



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

Citation: 2016 TMOB 133
Date of Decision: 2016-07-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Fetherstonhaugh & Co.

Requesting Party

and

Nasri International Inc.

Registered Owner

TMA535,298 for NORTH COAST

Registration

[1] At the request of Fetherstonhaugh & Co. (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 October 17, 2014, to Nasri International Inc. (the Owner), the registered owner of registration No. TMA535,298 for the trade-mark NORTH COAST (the Mark).

[2] The Mark is registered in association with the following goods:

Sweaters, T-shirts, jeans, pants, shorts, dresses, robes, parkas, leggings, coats, shirts, tops, skirts, jumpers, sweatshirts, tights, gloves, hats, scarves.

[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 the trade-mark 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 October 17, 2011 and October 17, 2014.

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

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] In response to the Registrar’s notice, the Owner furnished the affidavit of Ranya Nasri, sworn on January 14, 2015. Both parties filed written representations. No hearing was held.

Evidence

[6] As a preliminary matter, in her affidavit, Ms. Nasri references a previous section 45 proceeding regarding the subject registration. That proceeding commenced on May 17, 2010, and the Registrar’s decision issued on February 28, 2013. As the relevant period in that proceeding was from May 17, 2007 to May 17, 2010, the evidence in that case would ordinarily be irrelevant in the present proceeding. However, as noted below, Ms. Nasri attaches her affidavit from that previous proceeding to her *present* affidavit as Exhibit 1. She states, “To the extent that the allegations in my aforementioned affidavit of August 17, 2010 may be relevant for our present purposes, I hereby reiterate each and every allegation”. I will address below the issues arising from that statement.

[7] In her affidavit for the present proceeding, Ms. Nasri identifies herself as an attorney and an administrator of the Owner, actively involved in its affairs on a full-time basis since at least 2005.

[8] With respect to the Owner’s business, Ms. Nasri states that the Owner designs, imports, distributes and sells garments and accessories to retailers across Canada and the United States. Ms. Nasri explains that nearly all of the Owner’s garments are conceived, styled and shown to retailers eight to ten months before the retail selling season for which the garments are intended. She explains that the Owner creates “sketch boards” that depict stylings and fashion images for the Canadian and U.S. markets and prepares samples conforming to the sketch boards. She states that such sketch boards and samples are shown to, and often given to, prospective retailers when soliciting orders.

[9] Ms. Nasri attests that, since 2000, the Owner has “continuously sold and distributed garments” in association with the Mark to retailers across Canada. She broadly asserts that the Owner has “used the trade-mark NORTH COAST in Canada during the relevant period, in association with the wares specified in [the registration]”. With respect to transfers of the registered goods, Ms. Nasri does not explicitly identify the particular garments sold during the relevant period. Rather, she states that the Owner sold and delivered to customers in Canada “each and every ware of the type depicted” in Exhibit 8 to her affidavit. As noted below, the garments identified in that exhibit include jackets, sports coats, housecoats, pyjama pants, pyjama sets, outerwear pants, snowsuits, mittens, hats and scarves.

[10] Problematically, Ms. Nasri also states that the Owner sold to Canadian retailers “the type of NORTH COAST wares depicted” in particular exhibits attached to her aforementioned *previous* affidavit. In that affidavit, Ms. Nasri identified some of the depicted garments as a sweater, t-shirt, pants, parka, shirt and sweatshirt. Upon review of the remaining garments depicted in the previous affidavit, I note that they include Bermuda shorts and polo shirts as well.

[11] With respect to display of the Mark, Ms. Nasri attests that the garments sold to Canadian retailers during the relevant period had labels or hangtags displaying the Mark or were delivered in packaging displaying the Mark. In addition, at least with respect to jackets, Ms. Nasri attests that the Mark is sometimes displayed on the garment itself.

[12] In support of her statements, Ms. Nasri attaches the following further exhibits to her affidavit:

- Exhibits 2 through 6 depict labels and hangtags bearing the Mark. Ms. Nasri attests that such labels and hangtags are representative of the ones attached to the Owner’s garments at the time of transfer. Notations on the exhibited documents indicate the particular retail season, most of which are within the relevant period.

Also included in Exhibit 4 are drawings of bags bearing the Mark; however, those drawings indicate a retail season outside of the relevant period.

- Exhibit 7 consists of 13 photographs of plastic bags. Ms. Nasri attests that garments were delivered to Canadian retailers in these bags during the relevant period. Although the depicted bags are empty, the Mark is displayed on the bags.
- Exhibit 8 consists of 33 sketch boards, which Ms. Nasri attests are representative of those given to retailers when soliciting orders. The Mark is displayed at the top of each sketch board, along with notations indicating a particular garment category and retail season. Although some of the retail seasons are outside of the relevant period, Ms. Nasri attests that orders for those retail seasons were solicited during the relevant period. The body of each sketch board contains drawings of garments and accessories with accompanying descriptions. According to those descriptions, the garments depicted include various types of jackets, sports coats, housecoats, pyjama pants, pyjama sets (“shirt w/ pant” and “top w/ pant”), outerwear pants, snowsuits, mittens, hats and scarves.
- Exhibit 9 consists of eight invoices and three shipping logs showing sales and shipments to Canadian companies. All of the invoices and most of the entries in the shipping logs are dated within the relevant period. I note that the style codes and garment descriptions in these documents correspond to some of the style codes and descriptions in the sketch boards. Based on those codes and descriptions, I can identify invoices and shipping logs for pyjama pants, housecoats and three types of jackets: quilted, rain and “with inside bib”.
- Exhibit 10 consists of 24 photographs of garments bearing labels and hangtags displaying the Mark. Ms. Nasri attests that those labels and hangtags were present when the goods were sold to Canadian retailers. Although Ms. Nasri does not name the garments shown in the photographs, these garments correspond with drawings and descriptions in the Exhibit 8 sketch boards. Based on those descriptions, I can identify pyjama pants, a housecoat, a rain jacket and a two-piece snowsuit. In addition, the Owner furnished specimens of the depicted rain jacket and snowsuit, in the type of bag shown at Exhibit 7.
- Exhibit 11 consists of 11 photographs, which Ms. Nasri attests are of garments on which the Mark was directly “inscribed” at the time of transfer during the relevant period. The

photographs all appear to be of the same style of hooded winter jacket, corresponding to the sketch board drawing of a “quilted jacket”. The Mark appears on the front of the jacket and is also displayed on two labels and a hangtag. The Owner also furnished a specimen of this jacket.

[13] Finally, I note that, in her previous affidavit, Ms. Nasri stated that the Owner’s business depends to some extent on market conditions and on being able to purchase garments from reliable suppliers at competitive prices. Since Ms. Nasri essentially reiterates the allegations from her previous affidavit, to the extent that they may be relevant for present purposes, I will address her statement regarding market conditions and suppliers below.

Analysis

[14] Although Ms. Nasri asserts that the Owner has “used” the Mark during the relevant period in association with the registered goods, it is well established that 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)]. Although the threshold for establishing use in section 45 proceedings is quite low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the goods specified in the registration during the relevant period [*John Labatt Ltd v Rainer Brewing Co et al* (1984), 80 CPR (2d) 228 (FCA)].

[15] In this case, the Requesting Party submits that the Owner has only shown use of the Mark in association with pyjama pants, housecoats and jackets which, the Requesting Party submits, correspond to the registered goods “robes” and “coats” (but not “pants”, as discussed below).

[16] For its part, the Owner contends that the evidence establishes use of the Mark in association with all of the registered goods, on the basis that “the evidence of Nasri asserts that all wares specified in the registration were in fact sold ... during the relevant period”. Although not all of the registered goods are represented in the exhibits, the Owner submits that “an overkill of evidence” is not necessary. The Owner responds to the Requesting Party’s claims that the

evidence is lacking by arguing that section 45 proceedings “are not intended to punish owners of registered trade-marks or to oblige the registrants to go to great lengths and inconvenience and expense”.

[17] However, as stated by the Federal Court, evidence “should be forthcoming in quality, not quantity” [*Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289 (FCTD) at 293]. I do not find it unreasonable to expect the Owner to have furnished at least some evidence of transfers with respect to each of the registered goods, particularly given the relatively small number of goods listed in the registration at issue.

[18] Furthermore, as noted above, one of Ms. Nasri’s assertions with respect to use of the Mark during the relevant period is by way of reference to her previous affidavit. Of course, any evidence of sales in that previous affidavit predates the relevant period and is therefore irrelevant in the present proceeding. Nevertheless, I have noted which garments are depicted in the previous affidavit, for the limited purpose of interpreting Ms. Nasri’s assertion that such goods were *also* sold during the relevant period.

Pants, robes, parkas and coats

[19] As noted above, the Owner’s evidence includes invoices for pyjama pants, housecoats, and three types of jackets sold in association with the Mark.

[20] In its representations, the Requesting Party concedes that these garments correspond to the registered goods “robes” and “coats”. Indeed, I accept that the garment identified in the invoices as a housecoat represents a “robe” and that the garments identified in the invoices as a rain jacket and jacket with inside bib may be considered “coats”.

[21] In addition, I accept that the hooded winter jacket identified in the invoices as a “quilted jacket” represents the registered good “parkas”.

[22] With respect to the invoiced pyjama pants, the Requesting Party submits that this garment does not fall under the registered good “pants”. The Requesting Party argues that the term “pants” is typically understood to mean “trousers” and that pyjama pants would instead be described as “pyjamas”. However, I consider that approach overly technical in the present case.

The list of goods in the registration at issue has not been divided into separate categories for outerwear, sleepwear, sportswear or the like and, as such, provides little basis for a narrow interpretation of “pants”. More importantly, the exhibited invoices and the sketch boards used to solicit orders explicitly identify this garment using the term “pant”. Therefore, in view of the particular evidence in the present case, I accept that the depicted pyjama pants correspond to a type of “pants”.

[23] In view of the foregoing, I am satisfied that the Owner has shown transfers of the registered goods “pants”, “robes”, “parkas” and “coats” in association with the Mark during the relevant period.

The remaining goods – depicted in the sketch boards

[24] In her affidavit, Ms. Nasri asserts that the Owner also sold and delivered to customers in Canada “each and every ware of the type depicted” in the Exhibit 8 sketch boards. In its representations, the Owner submits that the Exhibit 8 sketch boards depict the registered goods leggings, gloves, hats and scarves.

[25] However, even if I were to accept this submission, the evidence does not include invoices for any of the depicted garments that may correspond to those goods. For example, there are no invoices for the depicted “snowsuit pants”, “mittens”, “hats” or “scarves”. Furthermore, Ms. Nasri does not state that the invoices provided in her affidavit are representative of invoices issued during the relevant period for other goods.

[26] Although it is not mandatory to furnish an invoice for each registered good, sufficient evidence must still be provided to allow the Registrar to conclude that transfers of each of the goods actually occurred [see *Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)]. Although the sketch boards may support Ms. Nasri’s assertion that orders for the goods depicted in the sketch boards were *solicited*, the sketch boards alone are insufficient to show that actual purchase orders were received and fulfilled. Furthermore, although Ms. Nasri states that samples conforming to the sketch boards are “often given to” prospective retailers, she does not specify which garments were given as samples to Canadian

retailers during the relevant period. Moreover, she does not tie the provision of such samples to any subsequent sales in the normal course of trade.

[27] Although responding to a section 45 notice is not meant to be onerous, in this case, it should have been a simple matter for the Owner to provide some particulars regarding sales for all of the registered goods, as was done for pants, robes, parkas and coats. Instead, by relying on sketch boards used merely to solicit orders, the Owner chose a curiously circuitous means of “demonstrating” sales of leggings, gloves, hats and scarves. Too many inferences would be necessary to overcome the inherent ambiguities in this type of evidence, to conclude that such goods had actually been sold in the normal course of trade during the relevant period. Instead, such ambiguities must be resolved against the registered owner [per *Plough, supra*].

[28] In the absence of further factual particulars, Ms. Nasri’s broad statement that the Owner sold and delivered the type of goods depicted in the sketch boards amounts to a mere assertion of use, rather than a statement of fact showing use.

The remaining goods – depicted in the previous affidavit

[29] In her affidavit, Ms. Nasri also asserts that, during the relevant period, the Owner sold to Canadian retailers “the type of NORTH COAST wares depicted” in certain exhibits to her previous affidavit. As noted above, the garments depicted in that previous affidavit include a sweater, sweatshirt, t-shirt, shirt, polo shirts and Bermuda shorts.

[30] In its representations, the Owner submits that the previous affidavit also depicts jeans, dresses, leggings, tops and skirts. Furthermore, although the Owner concedes in its representations that “jumpers or tights “ are not depicted in furnished exhibits, it maintains that Ms. Nasri asserts sales during the relevant period with respect to all of the registered goods.

[31] In any event, as discussed above, Ms. Nasri’s mere assertion that the Owner sold such depicted garments during the relevant period is insufficient to meet the requirements of section 45. Again, a registered owner must not merely state, but actually *show* use of the trademark in association with each of the goods for which it has been registered, “by describing facts from which the Registrar or the Court can form an opinion or can logically infer use within the meaning of section 4” [see *Guido Berlucchi & C Srl v Brouillette Kosie Prince*, 2007 FC 245, 56

CPR (4th) 401 at para 18]. In the present case, again, the Owner provides insufficient particulars regarding sales or transfers of the remaining goods during the relevant period.

[32] In view of all the foregoing, I am only satisfied that the Owner has demonstrated use of the Mark in association with the registered goods “pants”, “robes”, “parkas” and “coats” within the meaning of sections 4 and 45 of the Act.

Special Circumstances

[33] Ms. Nasri alleges, albeit in her previous affidavit, that the Owner’s business depends, to some extent, on market conditions and on being able to purchase garments from reliable suppliers at competitive prices. To the extent that those factors might explain an absence of use of the Mark with respect to certain registered goods, as discussed below, such factors do not qualify as “special circumstances” that would *excuse* that absence of use.

[34] To determine whether special circumstances have been demonstrated, the Registrar must first determine why the trade-mark 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)]. “Special circumstances” means circumstances or reasons that are unusual, uncommon, or exceptional [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD)].

[35] 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 determination involves the consideration of three criteria: (1) the length of time during which the trade-mark has not been in use; (2) whether the reasons for non-use were beyond the control of the registered owner; and (3) whether there exists a serious intention to shortly resume use [*Harris Knitting Mills, supra*]. The intention to shortly resume use “must be substantiated by factual elements” [*Lander Co Canada v Alex Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)]; see also *Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 (FCTD); and *NTD Apparel Inc v Ryan* (2003), 27 CPR (4th) 73 (FCTD)]. All three criteria are relevant, but meeting the second criterion is mandatory [per *Smart & Biggar v Scott Paper Ltd*, 2008 FCA 129, 65 CPR (4th) 303].

[36] As attested to by Ms. Nasri, the reasons for non-use in the present case could be characterized as “market conditions” and, more specifically, “an inability to purchase garments from reliable suppliers at competitive prices”. However, it is well-established that, generally, market conditions cannot constitute special circumstances [see, for example, *John Labatt, supra*]. Market conditions fluctuate, such that “poor economic conditions” on their own are not “an uncommon or exceptional situation” [see *Lander, supra* at 420].

[37] Since the reasons for non-use in this case do not amount to special circumstances, it is unnecessary to determine whether those circumstances *excuse* the period of non-use. In any event, I would not be satisfied that they meet the three criteria set out in *Harris Knitting Mills*.

[38] In this respect, first, Ms. Nasri does not explicitly state the date of last use for the registered goods at issue; however, based on the most recent invoices in her previous affidavit, the period of non-use would appear to exceed four years. The Owner’s evidence does not contain reasons that would justify that length of non-use. As noted by the Federal Court, deciding to refrain from the use of one’s trade-mark in Canada until market conditions are favorable is a voluntary act [per *John Labatt, supra*]. In any event, absent particulars, it is not evident that the lack of use was due to circumstances beyond the Owner’s control.

[39] Indeed, in *Coltex BV v Nasri Frères International Inc* (2009), 72 CPR (4th) 253 (TMOB), another case involving the Owner, the Registrar noted that “it is difficult to ascertain ... whether the difficulty encountered with suppliers was a factor beyond the control of the registrant” since “the registrant has not elaborated on the difficulties experienced, or what steps were taken during the relevant time period to ameliorate such circumstances.” I consider those conclusions apt in the present case as well.

[40] Moreover, the Owner’s intention to shortly resume use is not substantiated by the evidence. Even if I accept that the exhibited sketch boards demonstrate a preliminary step towards using the Mark in association with some of the remaining goods, there are no particulars in evidence regarding any specific efforts made to solicit Canadian orders based on those sketch boards. Nor does the evidence indicate whether any such orders were actually received or when, for example, the first delivery of such goods in the normal course of trade is likely to occur.

Disposition

[41] In view of all of the foregoing, 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 goods:

Sweaters, T-shirts, jeans, ... shorts, dresses, ... leggings, ... shirts, tops, skirts, jumpers, sweatshirts, tights, gloves, hats, scarves.

[42] The amended statement of goods will read as follows: "Pants, robes, parkas, coats."

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

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

No Hearing Held

AGENTS OF RECORD

Harold W. Ashenmil

For the Registered Owner

Fetherstonhaugh & Co.

For the Requesting Party