



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

**Citation: 2016 TMOB 35**  
**Date of Decision: 2016-02-26**

**IN THE MATTER OF A SECTION 45 PROCEEDING**

**Smart & Biggar**

**Requesting Party**

**and**

**RunNorth Inc.**

**Registered Owner**

**TMA757,642 for SAGA**

**Registration**

[1] At the request of Smart & Biggar, the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on March 25, 2014 to RunNorth Inc. (RunNorth), the registered owner of registration No. TMA757,642 for the trade-mark SAGA (the Mark).

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

Adult clothing, youths' clothing, children's clothing, and infant clothing, namely, sportswear, athletic wear, exercise wear, sleepwear, and outer wear; none of the aforementioned made of furs, skins, bides, leather and imitations of these materials, or a combination of, or in combination with, these materials.

[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 March 25, 2011 and March 25, 2014.

[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 mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [see *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 [see *Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [see *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.

[6] In response to the Registrar’s notice, RunNorth filed the affidavit of Albert Schuster, Vice-President of Amerella of Canada Ltd. (Amerella), sworn on June 12, 2014 in Montreal, Quebec. Only the Requesting Party filed written representations; a hearing was not requested.

#### The Evidence

[7] In his affidavit, Mr. Schuster states that he has been employed with Amerella since 1979 and that RunNorth runs as a division of Amerella. As such, Mr. Schuster attests that Amerella fully controls RunNorth.

[8] According to Mr. Schuster, RunNorth designs, manufactures, wholesales and ships clothing apparel and accessories to retailers. In this regard, Mr. Schuster states that clothing bearing the Mark has been, and continues to be, manufactured in the normal course of trade by RunNorth, for sale to retail clothing stores across Canada since 2010. Mr. Schuster further states that RunNorth clothing is sold to “big box” stores in Canada such as “Giant Tiger Stores, Hart Stores, Red Apple Stores, Northwest Stores, L’Aubainerie Concept Mode, among others”.

[9] Mr. Schuster describes RunNorth's normal course of trade for its SAGA brand clothing as follows: a retailer is first approached using a presentation board, which outlines the upcoming SAGA brand styles, typically six to ten months in advance of the selected season. Once a retailer has determined that it will carry the SAGA brand line, an order is placed and scheduled for delivery approximately three months in advance of its retail launch.

[10] Mr. Schuster states that RunNorth has received orders for, and has sold various SAGA brand apparel lines in Canada during the relevant period. In this regard, Mr. Schuster provides invoices along with photos of the clothing items, including:

- Invoice issued by RunNorth to Hart Stores Inc. in Quebec dated February 20, 2013 for the purchase and shipment of 564 units of girls' raincoats (Exhibit E). A label bearing the Mark is affixed to the specimen raincoat shown in the photo (Exhibit F), which Mr. Schuster confirms to be representative of the ones shipped;
- Invoice issued by RunNorth to Les Magasins Hart in Quebec dated May 27, 2013 for the purchase and shipment of 708 units of men's short sleeve knit crew neck shirts (Exhibit G). The Mark appears on the inside collar area of the sample shirt shown in the photos (Exhibit H);
- Invoice issued by RunNorth to Les Magasins Hart in Quebec dated September 6, 2013 for the purchase and shipment of 480 units of ladies' yoga pants (Exhibit I). The Mark appears on the inside waistband of the sample pants shown in the photos (Exhibit J);
- Invoice issued by RunNorth to Les Magasins Hart in Quebec dated March 12, 2014 for the purchase and shipment of 720 units of ladies' knit short sleeve tops (Exhibit M). The Mark appears on a label and a tag affixed to the sample top shown in the photos (Exhibit N); and
- Invoice issued by RunNorth to Tora Sudbury Limited # 100 in Ontario dated August 19, 2013 for the purchase and shipment of 48 units of men's knit full zip hoodies (Exhibit O). The Mark appears on a label and a tag affixed to the sample hoodie shown in the photos (Exhibit P).

## Analysis

### *Hearsay issue*

[11] As a preliminary matter, the Requesting Party objects to Mr. Schuster's affidavit as inadmissible hearsay. In particular, the Requesting Party submits that Mr. Schuster is neither an officer nor an employee of RunNorth, but rather is a representative of Amerella, an entity separate from RunNorth testifying on the alleged use of the Mark by RunNorth, and that his affidavit should be entirely disregarded as hearsay.

[12] I disagree. I first note that the Federal Court has stated that a stricter approach to hearsay evidence may be appropriate in adversarial proceedings intended to determine the rights of parties; however, given the summary nature of cancellation proceedings, concerns regarding the hearsay nature of evidence can go to weight, rather than admissibility [see *Eva Gabor International Ltd v 1459243 Ontario Inc*, 2011 FC 18, 90 CPR (4th) 277].

[13] In the present case, Mr. Schuster clearly explains that as a result of his responsibilities as Vice-President of Amerella, which he states has full control of RunNorth, he has unfettered access to all matters concerning RunNorth, including corporate records kept in the normal and ordinary course of the business. In terms of the information provided in his affidavit, Mr. Schuster states that his affidavit is based on personal knowledge, corporate records, and corporate knowledge that he has gained through his employment.

[14] Taking into account the nature of the affiant's position at Amerella and the latter's relationship with RunNorth, I see no reason to question the reliability of the information set out in Mr. Schuster's affidavit regarding the use of the Mark by RunNorth during the relevant period.

### *Alleged deficiencies*

[15] In its written representations, the Requesting Party submits that some of the exhibits to Mr. Schuster's affidavit are not commissioned and should not be accepted. Exhibits that have not been endorsed by a commissioner or a notary but that have been properly identified in an affidavit have been accepted in other section 45 proceedings [see for example *Borden & Elliot c*

*Raphael Inc*, 2001 CarswellNat 3412 (TMOB)]. In any event, I note that the affidavit furnished to the Registrar in the present proceeding includes exhibits that have all been properly endorsed by a commissioner.

[16] The Requesting Party further submits that, aside from Exhibit E, the invoices attached to the affidavit do not show RunNorth's corporate name "RunNorth Inc.", but rather "RunNorth A Division of Amerella of Canada Ltd", and should be disregarded as "RunNorth" appears to be a trade name for Amerella. Given Mr. Schuster's explanation regarding the relationship between RunNorth and Amerella, I am not prepared to disregard the invoices in question. In any case, I note that the registered owner is clearly identified as "RunNorth Inc." on the sample presentation boards outlining the upcoming SAGA brand styles attached as Exhibits A to D to Mr. Schuster's affidavit, said to be presented to retailers between December 2013 and September 2014. Thus, the evidence does not support the Requesting Party's allegation that "RunNorth" is merely a trade name for Amerella.

[17] On a separate note, the Requesting Party states that none of the exhibited invoices make reference to the Mark. The invoices are presented as documentary evidence confirming sales of clothing items bearing the Mark during the relevant period, not as evidence of the manner in which the Mark was used in association with such items. Evidence of the manner of display of the Mark is shown in the corresponding photos to the invoices in Mr. Schuster's affidavit.

[18] Finally, I will note that for the purpose of the present proceeding, the evidence as a whole must be considered and focusing on the perceived deficiencies of individual pieces of evidence is not the correct approach [see *Kvas Miller Everitt v Compute (Bridgend) Limited* (2005), 47 CPR (4th) 209 (TMOB)].

#### *Evidence of use*

[19] In view of Mr. Schuster's affidavit, including the invoices issued by RunNorth evidencing sales of the depicted SAGA branded clothing items, I am satisfied that RunNorth has demonstrated use of the Mark in association with the following registered goods: "adult clothing, and children's clothing, namely, sportswear, athletic wear, exercise wear, and outer wear" in the normal course of trade in Canada.

[20] However, the affidavit is essentially silent with respect to sales of “youths’ clothing”, “infant clothing” and “sleepwear” in association with the Mark during the relevant period. These goods are not referenced in the invoices, nor are they depicted in the exhibited photos. Furthermore, Mr. Schuster makes no assertion of use with respect to such goods during the relevant period. As such, I am not satisfied that RunNorth has demonstrated use of the Mark in association with these remaining goods within the meaning of sections 4 and 45 of the Act. Given that RunNorth furnished no evidence of special circumstances excusing such non-use, the registration will be amended to delete these goods.

#### Disposition

[21] 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 “youths’ clothing”, “infant clothing” and “sleepwear” from the registration.

[22] The amended statement of goods will be as follows: “Adult clothing, and children’s clothing, namely, sportswear, athletic wear, exercise wear, and outer wear; none of the aforementioned made of furs, skins, bides, leather and imitations of these materials, or a combination of, or in combination with, these materials.”

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Pik-Ki Fung  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

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

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No Hearing Held

**AGENT(S) OF RECORD**

Pain & Ceballos LLP

FOR THE REGISTERED OWNER

Smart & Biggar

FOR THE REQUESTING PARTY