



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

Citation: 2012 TMOB 228
Date of Decision: 2012-11-22

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Gowling Lafleur Henderson LLP against
registration No. TMA535,043 for the trade-mark
PHYSIQUE in the name of The Procter & Gamble
Company.**

[1] On July 22, 2010 at the request of Gowling Lafleur Henderson LLP, the Registrar forwarded a notice under section 45 of the *Trade-marks Act* RCS 1985, c T-13 (the Act) to The Procter & Gamble Company (the Registrant), the registered owner of registration No. TMA535,042 for the trade-mark PHYSIQUE (the Mark).

[2] The Mark is registered for use in association with the following wares: Hair styling products, namely shampoo, conditioner, hairspray, styling gels and mousses.

[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 or services listed on 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 use since that date. Thus, in this case, the relevant period in which use must be shown is between July 22, 2007 and July 22, 2010 (the Relevant Period).

[4] The relevant definition of “use” is set out in section 4(1) 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.

[5] In response to the section 45 notice, the Registrant furnished affidavits from the following individuals: Jill Franxman, Associate Director of the Registrant, sworn on February 16, 2011; Perry Morgan, Chief Financial Officer of Marietta Corporation (Marietta), a licensee of the Registrant until April 2009, sworn on February 15, 2011; Ved Singh, President of New Windsor Brands, LLC (NWB), a licensee of the Registrant after April 2009, sworn on February 16, 2011; and Sander Greenberg, President of S. Greenberg and Associates (SGA), a sales representation company incorporated in Ontario, sworn on January 31, 2011. Only the Registrant filed written representations; an oral hearing was not held.

[6] On reviewing the evidence as a whole, I find the evidence insufficient to establish use of the Mark during the Relevant Period. Although Mr. Singh attests that “PHYSIQUE brand hair care products are being sold at several hundred Winners and Liquidated Wholesale stores in Canada”, this is in reference to February 2011, when he swore his affidavit; he provides no evidence of sales in Canada during the Relevant Period. Similarly, Mr. Morgan attests to sales by Marietta of PHYSIQUE shampoo to various Canadian hotel chains pursuant to its license from the Registrant; however, such sales occurred in April 2007, prior to the Relevant Period.

[7] Accordingly, the issue in this case is whether special circumstances existed to excuse the absence of use of the Mark in association with the wares during the Relevant Period.

[8] In her affidavit, Ms. Franxman attests that the Registrant licensed the Mark to Marietta from April 2004 to April 2009, during which time Marietta sold PHYSIQUE branded shampoo and conditioner products to various hotels in the United States and Canada. As indicated above, however, Mr. Morgan, in his affidavit, only provides evidence of sales of PHYSIQUE shampoo up to April 2007, prior to the Relevant Period. This is despite Ms. Franxman attesting to the fact that the Registrant tracked sales of its PHYSIQUE products in the United States and Canada through quarterly sales reports submitted to the Registrant by Marietta.

[9] In his affidavit, Mr. Singh attests that NWB, as the Registrant’s licensee after April 2009, was actively marketing and preparing to market PHYSIQUE hair care products to retail stores in the United States and Canada. He states that NWB began shipping PHYSIQUE branded hair

care products to stores in the United States at least as early as January 2010. Further, he attests that NWB retained SGA in January 2010 as its representative in Canada.

[10] As such, in his affidavit, Mr. Greenberg of SGA attests to meetings with representatives of various Canadian retail stores from April 2010 to September 2010 for the purpose of representing the Registrant's new licensee, NWB. He states that the purpose of these meetings included selling PHYSIQUE branded hair care products to those Canadian retailers.

[11] In its brief written representations, the Registrant submits that it "made continuous efforts to continue use of the mark through its licensing program". In particular, it notes that Mr. Greenberg's meetings with Canadian retailers in 2010 demonstrate that "real and continued efforts to sell the products into Canada were made during the relevant period". Further, the Registrant submits that the evidence shows a serious intention to resume use of the Mark, given that there is an invoice showing sales shortly after the Relevant Period.

[12] Generally, a determination of whether there are special circumstances that excuse non-use involves consideration of three criteria, as set out in *Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA) (*Harris*); the first is the length of time during which the trade-mark has not been in use, the second is whether the reasons for non-use were beyond the control of the registered owner and the third is whether there exists a serious intention to shortly resume use. The decision in *Smart & Biggar v Scott Paper Ltd* (2008), 65 CPR (4th) 303 (FCA) (*Scott Paper*) offered further clarification with respect to the interpretation of the second criterion, with the determination that this aspect of the test *must* be satisfied in order for there to be a finding of special circumstances excusing non-use of a trade-mark. In other words, the other two factors are relevant but, considered by themselves, in isolation, cannot constitute special circumstances. Further, the intent to resume use must be substantiated by the evidence [*Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 (FCTD); *NTD Apparel Inc v Ryan* (2003), 27 CPR (4th) 73 (FCTD)].

[13] In this case, I would first note that there is no evidence whatsoever with respect to the wares "hairspray, styling gels and mousses". Mr. Morgan only provides exhibits showing sales of PHYSIQUE shampoo in Canada in April 2007. Although not explicit in his affidavit, this would appear to be the latest date of sales prior to the Relevant Period of PHYSIQUE

conditioner as well. Mr. Singh attests that NWB began sales of PHYSIQUE shampoo and conditioner in late July 2010 in Canada, and is otherwise silent with respect to the remaining wares.

[14] In any event, although the Registrant has provided evidence regarding the first and third criteria with respect to shampoo and conditioner, it is not clear to me that it has satisfied the second criteria of the *Harris* test. Although Ms. Franxman attests that the Registrant had no intention of abandoning its trade-mark for hair care products, the evidence before me fails to establish that the reasons for non-use of the Mark during the Relevant Period were beyond the control of the Registrant.

[15] In particular, I note that the affidavits are silent with respect to the reason for the lack of sales in Canada by Marietta between April 2007 and April 2009. For its part, the Registrant does not explicitly rely on the change in licensee as its reason for non-use of the Mark during the Relevant Period. In any event, this change in licensee does not explain the lack of use prior to April 2009. If the license agreement was terminated prematurely, the Registrant does not identify who terminated the license, nor does the Registrant explain the reasons for termination.

[16] Furthermore, while it would appear that the Registrant's second licensee was active in the U.S. market as early as January 2010, Mr. Singh's affidavit is silent as to NWB's marketing efforts in Canada between April 2009 and January 2010, when it retained SGA as its representative. Mr. Singh does not attest to any particular difficulties that prevented NWB from entering the Canadian market earlier. Rather, it would appear that NWB simply prioritized its marketing efforts in the United States over its efforts in Canada. The affidavits are also silent with respect to whether the Registrant or its licensees sold similar products under different brands in Canada during the Relevant Period. Noting that SGA's marketing efforts in Canada "included" those related to the Registrant's PHYSIQUE brand, it is unclear whether any such other brands were prioritized over the PHYSIQUE line.

[17] In any event, although Mr. Greenberg attests to meetings with Canadian retailers in 2010, it is again unclear to me whether SGA, NWB or the Registrant encountered any particular difficulties in its marketing efforts. Although there was a change in the Registrant's licensee, there is no evidence before me to conclude that the lack of use during the Relevant Period was

due to circumstances beyond the Registrant's control, rather than simply due to its voluntary marketing strategy. As noted above, the circumstances relating to the end of the license agreement with Marietta are left unexplained. I am left to speculate as to the reason why the Registrant chose to change its licensee and Ms. Franxman provides no explanation for the Registrant's apparent decision to change its marketing strategy from selling PHYSIQUE hair products as hotel amenities to selling them through retail stores. There is nothing to indicate this was anything other than a voluntary decision of the Registrant, with subsequent efforts focusing on the U.S. market rather than the Canadian market.

[18] As such, I am not satisfied that the reasons for non-use were beyond the Registrant's control. Accordingly, per *Scott Paper, supra*, I must conclude that the Registrant has not demonstrated special circumstances excusing non-use of the Mark during the Relevant Period within the meaning of section 45(3) of the Act.

Disposition

[19] In view of all of the foregoing, 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