



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

Citation: 2015 TMOB 165
Date of Decision: 2015-09-24

IN THE MATTER OF A SECTION 45 PROCEEDING

Koi Design LLC

Requesting Party

and

9155406 Canada Inc.

Registered Owner

TMA713,262 for BLACK KOI

Registration

[1] At the request of Koi Design LLC (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on June 5, 2013 to Twin Heart Clothing Inc./Vêtements Twin Heart Inc. (the Owner), the registered owner at that time of registration No. TMA713,262 for the trade-mark BLACK KOI (the Mark).

[2] The Mark is registered in association with the following goods: Ladies', men's and children's pants, slacks, jeans, shorts, shirts, T-shirts, sweaters, jackets, blazers and ladies and girls' dresses, blouses and skirts.

[3] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of 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 between June 5, 2010 and June 5, 2013.

[4] The relevant definition of “use” in association with goods is set out in section 4(1) of the Act:

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.

[5] 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 and, as such, the evidentiary threshold that the registered owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448, 31 CPR (4th) 270].

[6] In response to the Registrar’s notice, the Owner filed the affidavit of Clifford Isenberg, President of the Owner, sworn on August 29, 2013 in Montreal. Both parties filed written representations; an oral hearing was not requested. Subsequent to the filing of written representations, the Registrar recorded an assignment of the registration from the Owner to 9155406 Canada Inc. The assignment is not at issue in this proceeding.

The Owner’s Evidence

[7] In his affidavit, Mr. Isenberg attests that the Owner is in the business of “importing, manufacturing, promoting and offering for sale, selling and distributing in Canada and the United States women’s and girls’ wearing apparel and accessories.” In particular, he asserts that, since 2008, the Owner has been offering for sale ladies’ pants, blouses, jackets, skirts and sweaters in Canada in association with the Mark.

[8] In support, attached to his affidavit are 16 representative invoices showing sales to Winners Apparel Ltd. The invoices are all dated within the relevant period. As attested to by Mr. Isenberg, the invoices show sales and shipments of large quantities of various styles of women’s pants, blouses, jackets, skirts and sweaters to a Winners location in Toronto.

[9] With respect to the manner of display of the Mark, Mr. Isenberg attests that at the time of sale and delivery of the clothing, a hangtag or label was attached to each item. An example of

such a label is attached as Exhibit 2 to his affidavit; an example hangtag is attached as Exhibit 3. The trade-mark as it appears in each exhibit is shown below, respectively:



[10] I note that no evidence was furnished with respect to any of the registered goods other than ladies' pants, sweaters, jackets, blouses and skirts.

Analysis

[11] In its written representations, the Owner conceded that the Owner was not using the Mark in association with "men's, children's, and girl's clothing or ladies' slacks, jeans, shorts, shirts, t-shirts or dresses". Although non-use with respect to "blazers" was not explicitly conceded, this appears to be an unintentional omission in the Owner's representations. In any event, as indicated above, the evidence is also silent with respect to "blazers". As there is no evidence of special circumstances excusing such non-use before me, the registration will be amended accordingly.

[12] With respect to the goods for which Mr. Isenberg does assert use, the Requesting Party makes three representations. First, it notes that the invoices did not display the Mark in any manner. Second, it asserts that the evidence does not clearly establish use of any trade-mark *by the Owner*. Third, it submits that the trade-mark actually displayed was not the Mark as registered.

Invoices

[13] With respect to the first issue, as noted by the Owner, there is no requirement that the invoices display the trade-mark in question. In this case, the invoices support Mr. Isenberg's assertion regarding transfers of the goods during the relevant period. Furthermore, Mr. Isenberg's statement that the exhibited hangtags and labels were affixed to such goods is properly taken at face value, as statements in an affidavit must be accorded substantial credibility in a section 45 proceeding [see *Ogilvy Renault v Compania Roca-Radiadores SA*, 2008 CarswellNat 776 (TMOB)].

Use by Owner

[14] With respect to the second issue, the Requesting Party submits that there is no indication that the clothing products sold to Winners were manufactured by the Owner or by someone acting under its control. The Requesting Party speculates that the goods may have been manufactured by a different legal entity such that the Owner had “no control over the character or quality of the product apparently sold to Winners”. It further submits that this “apparent ambiguity could have been minimized by showing samples of the actual garments sold”. Accordingly, the Requesting Party submits that since “there is no evidence regarding who the manufacturer was or showing the actual products”, the registration should be expunged in its entirety.

[15] Although the Requesting Party invokes section 50 of the Act by questioning whether the Owner had “control over the character or quality of the goods”, there is no licensing issue in this case. As submitted by the Owner in its written representations, whether the Owner itself manufactured the goods is irrelevant in this case. It is unnecessary to know whether the Owner directed the hangtags and labels be placed on the goods or whether the Owner itself placed the hangtags and labels on the goods. Any ambiguity in this respect does not impact the question of whether the trade-mark in question was used by its registered owner. Here, the goods were in fact sold by the Owner and, at the time of transfer, bore a variation of the trade-mark in question. As such, for purposes of this proceeding, any use of the Mark was by the Owner itself.

[16] Essentially, by questioning who may have manufactured the “BLACK KOI” garments, the Requesting Party is ultimately questioning whether the Owner is entitled to the registration. However, section 45 proceedings are not intended to provide an alternative to the usual *inter partes* attack on a trade-mark [see *United Grain Growers v Lang Michener*, 2001 FCA 66, 12 CPR (4th) 89]. As noted by the Federal Court of Appeal in *Ridout & Maybee srl v Omega SA*, 2005 FCA 306, 43 CPR (4th) 18, 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. As such, the nature of the Owner’s relationship to the actual manufacturer of the registered goods – if indeed it is a different entity – is beyond the scope of this proceeding.

Deviation

[17] The real issue in this case is whether the trade-mark displayed on the labels and hangtags, as shown above, constitutes display of the Mark as registered. It is well established that where the trade-mark as used deviates from the trade-mark as registered, the question to be asked is whether the trade-mark was used in such a way that it did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade-marks) v Cie International pour l'informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA)]. In deciding this issue, one must look to see if, as a question of fact, the “dominant features” of the registered trade-mark have been preserved [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)].

[18] The Requesting Party submits that the change “from BLACK KOI to BLACKOI is clearly not a minor modification, but instead a significant change in the appearance, sound and idea suggested”, such that “consumers would not recognize it as the same mark”.

[19] In support, it cites *Convenience Food Industries (Private) Ltd v Clic International Inc*, 2011 FC 1338, 97 CPR (4th) 420 and *Diamant Elinor Inc v 88766 Canada*, 2010 FC 1184, 90 CPR (4th) 428. However, both of those cases dealt with registrations for design marks that contained distinctive elements omitted from the trade-marks used. In *Convenience Food*, the registration included a palm tree element that was considered at least as dominant as the word portion of the registered trade-mark; in *Diamant Elinor*, the trade-mark was in the nature of a particular signature whereas the trade-mark used was displayed in plain characters with a distinctive panther design. As such, these cases are distinguishable and neither is directly applicable to the present case.

[20] Here, I would first note that, upon close inspection, the letter K on the hangtags and labels is actually “doubled”: the first K being partially superimposed over the second K. This doubling is, perhaps, too subtle to support an assertion that the Mark as registered is displayed. Indeed, the Registrar has found that a similar modification can be fatal if the word mark is no longer recognizable [see *LG Electronics v Valgear Inc*, 2013 TMOB 256, 113 CPR (4th) 430 for the trade-mark LG GEAR]. In that case, what the trade-mark owner described as a “double G” in its stylized logo was better characterized as a border around the letter G, rather than an entire

second letter G. As such, the Registrar found that the public, as a matter of first impression, would perceive the trade-mark as ‘LGear’.

[21] In any event, each case must be determined on its own facts. In this case, I note that the trade-mark displayed in association with the goods is not simply BLACKOI as asserted by the Requesting Party. The word KOI is differentiated from BLAC by way of a dark background on both the labels and hangtags. As noted by the Owner, the modifications do not change the pronunciation or the idea suggested. Even if the public would not perceive the “double” K as a matter of first impression, the bolding effect on the letter K reinforces the ability to identify two words and gives the impression that the label should be read as “BLACK KOI”. At most, the trade-mark displayed omits the letter K from the word BLACK. In my view, this is a minor deviation from the Mark as registered.

[22] In view of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with the registered goods “ladies’ ... pants, ... sweaters, jackets, ... blouses and skirts” within the meaning of sections 4 and 45 of the Act.

Disposition

[23] 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 amended to delete the following from the statement of goods: “... men’s and children’s ... slacks, jeans, shorts, shirts, T-shirts, ..., blazers and ladies and girls’ dresses”.

[24] The amended statement of goods will be as follows: “Ladies’ pants, sweaters, jackets, blouses and skirts”.

Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office

Hearing Date: No Hearing Held

Agents of Record

Kaufman Laramée

For the Registered Owner

Smart & Biggar

For the Requesting Party