



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

**Citation: 2013 TMOB 46
Date of Decision: 2013-03-22**

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by MJB Marketing Inc. against registration
No. TMA688,149 for the trade-mark BOX DESIGN in the
name of Provide Gifts, Inc.**

[1] At the request of MJB Marketing Inc. (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 December 23, 2010 to Provide Gifts, Inc. (the Registrant), the registered owner of registration No. TMA688,149 for the trade-mark BOX DESIGN (the Mark), shown below:



[2] The registration includes a description of the Mark as follows: “*The mark consists of the colours red and ivory as applied to the surface of the particular object as shown in the particular drawing. The box portion of the mark is red, the ribbon and bow portions are ivory.*”

[3] The Mark is registered for use in association with the following services: “computerized online retail services and mail order services in the field of gifts” (the Services).

[4] 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 wares and services 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 December 23, 2007 and December 23, 2010 (the Relevant Period).

[5] The definition of “use” in association with services is set out in section 4(2) of the Act:

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 a section 45 proceeding [*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 et al* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co v Canada (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 wares and services specified in the registration during the relevant period.

[7] With respect to services, where the trade-mark owner is offering and prepared to perform the services in Canada, use of the trade-mark on advertising of those services meets the requirements of section 4(2) [see *Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (RTM) [*Wenward*]]. In other words, advertising in Canada alone is insufficient to demonstrate use; at the very least, the services have to be available to be performed in Canada. By way of example, use of a trade-mark on advertising in Canada of services only available in the United States does not satisfy the provisions of section 4(2) [*Porter v Don the Beachcomber* (1966), 48 CPR 280 (Ex Ct)].

[8] In response to the Registrar’s notice, the Registrant furnished the affidavit of Rick Sliter, Senior Vice President, Marketing Services, Corporate Development of the Registrant, sworn on July 21, 2011. Both parties filed written representations; an oral hearing was not held.

[9] In his affidavit, Mr. Sliter states that the Registrant is an online and mail order retailer of fine jewelry and gifts “for all occasions”, doing business as RedEnvelope. He explains that the Registrant provides retail services that enable customers to purchase gift items for delivery to the

customer or to a gift recipient identified by a customer. Purchase orders are accepted online through the Registrant's website and by telephone. In addition to the Registrant's gift products, customers are also able to purchase other items and services, such as gift cards, custom monogramming and personalization of gifts, gift wrapping, order tracking and returns, and can choose from a number of shipping and delivery options, including deliveries made in the Registrant's "signature" red gift box with an ivory bow.

[10] It is clear from the affidavit, however, that the Registrant only provides shipping of its products to recipients in the U.S.A., and not to Canada.

Evidence of Use During the Relevant Period

[11] In his affidavit, Mr. Sliter provides details of sales made from 2008 to 2010 to Canadian customers in British Columbia, Ontario and Quebec, who purchased gift items from the Registrant for delivery to a recipient located in the United States. An excerpt of a spreadsheet summary with purchase order information for Canadian customers, including product names, delivery dates, and customer and recipient location information is provided at Exhibit B of the affidavit. Mr. Sliter further attests that sales to Canadian customers from 2008 to 2010 totalled almost USD\$1,000.

[12] In addition, Mr. Sliter states that, during the Relevant Period, the Registrant carried on business primarily through its website, *www.redenvelope.com* (the Website), which was "accessible to and usable by Canadians". At paragraph 8 of his affidavit, Mr. Sliter provides a chart with the number of visitors to the Website and page views from Canadian IP addresses, shown by year. He attests that between November 2008 and July 14 2011, there were "345,111 visitors to the RedEnvelope Website originating from Canadian internet protocol (IP) addresses".

[13] Furthermore, printouts of web pages from the Website are provided at Exhibit C of the affidavit. Mr. Sliter attests that these are representative of the manner in which the Website appeared, and the manner in which the Registrant's computerized online retail services and mail order services were advertised and provided in Canada, during the Relevant Period. Mr. Sliter states that "customers encounter the trade-mark RED BOX DESIGN at every point in the online shopping experience from browsing to purchase and delivery options". I note that an image of

the Registrant's "signature" red box with ivory bow is displayed at the top left corner of some of the pages.

[14] Mr. Sliter also states that the Registrant advertised and continues to advertise the Services to customers in Canada through the Website, as well as through email updates sent to registered users and through printed catalogues viewable via the Website. Mr. Sliter does not state whether these catalogues were also mailed to Canadian customers, but only that they were available for Canadians to access and download at the Website. Excerpts from the printed catalogues are furnished at Exhibit D of the affidavit. I note that the same image of the Registrant's signature red box with ivory bow as it appears on the Registrant's Website is also displayed on various pages of the catalogue. I note as well that in many of the photographs in the catalogue, people are shown holding or otherwise nearby a red box with an ivory bow – the box varying in size and dimensions in the different photographs.

[15] Mr. Sliter states that the Registrant has provided and continues to provide a reminder service for users, including users in Canada, to receive emails and promotional messages regarding the purchase of gifts for upcoming special occasions. Exhibit E of the affidavit provides a printout from the Website describing the reminder service. An image of the Registrant's signature red box with ivory bow is displayed on the top left corner of the page.

[16] Finally, I would note that fine print in the Exhibit D catalogue describes a "Wrap it up" delivery option, which allows customers to have gifts "delivered with style in [the Registrant's] signature red gift box". Furthermore, text from the Website as provided on page five of Exhibit C states that "most of [the Registrant's] products can be presented in [its] famous red box with a hand tied ivory bow".

Analysis – Trade-mark as Registered

[17] In its written representations, the Requesting Party submitted that the trade-mark that is featured on the Website, as evidenced by Exhibit C of the affidavit, is materially different from the design that is registered. In particular, the Requesting Party submitted that:

- the positioning / angle of the box differs and provides a "very different" vantage point for viewing;

- the strings of the bow in the registration are much longer than that of the design depicted on the Website;
- the bow is tied differently; and
- the box on the Website does not contain broken lines as compared to the design of the registration.

[18] I would first note that the registration and its description, including the “broken lines” shown in the drawing of the Mark, is consistent with the Trade-marks Office practice notice entitled “Three Dimensional Marks”, dated December 6, 2000. The practice notice states, in part, the following:

Applications for trade-marks that are not distinguishing guises, that are not two dimensional and that consist of or include one or more colours applied to the surface of a three-dimensional object must contain i) a drawing or drawings showing the visible features of that object *in dotted outline*, and ii) a description indicating that the trade-mark consists of the particular colour or colours only insofar as they are applied to the particular object shown in the drawing. [emphasis added]

[19] With respect to the remaining differences, in applying the principles as set out in *Canada (Registrar of Trade Marks) v Compagnie 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 these differences to be minor deviations from the Mark. In my view, the dominant features are the colours red and ivory as applied to the surface of the box, so that the box portion is red, and the ribbon and bow portions are ivory. Since the dominant features are retained in the image of the Registrant’s signature red box with ivory bow, as it appears on certain pages of the Registrant’s Website and catalogues, the identity of the Mark is preserved and the deviations would not, in my opinion, mislead an unaware purchaser [per *Nightingale Interloc Ltd v Prodesign Ltd*, (1984) 2 CPR (3d) 535 (TMOB)].

Analysis – Retail Services Via Website

[20] The real issue in this case is whether it can be said that the Registrant was prepared to perform the Services *in Canada* during the Relevant Period [per *Wenward, supra*]. In this respect, a review of jurisprudence with regards to online retail services – such as the Services in this case – shows that evidence of delivery to Canada is an important factor to consider in any analysis under sections 4 and 45 of the Act.

[21] In previous cases, as discussed below, it has been found that, in the absence of a “brick-and-mortar” store in Canada, the display of a trade-mark on a website in association with a registrant’s services can constitute use within the meaning of sections 4 and 45 of the Act. These cases, however, have generally been dependent on the furnishing of evidence demonstrating that the registrant delivered or was able to deliver its products in Canada during the relevant period.

[22] For example, in *Law Office of Philip B Kerr v Face Stockholm Ltd* (2001), 16 CPR (4th) 105 (TMOB) [*Face Stockholm*], the Registrar found that the registrant offered its products through its own website and that a Canadian customer could order such products from Canada. The key element in confirming that the registrant’s “retail cosmetic and beauty product store services” were performed in Canada appears to be the fact that invoices bearing the registrant’s name confirmed delivery of the registrant’s products *to Canada*.

[23] Similarly, in *Grafton-Fraser Inc v Harvey Nichols and Company Limited* (2010), 89 CPR (4th) 394 (TMOB) [*Harvey Nichols*], despite evidence that Canadians accessed the registrant’s retail website during the relevant period in that case, the trade-mark was expunged in part because there was no evidence to demonstrate that any of the goods available via the registrant’s website were in fact purchased from or delivered to Canada during the relevant period. The Registrar further noted in that case that screen captures of the registrant’s website did not contain any indicia to suggest that the services were available to consumers in Canada, such as displaying prices in Canadian dollars, including contact information in Canada or for Canadians, or displaying shipping policy and information for goods to Canada.

[24] In this case, it is clear from the evidence before me that the Registrant could not and did not ship its goods outside of the United States. For example, in paragraph 6 of his affidavit, Mr. Sliter states that “during the Relevant Period, RedEnvelope provided ... retail services to customers in Canada under the [Mark] including sales of gifts and delivery of gifts to *recipients in the United States*” [emphasis added]. Furthermore, text from the Website as provided on page five of Exhibit C states that “RedEnvelope makes gift delivery easy ... we ship *anywhere in the US*” [emphasis added].

[25] Furthermore, the Requesting Party submits that the Registrant’s Website appears to be solely directed to customers in the United States such that no services are taking place in Canada.

Upon reviewing the screen captures of the Website at Exhibit C, I agree that there is a lack of indicia to suggest that the Services were directed to customers in Canada. For example, although not determinative in itself, the Requesting Party notes that the reference to “Thanksgiving” in the list of “Upcoming Holidays” refers to American Thanksgiving, with no mention of Canadian Thanksgiving. As well, all prices listed on the “gift pages” appear to be in U.S. dollars with no indication that payments could be made in Canadian dollars.

[26] The issue of what is required to establish performance or advertisement of retail services to Canadians from the United States was discussed in *Cassels, Brock & Blackwell v Sharper Image Corp* (1990), 33 CPR (3d) 198 (TMOB) at 199 [*Sharper Image*]. In that case, the relevant factors were as follows:

- (1) the retailer responded to mail and telephone orders from Canada;
- (2) the retailer advertised wares in Canada by sending catalogues to Canadian customers;
- (3) there was a toll-free number for Canadians to purchase wares by telephone;
- (4) the retailer's wares and services were advertised regularly in Canada through magazines which had a large Canadian circulation;
- (5) the retailer arranged for delivery to Canada of the items ordered.

[27] These factors were summarized in part from the Federal Court decision of *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD) [*Saks*]. As these two cases did not involve a retail website, some of these factors appear to be irrelevant to the retail website scenario in the present case. Furthermore, considering the *Face Stockholm* and *Harvey Nichols* cases above, it would appear that while the other factors may be relevant, the key factor is whether “the retailer arranged for delivery to Canada of the items ordered”.

[28] On the other hand, at this point I would note that in *TSA Stores, Inc v Canada (Registrar of Trade-marks)* (2011), 91 CPR (4th) 324 (FCTD) [*TSA*], reversing 2010 CarswellNat 581 (TMOB), the Federal Court reversed in part the decision of the Registrar to expunge various SPORTS AUTHORITY trade-marks in association with retail store services. As in the above-mentioned cases, although the registrant operated a retail website, there was no evidence that the registrant shipped its products to Canada. However, the Court found that Canadians made use of the website and, in particular, identified the website’s “Help Me Choose Gear” service, “Shoe Finder” service, “Store Locator” service and extensive sportswear terminology glossary as being of benefit to Canadians. Accordingly, since the trade-marks in question appeared in connection

with these “ancillary retail store services” on the website, the Court in that case concluded that there was evidence of use in association with the retail store services in Canada during the relevant period [at paragraph 21].

[29] With respect to the present case, given that the Registrant did not offer shipping outside of the United States, I have difficulty concluding that it performed the Services in Canada during the Relevant Period. Although “services” are to be interpreted generously, common sense must still prevail and it would seem a fundamental aspect of “retail services” that such services include the ability to purchase and take delivery or possession of such purchases. A customer who walks into a “brick-and-mortar” establishment in Canada, which displays various goods and has staff with whom the customer can speak to about product selection, but ultimately cannot take any purchased products with them or at least have such purchases delivered to them, is arguably not dealing with a retailer. In a similar vein, with the exception of *TSA*, the jurisprudence indicates that a retailer who operates a retail website that does not offer to ship goods to Canada cannot be said to be providing retail services in Canada [see also *Lapointe Rosenstein LLP v The West Seal, Inc* (2012), 103 CPR (4th) 136 (TMOB) [*West Seal*] at paragraph 26]. As well, to be clear, I would consider the same logic applicable in this case with respect to the Registrant’s “mail order services”.

[30] Nonetheless, in *TSA*, as with *Saks* and *Sharper Image*, it was contemplated that the combination of certain factors could be sufficient to support a registration for retail store services, even in the absence of brick-and-mortar stores in Canada. Applying the same reasoning from *West Seal, supra*, such factors must demonstrate a certain level of interactivity with potential Canadian customers in order for there to be a benefit to Canadians sufficient to support such a registration. For example, it would appear that this level of interactivity is satisfied where a registrant operates a retail website and ships goods purchased via the website to Canada [*Face Stockholm, supra*]. Listing prices in Canadian dollars or showing other indicators that the website is directed to Canadian customers may also satisfy the requirements of section 4 and 45 in the absence of evidence of shipping to Canada [*Harvey Nichols, supra*]. On the other hand, merely offering refunds appears to be insufficient [*Boutique Limitée Inc v Limco Investments, Inc* (1998), 84 CPR (3d) 164 (FCA) [*Boutique*]]. Finally, on the particular facts in *TSA*, offering

several ancillary services on a website equivalent to what one might find in a brick-and-mortar store was found to be sufficient.

[31] In the present case, the only such ancillary service of note is the Registrant's "Email Reminder" service, which Mr. Sliter describes as "a service to allow users who provide an email address ... to enter dates of special occasions, such as birthdays, and to receive email reminders and promotional messages regarding the purchase of gift for the special occasion". I would note that while it may be reasonable to infer that Canadians availed themselves of this reminder service, Mr. Sliter provides no direct evidence of such. In any event, consistent with *Boutique*, and in contrast to the finding in *TSA* with respect to the "Help Me Choose Gear" and "Shoe Finder" services in that case, I find that the Registrant's "Email Reminder" service is insufficient to justify the registration for the Services as registered.

[32] Given all of the foregoing, I do not find that there was use of the Mark in association with the Services during the Relevant Period in Canada within the meaning of sections 4 and 45 of the Act. Furthermore, the Registrant has provided no evidence of special circumstances excusing the absence of such use.

Disposition

[33] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be expunged in compliance with the provisions of section 45 of the Act.

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