



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

**Citation: 2010 TMOB 145**  
**Date of Decision: 2010-09-14**

**IN THE MATTER OF A SECTION 45 PROCEEDING  
requested by Coastal Trademark Services against  
registration No. TMA494,334 for the trade-mark ZEAL  
in the name of Stephen Mastey**

[1] At the request of Coastal Trademark Services (the Requesting Party), the Registrar of Trade-marks forwarded a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on July 24, 2008 to Stephen Mastey (the Registrant), the registered owner of the above-referenced trade-mark.

[2] The trade-mark ZEAL (the Mark) is registered for use in association with “hair care preparations, namely, shampoos and conditioners” (the Wares).

[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 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 July 24, 2005 and July 24, 2008 (the Relevant Period).

[4] “Use” in association with wares is set out in s. 4(1) and 4(3) of the Act:

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the

association is then given to the person to whom the property or possession is transferred.

[...]

(3) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

In this case, s. 4(1) applies.

[5] It is well established that the purpose and scope of s. 45 of the Act is to provide a simple, summary and expeditious procedure for removing “deadwood” from the register and as such, the evidentiary threshold that the registered owner must meet is quite low. As stated by Mr. Justice Russell in *Performance Apparel Corp. v. Uvex Toko Canada Ltd.* (2004), 31 C.P.R. (4th) 270 (F.C.) at 282:

[...] We know that the purpose of s. 45 proceedings is to clean up the "dead wood" on the register. We know that the mere assertion by the owner that the trade mark is in use is not sufficient and that the owner must "show" how, when and where it is being used. We need sufficient evidence to be able to form an opinion under s. 45 and apply that provision. At the same time, we need to maintain a sense of proportion and avoid evidentiary overkill. We also know that the type of evidence required will vary somewhat from case to case, depending upon a range of factors such as the trade-mark owners' business and merchandising practices.

[6] In response to the Registrar's notice, the Registrant filed his own affidavit, sworn on January 13, 2009, together with Exhibits A through E. Neither party filed written submissions; an oral hearing was not requested.

[7] In his affidavit, Mr. Mastey states that he is the President of Dermorganic Laboratories Inc. (Dermorganic) and Mastey de Paris, Inc. (Mastey), and that he has held these positions since 1996 and 1999 respectively. Further to this, he states that he is the majority and controlling shareholder of Dermorganic and a minority shareholder in Mastey. He states that he has personal knowledge of the facts and matters deposed to, except where they are stated to be based on information and belief, in which case he believes them to be true. Where necessary, he has consulted the business records of Dermorganic and Mastey to confirm the truth of these facts.

[8] Mr. Mastey states that Dermorganic and Mastey have used the Mark in Canada during the Relevant Period in association with the Wares pursuant to an oral licence from him, and that he exercised and continues to exercise control over the character and quality of the Wares sold by Dermorganic and Mastey in association with the Mark. He explains that Mastey is the manufacturer of the Wares and owns the facility from which all the Wares are shipped, and that Dermorganic is the entity that markets the Wares.

[9] Mr. Mastey indicates that he has sold and continues to sell the Wares bearing the Mark to resellers in Canada and the United States. The resellers subsequently sell these Wares to Canadian retailers, including hair salons and/or directly to individual end users in Canada. Canadian retailers, such as hair salons, stock the Wares bearing the Mark for resale to individual end users, or use the Wares in the course of their services.

[10] He adds that he has sold the Wares through his licensees Dermorganic and Mastey to hair salon retailers and individual end users in Canada during the Relevant Period. The Wares are invoiced from either Mastey or Dermorganic, depending upon which entity the customer contacted in order to purchase the Wares.

[11] While Mr. Mastey has not evidenced any sales by him, he has evidenced sales of the Wares by his licensees Dermorganic and Mastey in Canada during the Relevant Period.

[12] In Exhibit C, Mr. Mastey provides copies of representative invoices issued by Mastey for sales in September and November 2007 (during the Relevant Period), demonstrating sales of 120 Zeal Moisturizing Shampoos and 120 Zeal Healthy Hair Conditioners to “Looks Hair & Skin Care” in Calgary, Alberta. He confirms that these Wares bore the Mark.

[13] Mr. Mastey also attests that Dermorganic has offered for sale and has sold the Wares to Canadian customers on the internet from its website ([www.noflakes.com](http://www.noflakes.com)) during the Relevant Period. As Exhibit D, he provides printouts from this website which show products associated with the Mark, including shampoos and conditioners, as well as the order forms to be used by Canadian customers. Although the printouts are dated December 15, 2008 (after the Relevant Period), he confirms that “the Wares marked with the Mark listed on the Exhibit “D” printouts, namely the “Moisturizing Shampoo”, “Volume & Texture Shampoo” and “Healthy Hair

Conditioner”, are the same wares that were offered for sale to Canadian customers online during the relevant time period”. He then provides, in Exhibit E, “representative sample invoices of sales made to Canadian residents online during the [R]elevant [P]eriod.” These invoices from 2006 and 2007 evidence sales by Dermorganic of “Zeal Volumizing Shampoo”, “Zeal Moisturizing Shampoo” and “Zeal Healthy Hair Conditioner” to individuals in Gatineau, Quebec, Calgary, Alberta, and Mississauga, Ontario. He adds that all of these Wares bore the Mark. Although only a minimal quantity of sales is reflected in these invoices, I find no reason to conclude that such sales were not bona fide sales in the normal course of trade.

[14] As for the manner in which the Mark was associated with the Wares at the time of their transfer, he provides as Exhibit A and B photographs of shampoos, namely “Zeal Dandruff Shampoo - Moisturizing Formula” and “Zeal Dandruff Shampoo – Volume & Texture Formula”, and conditioners, namely “Zeal Dandruff Conditioner – Healthy Hair Conditioner” and “Zeal Dandruff Conditioner – Healthy Hair Complex”, which Mr. Mastey specifies are representative of the Wares sold in Canada during the Relevant Period. I note that ZEAL is prominently displayed on the front (above the words “Dandruff Shampoo” and “Dandruff Conditioner”) and on the back of the bottles in large, bold font. I am satisfied that the use shown constitutes use of the registered Mark.

[15] Having considered the evidence as a whole, I consider it sufficient to enable me to conclude that the Mark has been used in Canada with the Wares during the Relevant Period. The invoices filed confirm that there were sales of the Wares during the Relevant Period, and I conclude that at the time of transfer to the purchaser, the Mark was marked on the Wares, and therefore the use was in compliance with s. 4(1) of the Act.

[16] Furthermore, I am satisfied that any use shown of the Mark by Dermorganic and Mastey in association with shampoos and conditioners accrued to the Registrant, pursuant to s. 50(1) of the Act. It is well established that for the purposes of s. 45 proceedings, in order to satisfy the requirements of s. 50(1), the evidence must establish that the trade-mark owner had control over the character or quality of the wares sold by the licensee in association with the mark. In the absence of the submission of a copy of the licence agreement as evidence of such control, this requirement can be satisfied by either the registrant or the licensee swearing to the fact that the

control required by s. 50(1) exists [see *Gowling, Strathy & Henderson v. Samsonite Corp.* (1996), 66 C.P.R. (3d) 560 (T.M.O.B.) and *Mantha & Associés/Associates v. Central Transport Inc.* (1995), 64 C.P.R. (3d) 354 (F.C.A.)]. In the present case, Mr. Mastey has sworn that there was an oral licence agreement between himself, Dermorganic and Mastey during the Relevant Period, and that he exercised control over the character and quality of the Wares sold by Dermorganic and Mastey in association with the Mark during this period. Accordingly, I accept that Dermorganic and Mastey were licensed to use the Mark in association with the Wares during the Relevant Period and that the control required for s. 50(1) was present. Consequently, I conclude that the use by Dermorganic and Mastey accrued to the Registrant pursuant to s. 50(1) of the Act.

[17] Pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be maintained in compliance with the provisions of s. 45 of the Act.

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Ronnie Shore  
Hearing Officer  
Trade-marks Opposition Board  
Canadian Intellectual Property Office