



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

Citation: 2016 TMOB 169
Date of Decision: 2016-10-21

IN THE MATTER OF A SECTION 45 PROCEEDING

Johnston Law

Requesting Party

and

2341375 Ontario Inc.

Registered Owner

TMA806,441 for PARASOL

Registration

[1] At the request of Johnston Law (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 February 2, 2015 to 2341375 Inc. (the Owner), the registered owner of registration No. TMA806,441 for the trade-mark PARASOL (the Mark).

[2] The Mark is registered for use in association with the following goods: “Sunblock preparations, sun screen preparations, sun tan gels, sun tan oils, sun tan lotions, sun tanning preparations, after sun lotions, and sunless tanning preparations.”

[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 between February 2, 2012 and February 2, 2015.

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

[5] 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 goods specified in the registration during the relevant period.

[6] In response to the Registrar’s notice, the Owner furnished the affidavit of Allan Lever, the owner of Hollywood Alliance Canada Inc. (HAC), sworn on April 9, 2015 in Toronto, Ontario. Only the Requesting Party filed written representations; an oral hearing was not requested.

The Owner’s Evidence

[7] In his affidavit, Mr. Lever attests that HAC “is a broker and/or licensee for manufacturers all over the world who wish to sell products in Canada to food, drug and mass retailers”. He states that HAC has a license agreement with the Owner to sell PARASOL products in Canada and confirms that, pursuant to that license, the Owner exercises control over the nature, character and quality of all products sold in Canada by HAC in association with the Mark.

[8] More specifically, Mr. Lever attests that HAC sells “sunblock, sunscreen, and sun tan products” bearing the Mark to Uniprix retail pharmacy stores throughout Quebec. He explains that HAC used a distributor, McKesson Canada, to ship the products to Uniprix.

[9] At paragraph 7 of his affidavit, Mr. Lever provides a table showing sales revenue for the relevant period from seven PARASOL products. The cumulative sales of such products total more than \$100,000 from 2012 to March 2015.

[10] In support, Mr. Lever attaches the following exhibits to his affidavit:

- Exhibit A consists of seven photographs of various goods that Mr. Lever attests are representative of PARASOL “suncare products” sold through HAC “over the years, including during the past three years”. The depicted products are labeled as “sunscreen continuous spray”, four types of “sunscreen lotion”, and two types of aloe vera “gel after sun moisturizer”; these products correspond to the list of products identified in the sales table at paragraph 7 of the affidavit. The Mark appears on the products with a TM/MC symbol and a design element as follows:



- Exhibit B consists of 16 invoices from the distributor, McKesson Canada, for various products which Mr. Lever attests were sold in Canada. Mr. Lever confirms that the invoices reflect sales made by the Owner through HAC to Uniprix. The invoices are all dated within the relevant period and are invoiced to Uniprix at a Quebec address. Each invoice shows the sale of at least one PARASOL product, and Mr. Lever identifies and provides a description for each such product. For example, with respect to the invoiced “PARASOL VAP FPS30”, Mr. Lever states that this references a “sunblock/sunscreen preparation for tanning in spray form with SPF sunscreen/sunblock preparation”. Similarly, Mr. Lever attests that the “PARASOL HYD AP/SOL” and “PARASOL HYD GEL ALOES” reference “after sun lotion/gels and sun tan gel products”.

Licensing

[11] In its written representations, the Requesting Party submits that Mr. Lever’s claims of a license between the Owner and HAC are unsupported by any evidence. It submits that since Mr. Lever provided no terms of the license agreement or a time period for that license, there is

insufficient evidence to establish that a license actually existed between HAC and the Owner. As such, it submits that Mr. Lever's claims to that effect must be disregarded. The Requesting Party submits that, in any case, Mr. Lever has merely made "bald claims with respect to actions of the Owner's alleged control, which are clearly outside the scope of the Alleged Licensee's knowledge" and furnished no evidence in support of such claims. The Requesting Party also questioned the exhibited photographs because "they do not notify the consumer ... whether the Trademark is being used by the Owner or under license from the Owner to the Alleged Licensee".

[12] First, I note that section 50 of the Act does not require that public notice of a license be provided in order for any licensed use to be valid. Furthermore, it is well established that filing a copy of a license agreement is not mandatory in a section 45 proceeding [see *Gowling, Strathy & Henderson v Samsonite Corp*, (1996) 66 CPR (3d) 560 (TMOB)]. As stated by the Federal Court, there are three main methods by which a trade-mark owner can demonstrate the requisite control pursuant to section 50(1) of the Act: first, by clearly attesting to the fact that it exerts the requisite control; second, by providing evidence demonstrating that it exerts the requisite control; or third, by providing a copy of the license agreement that provides for the requisite control [*Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102, 91 CPR (4th) 248 at paragraph 84].

[13] In this case, as noted above, Mr. Lever satisfies the first method by clearly attesting to the fact that the Owner had control over the character and quality of the PARASOL goods offered by HAC during the relevant period. Consequently, I am satisfied that any demonstrated use of the Mark by HAC constitutes use of the Mark enuring to the benefit of the Owner.

Identity of the Seller

[14] The Requesting Party further submits that the exhibited invoices do not show use of the Mark by the Owner because they do not originate from either the Owner or HAC. In this respect, it notes that the invoices do not refer to either the Owner or HAC, nor do they indicate that the Mark is used under license. The Requesting Party submits that, notwithstanding Mr. Lever's statements, the "evidence confounds who actually is offering the goods for sale".

[15] However, it is well established that the concept of the “normal course of trade” recognizes a continuity of actions that commence with the trade-mark owner through intervening transactions by agents or distributors to the ultimate consumer [per *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD)]. As such, evidence of a trade-mark owner’s goods bearing the trade-mark distributed and sold through another entity can be sufficient to satisfy the requirements of section 4 of the Act.

[16] In this case, notwithstanding the Requesting Party’s lengthy submissions, Mr. Lever’s affidavit clearly establishes that McKesson Canada is merely a distributor of the PARASOL goods.

Display of the Mark

[17] The Requesting Party submits that the exhibited photographs do not demonstrate use of the Mark during the relevant period since they are undated and there is otherwise “no evidence” that the photographs are from the relevant period. However, regardless of when the photographs were taken, in view of Mr. Lever’s statements, I am satisfied that they are representative of how the goods appeared when sold during the relevant period.

[18] The Requesting Party further submits that the photographs show “the Trademark in combination with a dominant design element, namely the umbrella design over the mark, followed by the placement of the TM/MC symbol, denoting the entire design as the mark”. As such, it submits that the evidence does not show use of the Mark as registered.

[19] On this issue, I first note that it is not clear in this case that the particular placement of the TM/MC symbol necessarily denotes the “entire design” as the trade-mark displayed. In this respect, as shown above, although the symbol appears below the umbrella/parasol design element, it also follows the word PARASOL.

[20] In any event, the placement of a trade-mark symbol is not necessarily determinative. Generally, use of a word mark in combination with additional words or design features qualifies as use of the word mark if the public, as a matter of first impression, would perceive the word mark *per se* as being used [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535

(TMOB); 88766 *Canada Inc v National Cheese Co* (2002), 24 CPR (4th) 410 (TMOB)]. The issue is a question of fact, dependent upon such factors as whether the word mark stands out from the additional material or whether the additional material would be perceived as purely descriptive matter or as a separate trade mark or trade name [see *Nightingale, supra*; and *Canadian Council of Professional Engineers v Ing Loro Piana & C SPA*, 2009 FC 1096, CarswellNat 3400].

[21] In this case, PARASOL clearly stands out from the design element such that I consider the Mark to be displayed on the goods in such a way that it remains recognizable and does not lose its identity.

[22] In fact, the design element – being a stylized parasol – reinforces PARASOL as the dominant feature of the trade-mark displayed. As such, even if the “entire design” were considered to be the trade-mark displayed, in view of the principles set out by the Federal Court of Appeal, [per *Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA)], I consider the additional design element to be only a minor variation from the Mark as registered in this case.

Evidence of Transfers

[23] The real issue in this case is whether the evidence shows transfers of each of the registered goods. In this respect, I first note that the evidence is silent with respect to “sunless tanning preparations”.

[24] Furthermore, Mr. Lever does not clearly correspond each of the depicted or invoiced products with a particular registered good. Although I accept Mr. Lever’s statements as indicating that the terms “sunscreen” and “sunblock” are interchangeable, he essentially attests that particular products correspond with more than one registered good. For example, with respect to the two aloe vera “After Sun Moisturizer” products depicted at Exhibit A, as noted above, Mr. Lever attests that these products are “after sun lotion/gels and sun tan gel products”. As such, he appears to be asserting that these products correspond to more than one registered good, namely “sun tan gels” and “after sun lotions”.

[25] While I accept that the terms “lotions” and “gels” can otherwise be used interchangeably in this context, the exhibited labels for these two products are essentially identical, with the only apparent difference being that one gel is green and the other is clear. More importantly, both products are labelled as “after sun” gels, and not as “sun tan” gels.

[26] Indeed, none of the depicted products are labelled as “sun tan” products, which would presumably have a function other than the “broad spectrum sunscreen” or “moisturizer” functions advertised on the labels of the exhibited products.

[27] Having distinguished particular goods in the registration, the Owner must provide some evidence with respect to each of the listed goods accordingly [per *John Labatt Ltd v Rainer Brewing Co et al* (1984), 80 CPR (2d) 228 (FCA)]. Furthermore, per section 30 of the Act, a statement of goods must be in ordinary commercial terms. As such, to the extent there is a difference between “sun tan” gels, oils or lotions versus “sunscreen/sunblock” and “after sun” preparations, the Owner appears to have only given evidence of the latter preparations.

[28] In summary, while I accept that the evidenced photographs and sales show transfers of various “sunblock preparations”, “sunscreen preparations” and “after sun lotions” in association with the Mark, when viewed as a whole, the evidence does not show use of the Mark in association with any of the registered “sun *tan*” preparations.

[29] As such, I am satisfied that the Owner has demonstrated use of the Mark only in association with “sunblock preparations”, “sun screen preparations” and “after sun lotions” within the meaning of sections 4 and 45 of the Act.

[30] As there is no evidence of special circumstances excusing non-use of the Mark before me with respect to the remaining goods, the registration will be amended accordingly.

Disposition

[31] In view of the foregoing, 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 “... sun tan gels, sun tan oils, sun tan lotions, sun tanning preparations ... and sunless tanning preparations” from the statement of goods.

[32] The amended statement of goods will read as follows: “Sunblock preparations, sun screen preparations and after sun lotions”.

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

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

No Hearing Held

AGENTS OF RECORD

Bereskin & Parr LLP/S.E.N.C.R.L.

For the Registered Owner

Johnston Law

For the Requesting Party