the Requesting Party is attempting to enlarge the present proceedings to include issues beyond those which properly fall within the scope of section 45 of the Act [citing *Meredith & Finlayson v Canada (Registrar of Trade-marks)* (1991), 40 CPR (3d) 409 at 412 (FCA)]. In the present case, the Registrant submits, the registration identifies SGS Sports Inc. as the owner and the section 45 notice issued to SGS Sports Inc. Furthermore, the Registrant submits, it is entitled to use its own trade-mark as well as the marks of others under license simultaneously.

[24] Indeed, section 45 proceedings are not intended to provide an alternative to the usual *inter partes* attack on a trade-mark [*United Grain Growers v Lang Michener* (2001), 12 CPR (4th) 89 (FCA)]. As noted by the Federal Court of Appeal in *Ridout & Maybee LLP v Omega SA* (2005), 43 CPR (4th) 18 (FCA), the validity of the registration is not in dispute in section 45 proceedings. Issues of ownership are more properly dealt with by way of application to the Federal Court pursuant to section 57 of the Act.

[25] In reply, the Requesting Party submits that they are not putting the validity of the registration at issue or questioning whether or not the Registrant should have gotten the registration in the first place, but rather, are questioning whether the Registrant is using the Mark; an issue that is within the scope of section 45 of the Act. In this regard, the

Requesting Party submits that it is well established that the use of a manufacturer's mark does not enure to the distributor [citing *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD)].

[26] I note however, that this is not a situation wherein the registration itself stands on the register in the name of BGI or some other manufacturer of goods; the registration is owned by SGS Sports Inc. Nor is this a situation in which a third party (and not the registered owner) is using the Mark, such that a license would be required and the question then becomes whether such use enures to the benefit of the Registrant. Indeed, if I were to entertain the Requesting Party's submissions in this regard, I agree with the Registrant that I would effectively be deciding the validity of the registration in respect of ownership of the Mark, despite the Requesting Party's best efforts to cloak the issue under a different matter. Ownership issues fall under the exclusive jurisdiction of the Federal Court, and I note that *Manhattan Industries, supra*, was such an application to the Federal Court, challenging the validity of a trade-mark registration under section 57 of the Act.

[27] In the present case, the registration stands in the name of the Registrant, and the evidence shows that it advertises and sells the goods in question. Thus, the issue that remains to be determined is whether the Registrant has shown use of the Mark pursuant to sections 4(1) or 4(3) of the Act.

*Does the Evidence Show that the Mark Was Used on the Goods?*

[28] As previously indicated, in addition to the above-noted submissions, the Requesting Party submits that, in any event, there is no evidence showing how the Mark was associated with the SMOOTHIES products at the time of transfer.

[29] To begin with, the Requesting Party points to the absence of labels and hang tags in the evidence and submits that they would expect the Hearing Officer to know that swimwear would have labels, and should have such labels in order to comply with federal labelling laws. The Requesting Party submits that it would have been easy for the Registrant to have included such evidence, and its absence should factor in negatively

against the Registrant. In this regard, the Requesting Party submits that the inference that should be drawn is that the absence of such evidence suggests that any labels and hang tags would likely identify another entity as the manufacturer and user of the Mark.

[30] The Registrant submits that the Requesting Party is attempting to introduce evidence to the effect that swimwear would normally bear a label or a tag, and that since such evidence is inadmissible, the Requesting Party's speculative comments must be disregarded. I agree with the Registrant and, in any event, given the summary nature of section 45 proceedings, I am not prepared to take judicial notice of federal labelling laws as the Requesting Party has invited in order to draw such negative inferences. Further to this, the Registrant submits that the evidence shows that it sells the goods in bulk to retailers, which differs from how a good is packaged and presented in a retail setting (*i.e.* with hang tags). Thus, even if I were to acknowledge that such goods ordinarily bear a label or a tag, the absence of such tags appears reasonable in view of the Registrant's channels of trade in its ordinary course of business.

[31] With respect to what the Registrant did provide as evidence, the Requesting Party submits that the packing slips, invoices, and catalogues do not provide evidence of use of the registered Mark in association with the goods. The Requesting Party submits that the evidence either fails to provide notice of association of the Mark at the time of transfer and/or does not show use of the Mark as registered.

[32] The Requesting Party submits that the display of the Mark in the catalogues is not use in association with the goods pursuant to section 4(1) of the Act, as the catalogue merely advertises the goods and does not provide the requisite notice of association between the Mark and the goods [citing *Michaels & Associates v WL Smith & Associates Ltd* (2006), 51 CPR (4th) 303 (TMOB)].

[33] While it is true that the appearance of a trade-mark in a catalogue does not in itself constitute use in association with goods [see *Clairol International Corp v Thomas Supply & Equipment Co Ltd* (1968), 55 CPR 176 (Ex Ct)], it may constitute use under certain circumstances. For example, it has been accepted that notice of association between a trade-mark and goods was made when customers placed orders by way of a



catalogue that displayed a trade-mark in close proximity to the goods. That notice of association was considered to continue once the goods were delivered and the invoices received [see *Plastibec Inc v Newell Window Furnishings, Inc*, 2011 TMOB 106].

[34] In the present case, I am prepared to infer that the catalogues are used by consumers when they order the goods. In this respect, the catalogue pages include check boxes to select various goods according to size, colour, etc. In addition, the catalogues include order forms which are required to be signed by the buyer. The Mark as registered appears in the catalogues in close proximity to the goods. While the specific goods are further identified by sub-brands or model names (such as “sidekick” shorts, for example), given the placement of the Mark on the catalogue pages in proximity to the goods, consumers would perceive the Mark as identifying a line of products which are then further identified by sub-brand and/or model name. I note that there is nothing in the Act that precludes a registered owner from using more than one trade-mark at the same time in association with the same goods [see *AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD), and *Canadian Council of Professional Engineers v Ardex Inc* (2001), 13 CPR (4th) 554 (TMOB)].

[35] Furthermore, given that the packing slips are affixed to the packaging that contains the goods, notice of association of the Mark would continue once the goods were received. Consequently, this satisfies me that the use shown in the catalogues complies with the requirements of section 4(1) of the Act [see also, for example, *Bélanger v Accuride Corporation*, 2004 CanLII 70919].

[36] In addition to the submissions regarding the catalogues, the Requesting Party submits that the packing slips do not constitute use of the Mark in association with the goods, as none of the packing slips display the Mark in the stylized or design form as registered.

[37] The Registrant submits that although the word SMOOTHIES appears in plain block letters on the packing slips, such use still constitutes use of the Mark. In this regard, the Registrant relies on the principle that cautious variations are permitted as long as the dominant features of a trade-mark are maintained and the differences do not

mislead an unaware purchaser [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA), at p 71]. In the present case, the Registrant submits, the word SMOOTHIES is the distinctive element and dominant feature of the registered Mark; the only design element of the Mark as registered is the fanciful font, and it has been held that the presence of a font merely adds to the aesthetic appeal of the mark wherein the word portion remains the dominant feature of the mark [citing *Best Canadian Motor Inns Ltd v Best Western International Inc* (2004), 30 CPR (4th) 481 (FC); *Canadian Council of Professional Engineers v Groupegenie Inc* (2009), 78 CPR (4th) 126 at 136-137 (TMOB); and *Fraser Milner Casgrain LLP v JPI Ltd*, 2014 TMOB 4, at para 23].

[38] The Registrant further submits that the present case for use is even stronger than that in *Alibi Roadhouse Inc v Grandma Lee's International Holdings Ltd* (1997), 76 CPR (3d) 327 at 337-338 (FCTD), where the use of the word ALIBI alone was found to constitute use of ALIBI BAR & GRILL & Design, as the dominant and distinctive feature of the mark was the word ALIBI. The Registrant submits that the present situation is clearer, as there is no prominent design feature to the registered Mark aside from the font.

[39] In summary, the Registrant submits that the dominant feature of the Mark, namely, the word SMOOTHIES, has been maintained, and its display in plain block letters does not detract from the Mark's identity as it would remain recognizable to the average consumer [*Promafil, supra*].

[40] Indeed, I agree that the dominant feature of the Mark is the word SMOOTHIES. I am satisfied that the Mark as displayed packing slips constitutes use of the Mark as registered. In my view, the absence of the fanciful font as in the registered Mark is a minor difference such that an unaware purchaser would not be confused or deceived.

[41] Lastly, the Registrant submits that the appearance of the model designations such as "sidekick" or descriptive words such as "bikini" following the word SMOOTHIES on the packing slips does not detract from the use of the SMOOTHIES mark. Again, I agree, and accept that consumers would perceive these additional elements as clearly descriptive matter or as separate trade-marks [per *Nightingale Interloc Ltd v Prodesign*

*Ltd* (1984), 2 CPR (3d) 535 (TMOB); 88766 *Canada Inc v National Cheese Co* (2002) 24 CPR (4th) 410 (TMOB)].

[42] As the packing slips accompanied the goods, I accept that notice of association of the Mark with the goods was then given to consumers upon receipt of the goods. Consequently, having regard to the aforementioned, I accept the packing slips as evidence of use of the Mark in accordance with section 4(1) of the Act.

[43] While the invoices are evidence of sales of the goods in Canada during the relevant period, I agree with the Requesting Party, that the invoices are not evidence of use of the Mark in association with the goods. In this regard, there is no evidence that the invoices accompanied the goods when they were shipped to customers [see *Riches, McKenzie & Herbert v Pepper King Ltd* (2000), 8 CPR (4th) 471 (FCTD)]. However, as I have already concluded that notice of association of the Mark was provided to consumers both when ordering the goods through the catalogues, as well as through the packing slips upon receipt of the goods, the invoices are unnecessary in this regard.

[44] As I have already concluded that the evidence is sufficient to support use of the Mark in accordance with section 4(1) and 45 of the Act, I need not decide whether use of the Mark has been shown through export (section 4(3) of the Act).

Disposition

[45] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, registration No. TMA647,847 will be maintained in compliance with the provisions of section 45 of the Act.

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Kathryn Barnett  
Hearing Officer  
Trade-marks Opposition Board  
Canadian Intellectual Property Office