



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

Citation: 2015 TMOB 133
Date of Decision: 2015-07-31

IN THE MATTER OF A SECTION 45 PROCEEDING

SMITHS IP

Requesting Party

and

SAKS & COMPANY

Registered Owner

TMA753,037 for SAKS

Registration

[1] At the request of Smiths IP (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 10, 2013 to Saks & Company (the Owner), the registered owner of registration No. TMA753,037 for the trade-mark SAKS (the Mark).

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

- (1) Luggage, handbags, purses, billfolds, wallets, pocket books, card cases, key cases, brief cases.
- (2) Jewelry.
- (3) Stationery for personal correspondence, namely writing paper, correspondence cards and envelopes, writing pens, pencils and crayons, paper napkins and handkerchiefs, facial tissue, toilet tissue, desk calendars, calendar pads, blotters, desk blotters and pads, envelope openers, paper knives for desk use, pen and pencil desk sets, address books, telephone book covers, memorandum pads and telephone shields, photographic albums, place cards, luggage labels and diaries.
- (4) Printed matter namely, engraved social announcements, invitations, announcement cards, and visiting cards; greeting cards; Christmas cards and seals; printed return address stickers; books; puzzle books; pictures; decorative calendars embellished with pictures;

and maps.

(5) Clothing for men, women and children, namely, coats, jackets, suits, dresses, pants, shorts, skirts, shirts, warm up suits, blouses, sweaters, scarves, mufflers, hats, caps, gloves, vests, socks, hosiery, underwear, sleepwear, robes, ties and belts.

(6) Cosmetics, namely make-up kits consisting primarily of make-up, eye shadow, lipstick, blush, eyebrow pencils; skin lotions, perfumes, colognes, make-up bags containing make-up, toilet water, eau de cologne, eau de parfum, scented body lotion, scented bath gel, nail polish, lipstick, scented skin soap, skin moisturizing lotions, body moisturizing lotions, hand creams.

(7) Toiletries namely, toilet soaps, bath soaps, and shampoos.

[3] The Mark is also registered for use in association with “Retail department store services”.

[4] The notice required the Owner to furnish evidence showing that the Mark was used in Canada, in association with each of the goods and services specified in the registration, at any time between June 10, 2010 and June 10, 2013. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

[5] The relevant definitions of use with respect to goods and services are set out in sections 4(1) and 4(2) 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.

4(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.

[6] 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 these 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 and services specified in the registration during the relevant period.

[7] In response to the Registrar’s notice, the Owner furnished the affidavit of Sunny S. Park, Vice-President and Associate General Counsel of Saks Incorporated, the parent company of the Owner, sworn on January 6, 2014 in New York, United States. Both parties filed written representations and were represented at an oral hearing held on March 9, 2015.

The Owner’s Evidence

[8] In her affidavit, Ms. Park explains that the Owner is a luxury goods retailer founded in 1924 in the United States, and that it operates 40 retail stores under the “Saks Fifth Avenue” label, 65 retail stores under the “Saks Off Fifth” label, and an affiliated retail website that is accessible at *www.saks.com* and *www.saksfifthavenue.com* (the Website).

[9] Ms. Park explains that the Mark is used by the Owner or its parent company, Saks Incorporated, under license from the Owner, in association with the goods and services as registered. She attests that the Owner has at all times, including through the relevant period, exercised direct or indirect control of the character or quality of the goods and services offered in association with the Mark. Ms. Park notes that the Owner was purchased by the Canadian company, HBC, for more than \$2.9 billion in November 2013.

[10] Ms. Park asserts that SAKS is displayed in a variety of ways in association with the goods and services, including as part of the Saks Fifth Avenue Design and the Saks First logo, both reproduced below:



(Saks Fifth Avenue Design)



Exclusive Rewards Card

(Saks First logo)

[11] Ms. Park also explains that the Mark appears on products “under a family of SAKS marks”, which she identifies as the “SAKS House Label”.

Representative T-Shirts

[12] With respect to the appearance of the Mark on products, at Exhibit B to her affidavit, Ms. Park attaches photographs of a men's V-neck t-shirt and its packaging. She attests that these shirts are "sold under the SAKS House Label ... and are representative examples of how the [goods] under the SAKS House Label appeared and were packaged during the relevant period". While she identifies it as the "SAKS House Label", the trade-mark that appears on the shirts and the packaging is the Saks Fifth Avenue Design, reproduced above.

[13] As discussed further below, I note that with respect to the goods sold by the Owner, where it appears, SAKS is consistently followed by FIFTH AVENUE in the same size and font. As such, while Ms. Park uses the term "SAKS House Label" in her affidavit, I consider it more accurate to use the term "SAKS FIFTH AVENUE House Label" with respect to the registered goods.

[14] Furthermore, I note that in the Saks Fifth Avenue Design, as it appears on the representative shirts and their packaging, the words "Saks", "Fifth" and "Avenue" are intertwined in a stylized font.

Owner's Website

[15] Ms. Park attests that since 2000, the Owner has provided retail store services through the Website, enabling consumers to shop, place orders, and pay online. She attests that since November 2008, the Website offered direct shipping services to customers in Canada, and telephone orders based on the Website's listings were fulfilled and shipped to customers in Canada since the fall of 2007.

[16] Ms. Park attests that the Owner's Website facilitates online shopping by Canadian consumers by allowing them to view prices in Canadian dollars during the online purchase process. She explains that once an item is selected for purchase, it must be placed into the online shopping cart, or "SAKS Bag", prior to payment; customers may then pay for their purchase in Canadian dollars.

[17] In support, Ms. Park provides a number of printouts from the Website as exhibits to her affidavit. She attests that these printouts are dated from or representative of the Website during the relevant period:

- Exhibit A consists of a number of webpage printouts from the Website featuring “seasonal trends” and advertising a variety of clothing goods and accessories. Ms. Park explains that these webpages are viewed when consumers, including those in Canada, place orders online. The Saks Fifth Avenue Design is clearly displayed at the top left corner of each webpage. As well, the top menu bar includes a link to the “SAKS Bag”, and the bottom menu bar includes links to the “SAKS FIRST” reward program, and the “SAKS Blog”. However, many of the goods featured on the pages appear to be third-party products. For example, all of the products displayed under the heading “Best Sellers at SAKS.COM” appear to be those of other brands, including STELLA MCCARTNEY, KATE SPADE NEW YORK, and JIMMY CHOO.
- Exhibit D consists of printouts from the Website’s catalogue showing a variety of goods available for sale. These items include jackets, suits, sweaters, glasses, belts, scarves, gloves, hats, umbrellas, socks, ties, card cases, wallets, cosmetics, toiletry bags, and jewellery. Descriptions for the items appear next to or below photos of the items. For example, “Saks Fifth Avenue Black Label, Alligator Money Clip” appears below a picture of a money clip; and “611 Saks Fifth Avenue New York, Narrowing V-Neck Sweater” appears next to a picture of a model wearing a sweater.

As with the Exhibit B shirts, although Ms. Park describes the goods as being sold in association with the “SAKS House Label”, I note that where SAKS is displayed in the item description, it is consistently followed by FIFTH AVENUE in the same size and font.

- Exhibit H consists of printouts from the Website featuring an “International Shipping” webpage, which states that “Saks.com now offers international shipping to 101 destinations”. I note that “Canada” and “Canadian Dollar” are available as country and currency options, respectively. The exhibit also includes a webpage that shows a “Ship

To: Canada” icon in the top toolbar. Ms. Park attests that this icon indicates any selected items in the order will be shipped to Canada.

- Exhibits I and J consist of printouts from the Website that show how users can elect to view the purchase price of items in Canadian dollars on the “International Shipping” webpage, as well as how the cost of a selected item is displayed in Canadian dollars in the SAKS Bag at the time of purchase.
- Exhibit K is a printout from the Website’s payment page with the heading “SAKS BAG”, showing an order summary with the purchase price of an item in Canadian dollars.

SAKS App

[18] Ms. Park explains that consumers in Canada are also able to order items through a SAKS mobile and tablet application (the SAKS App). She attests that since its inception in November 2011, the SAKS App has enabled Canadian consumers to shop and place orders with the Owner on their mobile devices.

[19] Ms. Park attests that once the SAKS App is opened, the sidebar menu lists categories such as “SAKS Sale” and “SAKS Fashionfix”. As well, the bottom menu bar shows shortcuts to “SAKS Style” and “SAKS Bag”. Ms. Park further attests that the SAKS App includes an “International Shipping” sidebar menu option, which users can select to ship orders placed through the SAKS App to Canada. Ms. Park also attests that customer service on the SAKS App is accessible to individuals calling from Canada.

[20] Like the Website, Ms. Park explains that items selected for purchase through the SAKS App must be placed into the user’s SAKS Bag prior to purchase.

[21] In support, Ms. Park provides a number of screenshots of the SAKS App as exhibits to her affidavit. She attests that these screenshots are representative of the layout of the SAKS App since its launch in 2011 and throughout the relevant period:

- Exhibit M is a screenshot showing how the SAKS App appears on a mobile device. Although the icon of the SAKS App itself is a display of the Saks Fifth Avenue Design, I note that the Mark as registered is displayed separately directly below the icon.
- Exhibits N and P consist of screenshots showing items in the SAKS Bag with the purchase price listed in Canadian dollars. I note that “SAKS Bag” appears prominently at the bottom right corner of the screen.
- Exhibit O is a screenshot showing the side and bottom menu bars with the option to ship orders to Canada.
- Exhibit Q is a screenshot showing the SAKS customer service policy, which references Canadian users of the SAKS App.

Sales

[22] With respect to sales, Ms. Park attests that the Owner has sold millions of dollars in goods to customers in Canada through phone orders, the Website, and the SAKS App. She attests that in 2012 specifically, the Owner generated sales of over \$3.9 million dollars to customers in Canada.

[23] In support, Ms. Park provides the following exhibits to her affidavit:

- Exhibit C is a company record listing what Ms. Park describes as “SAKS House Label goods”, which she attests were sold and shipped to Canadian customers during the relevant period. The listing is several pages and identifies hundreds of goods sold to various Canadian customers. The descriptions indicate that the goods listed are primarily clothing items, although some of the descriptions are for cosmetics products, such as “interchangeable brush set” and “shopping bag makeup palet”.

Again, although Ms. Park identifies the listings as being for the “SAKS House Label”, I note that where SAKS is displayed in the “Brand” column, it is consistently followed by FIFTH AVENUE. For example, there are listings for 611 SAKS FIFTH AVENUE NEW

YORK, RED SAKS FIFTH AVENUE, and SAKS FIFTH AVENUE BLACK LABEL.

In any event, I note that the document is an internal company record.

- Exhibit E is a spreadsheet purporting to demonstrate that during 2010-2013, the Owner made over \$40,000 in sales of what Ms. Park describes as “SAKS House Label goods” to customers in Canada. The dollar figures appear to be organized by brand, such as BLACK SAKS FIFTH AVENUE and SAKS FIFTH AVENUE RED LABEL, showing sales figures for each calendar year. The particular goods themselves are not identified. Again, this appears to be an internal company record and, in any event, in all cases, SAKS is followed by FIFTH AVENUE, as in Exhibit C.
- Exhibits F, G, L, R and W consist of various internal company records ultimately showing sales by the Owner to addresses in Canada during the relevant period. Although the records indicate sales were made, nothing in the records indicate that the sales were of SAKS FIFTH AVENUE brands. For example, the record at Exhibit W shows sales of over \$1.8 million in 2010, \$2.6 million in 2011, \$3.9 million in 2012, and \$3 million in 2013 to customers in Canada. However, it is not clear whether these sales were with respect to goods sold in association with SAKS FIFTH AVENUE or simply total sales by category across all of the product lines offered by the Owner.
- Exhibit U is a copy of a shipping summary that Ms. Park attests is representative of those that accompanied goods shipped to Canadian consumers during the relevant period. The summary displays the order number and describes the purchased item. The Saks Fifth Avenue Design appears at the top left corner of the page, with “saks.com” directly below it. I note, however, that “SAKS” does not appear in the Item Description column. Instead, the description includes items that appear to be associated with third-party trademarks, namely BCBGMAXAZRIA shorts and J BRAND jeans.
- Exhibit V consists of copies of invoices, which Ms. Park explains are issued electronically to the customer after the Owner receives an order. Ms. Park attests that these invoices are representative of invoices issued to Canadian customers during the relevant period. The Saks Fifth Avenue Design appears prominently at the top of each

invoice, with “saks.com” directly below it. Again, however, none of the product descriptions are for SAKS or even SAKS FIFTH AVENUE goods. Instead, all the product descriptions include what appear to be third-party trade-marks, including KIEHL’S, YVES SAINT LAURENT, and MARC BY MARC JACOBS.

Packaging

[24] First, as indicated above, Exhibit B consists of photographs of t-shirts and their packaging, which Ms. Park describes as being “representative examples of how goods under the SAKS House Label appeared and were packaged during the relevant period”. As also indicated above, however, the shirts and their packaging bear the Saks Fifth Avenue Design and Ms. Park furnishes no exhibits showing other goods or their packaging displaying the Mark or variations thereof.

[25] Instead, Ms. Park explains that all orders placed with the Owner and shipped to Canada are packaged in a specialized manner and asserts that the Mark is prominently featured throughout the layers of such packaging. In this respect, she attests that any purchased item is wrapped in tissue paper and sealed with a sticker; the package is placed inside a box; and a card may be placed inside the box, depending on the item. Once this box is ready for shipping, it is placed inside another box bearing the shipping address in Canada. As Ms. Park indicates that *all* orders to Canada are shipped in this manner, this would appear to include the goods listed in the aforementioned invoices and shipping summary, which were described using third-party brands such as J BRAND and KIEHL’S.

[26] In support, Ms. Park provides the following exhibits attached to her affidavit:

- Exhibit S consists of photographs showing how orders are packaged for shipment. Consistent with Ms. Park’s statements, the photographs indicate that purchased items are wrapped in white tissue paper and sealed with a sticker depicting the Saks Fifth Avenue Design. The photographs also show a variety of boxes that the wrapped items are placed in. All of these boxes display the Saks Fifth Avenue Design on the outside and inside cover. In most instances, “saks.com” also appears directly below the Design. In other instances, an OFF 5TH design mark also appears on the box with “saksoff5th.com”

directly below it.

A black envelope bearing the Saks Fifth Avenue Design with “saks.com” and indicating that “Information on your order is enclosed ... Thank you for shopping at saks.com” is also shown as being placed inside the box with the purchased item.

Exhibit S further includes a photograph depicting a number of cards, which Ms. Park attests are placed inside the boxes depending on the item. I note that all of these cards bear the Saks Fifth Avenue Design, with or without “saks.com” below it.

- Exhibit T consists of a photograph of a shipping box containing a packaged order shipped “From Supplier: Saks Fifth Avenue” via DHL Express to an address in Toronto, Canada. Ms. Park attests that this is representative of shipping packages sent to Canada during the relevant period.

Reward Program

[27] Ms. Parks explains that the Owner operates a bonus rewards and credit card program called Saks First, which has been available to Canadian customers since it was launched in 1997. She explains that through this program, members receive points for purchases at the Owner’s retail stores, including via the Website.

[28] In support, she attaches the following exhibits to her affidavit:

- Exhibit AA is a copy of a Saks First rewards card, displaying the Saks First logo, as reproduced above at paragraph 10.
- Exhibit BB consists of printouts from the Website describing the Saks First rewards program.
- Exhibit CC consists of a partially redacted list of Saks First rewards program members with addresses in Canada. Ms. Park attests that there are 14,000 members with addresses in Canada.

Advertising

[29] Ms. Park explains that the Owner specifically advertises its goods and services in association with the Mark to Canadian consumers through web-based advertising, and through special promotions and sales. She also explains that the Owner has been mentioned in the Canadian Press, including being named as a “coveted ... designer clothing outlet” in the *Toronto Star*. Examples of such articles are furnished at Exhibit X to her affidavit. In addition, Exhibit Y consists of printouts from various third-party Canadian websites showing paid advertisements displaying the Saks Fifth Avenue Design. As well, Exhibit Z consists of email advertisements displaying the Saks Fifth Avenue Design, which Ms. Park attests were sent to Canadian customers to promote sales events based on various Canadian holidays.

Social Media

[30] Finally, Ms. Park attests that in addition to the Website and the SAKS App, the Owner operates a blog, “SAKS POV”, and has various Twitter accounts, including “@SAKS”, all of which were accessible to Canadians during the relevant period.

[31] Attached as Exhibit DD to Ms. Park’s affidavit are screenshots from the SAKS blog showing stories relating to “the world of fashion and beauty” posted during the relevant period. Similarly, Exhibits EE and FF consist of printouts from two of the Owner’s Twitter account feeds, showing account activity during the relevant period.

Analysis – Preliminary Issues

[32] At the outset, there are two preliminary issues raised by the Requesting Party in its written representations. The Requesting Party submits that there are ambiguities and deficiencies in the evidence which raise doubts as to (i) whether use of the Mark by the Owner’s parent company and licensee, Saks Incorporated, enures to the benefit of the Owner, and (ii) whether use of the Mark has been use as a trade-mark rather than as a trade-name.

Licensed Use of the Mark

[33] With respect to the issue of licensed use, the Requesting Party argues that any use of the Mark by the Owner's parent company, Saks Incorporated, does not enure to the benefit of the Owner because there is no evidence, other than a bald assertion, that Saks Incorporated is a licensee of the Owner. Specifically, the Requesting Party submits that Ms. Park's affidavit does not explain or provide details of how the Owner exercised direct or indirect control, nor does it provide copies of any license agreements between Saks Incorporated and the Owner. In this respect, the Requesting Party submits that use by some "vaguely-defined" corporate affiliate of the Owner does not constitute use of the Mark by the Owner.

[34] However, it is well established that filing a copy of a license agreement is not required in a section 45 proceeding provided that the evidence establishes that the trade-mark owner had the requisite control over the character and quality of the goods and services offered in association with the trade-mark. It has also been held that a clearly sworn statement is a sufficient method by which a registered owner can demonstrate the requisite control [see *Empressa Cubana Del Tabaco v Shapiro Cohen*, 2011 FC 102, 91 CPR (4th) 248, aff'd 2011 FCA 340, 2011 CarswellNat 5405]. Control over the character and quality of the goods or services can also be inferred where there is an overlap in corporate control or ownership between the licensor and the licensee [see *Lindy v Canada (Registrar of Trade Marks)*, 1999 CarswellNat 652 at para 9 (FCA); *88766 Canada Inc v Black Pearl Coffee*, 2014 TMOB 276 at para 26, CarswellNat 5512].

[35] In this case, Ms. Park provides a sworn statement to the fact that all materials and activity described in her affidavit pertain to the use of the Mark by the Owner, by itself or through Saks Incorporated under license from the Owner. She further asserts that the Owner has at all times exercised direct or indirect control of the character or quality of the store services and goods offered in association with the Mark.

[36] Accordingly, I am satisfied that any requirements of section 50(1) of the Act have been satisfied, and that any use shown by Saks Incorporated enures to the Owner's benefit.

Trade-name versus Trade-mark Use

[37] The Requesting Party argues – specifically with respect to the Exhibit U shipping summary and the Exhibit V invoices – that display of the Saks Fifth Avenue Design is not trade-mark use, but trade-name use. It submits that display of the Design accompanied by the words “saks.com” is merely use of the trade-name Saks Fifth Avenue for services and an indication that the items were bought through the domain *www.saks.com*.

[38] Whether a name is used as a trade-mark or a trade-name is a question of fact. The presumption that a company name is a trade-name rather than a trade-mark is rebuttable, and trade-name use does not preclude concurrent trade-mark use. The question is whether it is identifiable as a trade-mark and not *merely* as a corporate name or corporate identifier. A relevant factor is whether the trade-mark stands apart from the corporate or trade-name and other corporate identifier information to the extent that the public would perceive such use as a trade-mark and not merely identification of a legal entity [see *Road Runner Trailer Manufacturing Ltd v Road Runner Trailer Co* (1984), 1 CPR (3d) 443 (FCTD); and by example, *Bereskin & Parr v Kleen-Flo Tumbler Industries Limited*, 2010 TMOB 121, CarswellNat 3505; *Stikeman Elliot LLP v Haydock*, 2008 CarswellNat 1168 (TMOB); and *Bereskin & Parr v Red Carpet Food Systems Inc* (2007), 64 CPR (4th) 234 (TMOB)].

[39] In this case, I agree with the Owner that in both the invoices and shipping summary, the Saks Fifth Avenue Design and “saks.com” appear apart from any corporate address or other corporate indicia. Both also appear set apart from the surrounding text and in different fonts. Moreover, as the Owner submits, the Owner’s corporate name is Saks & Company and not “Saks Fifth Avenue”.

[40] Accordingly, I find that display of the Saks Fifth Avenue Design and “saks.com” at the top of the invoices and shipping summary constitute use as trade-marks in this particular case.

Analysis – Services

[41] First, I note that the Requesting Party submitted that use of the Saks Fifth Avenue Design, which appears throughout the evidence, was not use of the Mark as registered. However, I will discuss this particular issue of deviation further as part of the analysis below with respect to the goods.

[42] With respect to the services, this issue is moot as I am satisfied that there are instances where the Mark or acceptable variations are displayed in association with “retail department store services”. For example:

- As mentioned above, “saks.com” appears at the top of the Exhibit U shipping summary and the Exhibit V invoices sent to customers. In applying the principles as set out in *Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA) and *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA), I consider the addition of “.com” to be a minor deviation from the Mark as registered. In my view, the dominant feature of the Mark is preserved, as the additional matter is of a descriptive nature in order to form the website address.
- Similarly, the Mark appears as part of “saks.com”, which is displayed on the post-sale packaging shown at Exhibit S.
- On the Website, “SAKS Bag” is prominently displayed at the top right corner of each page. As Ms. Park attests, the SAKS Bag is a necessary part of the online purchase process.
- The Mark is displayed as part of the Saks First logo (reproduced above at paragraph 10), that appears on the membership card furnished at Exhibit AA as well as in the bottom menu on a number of the exhibited webpages.

[43] Moreover, with respect to the SAKS App, although the app’s icon itself is a display of the Saks Fifth Avenue Design, SAKS appears on its own below the icon (per Exhibit M). In the bottom menu of the app, “SAKS Style” is clearly displayed and, when selected, leads the user to the “SAKS POV” blog on the mobile screen (per Exhibit O). “SAKS Bag” is also clearly displayed and, when selected, leads the user to a summary of items to purchase (per Exhibit N).

[44] With respect to whether such display was in association with the registered services, it has been found in similar cases that, in the absence of a “brick-and-mortar” store in Canada, the display of a trade-mark on a retail website can constitute use within the meaning of sections 4

and 45 of the Act [see *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD) and *Law Office of Philip B Kerr v Face Stockholm Ltd* (2001), 16 CPR (4th) 105 (TMOB)]. Offering retail stores services online through a website where the trade-mark owner delivers the goods to Canada is performance of retail store services in Canada [see *Grafton-Fraser Inc v Harvey Nichols and Co* (2010), 89 CPR (4th) 394 (TMOB) at para 11; see also *Face Stockholm, supra*]. With respect to the SAKS App, I am satisfied that the same reasoning applies when, despite the lack of a “brick-and-mortar” store, it is clear that the purpose of the mobile app is to offer retail department store services.

[45] In this case, the printouts from the Website and screenshots of the SAKS App include a number of indicia demonstrating that the services were available to customers in Canada, such as displaying prices in Canadian dollars (per Exhibits I, J, N and P), displaying an international shipping policy with Canada as a country option (per Exhibits H, I, J, K and O), and a customer service policy directed at users in Canada (per Exhibit Q). These indicia are more than sufficient to support maintaining a registration in association with retail department store services [see *MJB Marketing Inc v Provide Gifts Inc*, 2013 TMOB 46, 113 CPR (4th) 440].

[46] In any event, it is clear from the exhibited sales records that the Owner shipped goods purchased through the Website and the SAKS App to Canada during the relevant period.

[47] In view of all of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark with respect to the registered services within the meaning of sections 4(2) and 45 of the Act.

Analysis – Goods

[48] With respect to use of the Mark in association with the registered goods, however, the evidence submitted by the Owner is problematic in a number of ways.

[49] First, the Owner asserts sales and transfers of all of the goods listed in the registration, but the evidence does not show transfers of *each* of the registered goods during the relevant period or otherwise. Second, the Owner’s post-sale packaging is not use of a trade-mark in association with the goods contained in such packaging. Unfortunately, much of the Owner’s

evidence conflates and assumes that any use in association with services also constitutes use in association with goods. This not being the case, the ultimate issue is whether use of the SAKS FIFTH AVENUE mark constitutes use of the Mark as registered.

Transfers of Each of the Registered Goods

[50] I would first note that the statement of goods in the subject registration includes a number of goods in various categories and it is well established that use must be shown in association with all of the goods as registered [see *John Labatt Ltd v Rainier Brewing Co et al* (1984), 80 CPR (2d) 228 (FCA)]. This is not to say that a registered owner is obligated to provide invoices for each registered good [see *Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)]. However, in the absence of invoices, the Owner should have been prepared to furnish evidence regarding volumes of sales, dollar value of sales, or equivalent factual particulars to allow the Registrar to conclude that transfers in the normal course of trade actually occurred in Canada with respect to *each* of the registered goods [see *1471706 Ontario Inc v Momo Design srl*, 2014 TMOB 79, 2014 CarswellNat 2439; *Gowling Lafleur Henderson LLP v Wertex Hosiery Inc*, 2014 TMOB 193, 2014 CarswellNat 4624].

[51] Although Ms. Park provides a global figure for the Owner's sales, she does not provide a breakdown of sales for all of the specific registered goods. Nevertheless, I am satisfied that there is evidence of transfers in Canada with respect to some of the registered goods, albeit in association with the SAKS FIFTH AVENUE mark. Based on the shipment reports (Exhibit F) and company sales records (Exhibits C and G), I am able to identify the following registered goods sold in association with the SAKS FIFTH AVENUE mark: (1) handbags, wallets, card cases; (2) jewelry; (5) clothing for men, women and children, namely coats, jackets, suits, pants, shorts, skirts, shirts, blouses, sweaters, scarves, mufflers, hats, gloves, vests, socks, underwear, sleepwear, robes, ties, and belts; and (6) cosmetics, namely make-up kits consisting primarily of make-up.

[52] Of these goods, the only one that has been shown with the SAKS FIFTH AVENUE mark on the good itself or on its packaging is "shirts" as evidenced at Exhibit B. However, the above-referenced goods all appear in the website catalogue at Exhibit D and are identified therein as SAKS FIFTH AVENUE goods.

[53] In addition, I note that for some of the remaining registered goods, there is evidence of transfers, albeit not clearly in association with SAKS FIFTH AVENUE. For example, the invoices at Exhibit V include the following products: “KIEHL’S SINCE 1851 / Lavender Bath Cleanser”, “KIEHL’S SINCE 1851 / Deluxe Hand & Body Lotion”, “KIEHL’S SINCE 1851 / Crème de Corps Body Moisturizer”, “KIEHL’S SINCE 1851 / Gently Exfoliating Body Scrub”, “MONTBLANC / Signature for Good Classique Rollerball Pen”, and “TORY BURCH / Large Molded Cosmetic Case”. Based on the descriptions, these goods appear to be KIEHL’S, MONTBLANC, and TORY BURCH products and not SAKS FIFTH AVENUE products.

[54] Furthermore, the company sales records at Exhibits F and G include the following products: “Luggage”, “Handbags”, “Woman’s Dress”, “Books”, “Bond Perfume Fragrance”, “Cosmetics - Eye Make-up”, “Shampoo and Conditioner”, “Stationery / Albums”, “Hosiery”, “Eye Shadow”, “Shiseido Eyes”, “Other Eye Makeup”, “Other Lipstick”, “Cologne”, and “Pre de Provence Soap”. Again, however, it is not clear that transfers of these products were made in association with SAKS FIFTH AVENUE.

[55] As such, with respect to the following goods, I accept that transfers have been shown but not necessarily in association with the SAKS FIFTH AVENUE mark or variations thereof: (1) luggage, purses; (2) writing pens, pen and pencil desk sets, photographic albums; (3) books; puzzle books; (4) dresses, hosiery; (5) eye shadow, lipstick, eyebrow pencils; skin lotions, perfumes, colognes, make-up bags containing make-up, toilet water, eau de cologne, eau de parfum, scented body lotion, scented bath gel, lipstick, scented skin soap, skin moisturizing lotions, body moisturizing lotions, hand creams; and (6) toiletries, namely toilet soaps, bath soaps, and shampoos.

[56] With respect to the remaining goods, Ms. Park does not attest to any specific sales, nor does she provide invoices or other evidence to show that such goods were in fact sold to Canadians through the Website or otherwise during the relevant period. For example, nowhere in the evidence are “greeting cards”, “maps”, or “desk blotters” reflected.

[57] In order to satisfy the definition of “use” under section 4(1) of the Act, it is well established that the goods must actually be transferred in the normal course of trade during the relevant period; merely *offering* goods for sale is not sufficient [see *Molson Companies Ltd v*

Halter (1976), 28 CPR (2d) 158 (FCTD); *Gowling, Strathy & Henderson v Royal Bank of Canada* (1995), 63 CPR (3d) 322 (FCTD)].

[58] Although there is no requirement that either direct or documentary proof be furnished with respect to every good listed in the registration [see *Saks & Co, supra*], sufficient facts must be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the registered goods during the relevant period.

[59] In the absence of such particulars, I do not accept the exhibited invoices, shipment reports or company records as representative evidence of transfers with respect to any of these remaining registered goods. Specifically, there is no clear evidence of transfers at all with respect to the following registered goods: (1) billfolds, pocket books, key cases, brief cases; (3) stationery for personal correspondence, namely writing paper, correspondence cards and envelopes, pencils and crayons, paper napkin and handkerchiefs, facial tissue, toilet tissue, desk calendars, calendar pads, blotters, desk blotters and pads, envelope openers, paper knives for desk use, address books, telephone book covers, memorandum pads and telephone shields, place cards, luggage labels and diaries; (4) printed matter, namely engraved social announcements, invitations, announcement cards, and visiting cards; greeting cards; Christmas cards and seals; printed return address stickers; pictures; decorative calendars embellished with pictures; and maps; (5) warm up suits, caps; and (6) blush and nail polish.

[60] Such goods do not appear in the online catalogue nor are they clearly referenced in any of the sales reports or invoices evidencing transfers to Canada during the relevant period.

[61] In any event, as discussed below, this issue is moot as I am not satisfied that use of SAKS FIFTH AVENUE constitutes use of the Mark as registered.

Association of the Mark with the Goods

[62] Before the deviation issue, I will first address the Owner's assertion that the display of the Mark "at every stage of transaction between [the Owner] and a Canadian customer" – including on packaging materials accompanying the goods – provides sufficient notice of association of the Mark with the goods. In this respect, I note my finding above that the Owner

has demonstrated use of the Mark in association with its retail department store services. Furthermore, I note that the packaging shown at Exhibit S displays “saks.com” and “saksoffiffifth.com” in addition to the Saks Fifth Avenue Design.

[63] Per section 4(1) of the Act, however, a trade-mark may be associated with *goods* if it was “marked on the goods themselves or on the packages in which they are distributed” or were “in any other manner so associated with the goods that notice of the association [was] then given to the person to whom the property or possession [was] transferred”.

On the goods themselves

[64] In order for display of a trade-mark to constitute “marked on the goods themselves”, a trade-mark generally has to be displayed on the goods in a permanent fashion, typically by the manufacturer of the goods [see also *Moffat & Co v Big Erics Inc*, 2015 TMOB 52, 2015 CarswellNat 2807 at para 29]. A relevant example would be a trade-mark displayed on a shirt’s stitched-in label. In the present case, the only evidence that shows a trade-mark “marked on the goods themselves” is the Saks Fifth Avenue Design label on the shirt shown at Exhibit B. Nonetheless, Ms. Park did attest that the photographs at Exhibit B are “representative examples of how the [goods] ... appeared and were packaged during the relevant period”.

[65] First, although I accept that the shirt *may* be representative of other clothing goods, I do not accept it as representative evidence with respect to other categories of goods. It is not clear how a photograph showing a trade-mark displayed on a t-shirt’s stitched-in label constitutes representative evidence of “maps”, for example. If the same trade-mark is displayed directly on such goods, the Owner should have furnished further photographs showing the manner of display; it is doubtful that any maps would have had stitched-in labels like the shirts. Similarly, the Owner’s maps were likely not sold in the same packaging as the exhibited shirts, if at all.

[66] In any event, the Owner implicitly relies on the display of SAKS in various forms on the after-sale packaging as providing the requisite notice of association pursuant to section 4(1) of the Act.

On the packages in which they are distributed

[67] As described above, at the time of purchase and transfer, goods were wrapped in tissue paper and sealed with a sticker displaying the Saks Fifth Avenue Design. The wrapped packages were then placed in a box, which also displayed the Design along with “saks.com” and, at times, the OFF FIFTH design with “saksofffifth.com”. Other materials, including a card displaying the Saks Fifth Avenue Design, would sometimes be placed inside the box. The question is whether the Owner’s display of its trade-marks on such post-sale packaging can be considered display on “packaging” so as to deem notice of association pursuant to section 4(1) of the Act.

[68] In *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 at 16 (FCTD), the Federal Court stated the following:

...section 4 contemplates the normal course of trade as beginning with the manufacturer, ending with the consumer and with a wholesaler and retailer or one of them as intermediary. When the applicant sold to the retailer and the retailer sold to the public, the public came to associate applicant’s mark with the ... belt; s. 4 contemplates that the use between the retailer and the public enures to the benefit of the manufacturer and its use in Canada. In other words -- if any part of the chain takes place in Canada, this is “use” in Canada within the meaning of s. 4.

[69] As such, whether a particular trade-mark is displayed in accordance with section 4(1) of the Act needs to be considered in part with this distribution “chain” in mind.

[70] In my view, and consistent with the jurisprudence discussed below, section 4(1) of the Act contemplates the manufacturer’s packaging and not necessarily the packaging that is used by a retailer to convey goods to customers. The interpretation and application of section 4(1) with respect to “packages” will depend upon the particular circumstances and the normal course of trade involved in each case. However, in general, section 4(1) contemplates the packaging that goods are distributed in along the entirety of the chain and not just at the retail stage.

[71] Although Ms. Park asserts that the Mark is “displayed on all SAKS House Label goods”, with the exception of the shirt at Exhibit B, Ms. Park’s evidence does not show any trade-mark affixed directly to the goods or their packaging. She only attests to the goods being wrapped in tissue paper, sealed with a sticker, and placed inside a box during the retail transaction; she does not provide any detail regarding the normal course of trade related to the actual manufacturing of the goods and their packaging, if any.

[72] Therefore, I do not consider any display of the Owner's various trade-marks on the post-sale packaging and the like as constituting either the Mark or the Saks Fifth Avenue Design being "marked... on the packages in which they are distributed" within the meaning of section 4(1) of the Act.

[73] The Owner must therefore rely on the proposition that the evidenced manner of display constitutes use of the Mark "in any other manner" pursuant to section 4(1) of the Act. Accordingly, the issue is whether the display of the trade-mark is sufficient "that notice of the association is then given to the person to whom the property or possession is transferred".

In any other manner

[74] With respect to the tissue paper, stickers and boxes, while I already determined above that they are not "packages" within the meaning of section 4(1), I must nonetheless determine whether the display of the Saks Fifth Avenue Design, "saks.com", or "saksofffifth.com" on these materials constitutes association with the goods "in any other manner".

[75] However, the Registrar has previously held that the display of a trade-mark on a retailer's shopping bags and boxes does not constitute use in association with the goods sold, notwithstanding the fact that the goods are given to customers in those bags or boxes at the time of purchase and transfer [see *Gowling, Strathy & Henderson v Karan Holdings Inc* (2001), 14 CPR (4th) 124 (TMOB); and *Borden & Elliot v Raphaël Inc* (2001), 16 CPR (4th) 96 (TMOB)]. As such, even if I were to consider the display of the Owner's marks as constituting display of the Mark as registered, any such display on the tissue paper, stickers, and boxes is "more akin to use of the trade-mark in association with a service namely to distinguish the registrant's retail outlet from retail outlets of others" [per *Karan Holdings, supra*, at para 8].

[76] Therefore, I find that any evidenced display of the Owner's marks on the tissue paper, stickers and boxes does not give the requisite notice of association with any goods pursuant to section 4(1) of the Act.

[77] Similarly, with respect to display of the Saks Fifth Avenue Design on other advertising material, namely the cards placed inside the post-sale box, the Registrar has previously held that

promotional materials that are placed in shopping bags along with purchases may constitute evidence of use in association with retail store services, but not in association with the goods themselves [see *Riches, McKenzie & Herbert v Calderone Shoe Co*, 1997 CarswellNat 3267 (TMOB); *Clark, Wilson v Myriad Innovative Designs Inc*, 2001 CarswellNat 4074 (TMOB)]. Therefore, I find that the cards do not give the requisite notice of association pursuant to section 4(1) of the Act.

Invoices

[78] With respect to the Exhibit V invoices, the Owner submits that there is use of the Mark as the Mark appears at the top of the invoices in the Saks Fifth Avenue Design and in “saks.com”, as well as in the body of the invoices.

[79] The Requesting Party, however, submits that the display of a trade-mark at the top of an invoice is generally not accepted as use of that trade-mark in relation to the goods sold, particularly where the goods are identified with another party’s trade-mark [citing *Sterling & Affiliates v ACB Dejac SA* (1994), 58 CPR (3d) 540 (TMOB); and *Myriad Innovative Designs, supra*].

[80] Indeed, the Federal Court of Appeal has held that display of a trade-mark at the top of an invoice *may* in some circumstances constitute use of that mark in association with the goods listed on the invoices [see *Hortilux Schreder BV v Iwasaki Electric Co*, 2012 FCA 321, CarswellNat 4836]. However, the major consideration remains “whether the trade-mark is being used as a trade-mark in describing the wares contained in the invoice and, as such, whether appropriate notice of such use is being given to the transferee of the wares” [per *Tint King of California Inc v Canada (Registrar of Trade Marks)*, 2006 FC 1440 at para 32, 56 CPR (4th) 223]. In this respect, a major factor to consider is whether other trade-marks appear on the invoices, either in the body of the invoice or otherwise [per *Hortilux, supra*, at para 12].

[81] In this case, I note that the trade-marks of third parties appear in all of the evidenced invoices at Exhibit V. For example, the item descriptions include products such as a REBECCA MINKOFF clutch, various KIEHL’S bath products, a MICHAEL KORS watch, and a HUGO

BOSS jacket. In fact, neither SAKS nor SAKS FIFTH AVENUE appear in the item descriptions of any of the Exhibit V invoices.

[82] Accordingly, I do not consider the trade-marks displayed at the top of the invoices in this case to constitute display of such marks in association with any of the goods listed on the invoices.

[83] In view of the foregoing, I do not consider display of SAKS FIFTH AVENUE, “saks.com” or “saksoffiffth.com” at the top of the invoices, in advertisements, or on post-sale shipping packaging to constitute use of such marks in association with any goods.

Mark Not Used As Registered

[84] As discussed above, it is clear that much of the Owner’s evidence conflates display of the Mark and variations thereof in association with services with display in association with goods. At best, there is some evidence demonstrating use of SAKS FIFTH AVENUE and the Saks Fifth Avenue Design in association with shirts and the other goods listed in paragraph 50 above. However, the ultimate issue in this case is whether use of the SAKS FIFTH AVENUE mark and, in particular, the Saks Fifth Avenue Design, constitute use of the Mark as registered.

[85] The test for deviation, as articulated by the Federal Court of Appeal in *Honeywell Bull, supra*, is as follows:

The practical test to be applied in order to resolve a case of this nature is to compare the trade mark as it is registered with the trade mark as it is used and determine whether the differences between these two marks are so unimportant that an unaware purchaser would be likely to infer that both, in spite of their differences, identify goods having the same origin. [at 525]

[86] As the Court of Appeal noted, “That question must be answered in the negative unless the mark was used in such a way that the mark 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” [at 525].

[87] In deciding this issue, one must look to see if the “dominant features” of the trade-mark have been preserved [per *Munsingwear, supra* at para 38]. The assessment as to which elements

are the dominant features and whether the deviation is minor enough so as to permit a finding of use of the trade-mark as registered is a question of fact to be determined on a case-by-case basis.

[88] The Requesting Party argues that in all instances of display as furnished by the Owner, the mark is SAKS FIFTH AVENUE and not SAKS. It cites two cases and submits that the trade-mark as used suffers from the same deficiencies. First, in *Honeywell Bull*, *supra*, use of the trade-mark BULL could not be established as the owner always used it with additional elements. Second, in *Burroughs Wellcom Inc v Kirby, Shapiro, Eades & Cohen* (1983), 73 CPR (2d) 13 (FCTD) use of the trade-mark SPORIN could not be established as the owner in that case always used the mark with a prefix (*e.g.*, AEROSPORIN and POLYSPORIN). As such, the Requesting Party submits that none of the evidence shows use of the Mark as registered.

[89] The Requesting Party further submits that the manner of use of the term SAKS in combination with additional elements creates a significantly different commercial impression than the registered Mark. It argues that when one hears or sees the expression SAKS FIFTH AVENUE, attention is immediately drawn to the words FIFTH AVENUE, making a connection in the public's mind to the famous Fifth Avenue in New York, well known for the prestigious shops located there. On the other hand, it submits that the immediate impression created by SAKS is that of a surname.

[90] In response, the Owner submits that a registered word mark may be used in design form, and such use supports the word mark registration [citing *Nightingale Interloc Ltd v Prodesign* (1984), 2 CPR (3d) 535 (TMOB)]. The Owner thus argues that use of "Saks" in stylized letters, as it appears in the Saks Fifth Avenue Design, constitutes use of the Mark as registered.

[91] The Owner further submits that the dominant commercial impression created in all of the evidence is that of SAKS. It argues that the addition of the words FIFTH AVENUE does not make the trade-mark substantially different since the first, visually prominent, least common, and most distinctive element in both cases is SAKS. As such, the Owner submits that consumers will likely infer that goods or services from SAKS FIFTH AVENUE have the same origin as SAKS.

[92] In this respect, the Owner also submits that FIFTH AVENUE is merely descriptive. It cites a number of cases and argues that the Registrar regularly "read out" merely descriptive

words placed next to a mark to find use even where additional words were displayed in the same font or style [citing *Star Island Entertainment LLC v Provent Holdings Ltd*, 2013 TMOB 84, 112 CPR (4th) 321 (TMOB) for MANSION CASINO; *Ogilvy, Renalt v Arbor Restaurants Inc* (1994), 55 CPR (3d) 401 (TMOB) for RITZ REDHOTS; *Riches, McKenzie & Herbert v Pillsbury Co* (1995), 61 CPR (3d) 96 (TMOB) for PEA CAULIFLOWER CARROT CLASSIC].

[93] Moreover, the Owner submits that there is no legal prohibition against the use of two or more trade-marks simultaneously. As such, it argues that use of a mark as a “house mark” can satisfy the use requirement under section 4, including where other trade-marks appear in conjunction with the house mark as a way of distinguishing particular goods.

[94] Although I note that it is acceptable for two trade-marks to be used simultaneously in relation to the same goods [per *AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD)], there is no differentiation between SAKS and FIFTH AVENUE in this case, and it is clear that the relevant displays are of the SAKS FIFTH AVENUE and the Saks Fifth Avenue Design marks only. As noted throughout the evidence, when in association with goods, SAKS is consistently displayed with FIFTH AVENUE in the same size and font. As such, in this case, if the goods are sold in association with a “house label”, that label is best described as the “SAKS FIFTH AVENUE House Label”.

[95] Indeed, with respect to the Saks Fifth Avenue Design, the font visually ties the words together, with the F of “Fifth” overlapping the last two letters of “Saks”, and the A of “Avenue” overlapping the F of “Fifth”. In my view, “Saks” is linked to the words “Fifth” and “Avenue” in one continuous unitary design. I am thus not satisfied that the display of the Saks Fifth Avenue Design is display of SAKS in stylized font separate from FIFTH AVENUE.

[96] Furthermore, while SAKS is the first portion of SAKS FIFTH AVENUE and the Saks Fifth Avenue Design, I do not find that it constitutes the dominant feature of either mark. In both cases, and throughout the evidence, FIFTH AVENUE appears in the same size and font, with no separation. I would also note that, in contrast to the cases cited by the Owner, FIFTH AVENUE is not descriptive of any particular good. For example, “FIFTH AVENUE” is not descriptive of a purse, clothing or stationery.

[97] As such, I find the dominant feature of the SAKS FIFTH AVENUE marks to be the particular combination of these three words together. This is more so the case with the Saks Fifth Avenue Design, with its overlapping flourishes.

[98] In this respect, a distinction can be made, for example, between the SAKS FIFTH AVENUE marks and the Saks First logo, reproduced above, used in association with the Owner's rewards program. In the Saks First logo, the word "Saks" appears in a box entirely separated from the word "First".

[99] Accordingly, in my view, the dominant feature of the trade-mark as registered has not been preserved by the addition of the words FIFTH AVENUE in the manner shown. This addition substantially alters the dominant feature of the Mark: visually, phonetically and in the idea suggested.

[100] In view of all of the foregoing, I am not satisfied that the Owner has demonstrated use of the Mark in association with any of the registered goods within the meaning of sections 4 and 45 of the Act. Furthermore, the Owner furnished no evidence of special circumstances excusing the absence of such use.

Disposition

[101] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, the registration will be amended to delete the statement of goods. The registration will be maintained with respect to the registered services only.

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

Hearing Date: 2015-03-09

Appearances

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