



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

Citation: 2013 TMOB 166
Date of Decision: 2013-10-02

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Sarah Vanderkerkhove against registration
No. TMA563,642 for the trade-mark Feminine Form &
Design in the name of Grucor Canada Inc**

[1] At the request of Sarah Vanderkerkhove (the Requesting Party), the Registrar forwarded a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on July 25, 2011 to Grucor Canada Inc. (the Registrant), the registered owner of registration No. TMA563,642 for the trade-mark Feminine Form & Design (the Mark), shown below:



[2] The Mark is registered for use in association with the following wares: “ladies brassieres, garter belts, girdles, lingerie and undergarments”.

[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 25, 2008 and July 25, 2011.

[4] In response to the section 45 notice, the Registrant furnished the affidavit of Fabio Osorio, President of the Registrant, sworn on January 20, 2012. Only the Requesting Party filed written representations; an oral hearing was not held.

[5] In his affidavit, Mr. Osorio does not furnish any evidence of use of the Mark during the relevant period; rather, he concedes that the Mark has not been used since 2006. Accordingly, the issue in this case is whether, pursuant to section 45(3) of the Act, special circumstances existed to excuse the absence of use of the Mark in association with the wares during the relevant period.

[6] 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). 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.

[7] The decision in *Smart & Biggar v Scott Paper Ltd* (2008), 65 CPR (4th) 303 (FCA) 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)].

[8] In his affidavit, Mr. Osorio attests that the Mark was last used in association with the wares in 2006. He explains that, prior to the relevant period, the Registrant owned and operated two retail stores under the business name “Feminine Form”, which sold the wares in association with the Mark. The first store was located in Saint John, New Brunswick and operated from 2001 to 2004; the second opened in Montreal, Quebec in 2004 and subsequently closed in 2006.

Accordingly, the length of non-use prior to the issuance of the section 45 notice was approximately five years.

Whether non-use was beyond the control of the Registrant

[9] Mr. Osorio attests that while the Registrant's retail operations were initially profitable, "the cost to import the Wares became increasingly high and eventually became cost-prohibitive for [the Registrant], resulting in the inability for [the Registrant] to offer the Wares for a reasonable price to consumers." Subsequently, the Registrant closed its retail operations "...and turned its focus to converting to a wholesaler of the Wares." In this respect, Mr. Osorio states that he is also the President of Con Corsetero SAS, a Colombia-based corporation that has been in the business of manufacturing feminine intimate apparel for 45 years.

[10] In *John Labatt Ltd v The Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD), "special circumstances" were defined as "circumstances that are unusual, uncommon or exceptional". Market fluctuations, however, are neither uncommon nor exceptional [*Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)]. Although Mr. Osorio states that the closure of the retail business was for "reasons beyond the reasonable control" of the Registrant, he provides no details to indicate that the circumstances surrounding the Registrant's decision to close its retail business were uncommon or exceptional. As such, I cannot conclude that the Registrant's decision to suspend its operations was anything other than a voluntary decision of the Registrant to do so until it was more profitable to do business in Canada.

[11] With respect to the ongoing non-use of the Mark during the relevant period, Mr. Osorio attests that one of the reasons supporting the Registrant's decision to focus on manufacturing, importing and wholesaling (rather than retailing) of the wares was because "...the Colombian and Canadian governments entered into negotiations regarding formalizing a free trade agreement between the two countries". Although he attests that the Registrant has continued to "actively market" the wares to Canadian distributors since 2006, he qualifies that such efforts were "pending the resolution of an agreement between the Colombian and Canadian governments".

[12] I note that with respect to the Registrant's intention to resume use, Mr. Osorio does provide some evidence of the Registrant's efforts to enter into an agreement with a Canadian distributor subsequent to the ratification of the Canada-Colombia Free Trade Agreement in August 2011. However, this is not a case where import of the wares into Canada was dependent on compliance with Canadian regulations, such as health or safety restrictions [see, for example, *Canada (Registrar of Trade-marks) v Montorsi Francesco E Figli-SpA* (2007), 63 CPR (4th) 255 (TMOB)]. The Registrant's decision to continue to wait for more favourable market conditions under a free trade agreement cannot constitute reasons for non-use of the Mark beyond the Registrant's control.

[13] In view of the foregoing, I am not satisfied that non-use of the Mark prior to and during the relevant period can be attributed to circumstances beyond the Registrant's control.

Disposition

[14] Accordingly, per *Scott Paper*, 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.

[15] 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