



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

Citation: 2015 TMOB 6
Date of Decision: 2015-01-19

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Cassels Brock & Blackwell LLP against
registration No. TMA751,031 for the trade-mark ALPHA
Q in the name of True Temper Sports, Inc.**

[1] At the request of Cassels Brock & Blackwell LLP (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 15, 2013 to True Temper Sports, Inc. (the Registrant), the registered owner of registration No. TMA751,031 for the trade-mark ALPHA Q (the Mark).

[2] The Mark is registered for use in association with the goods “bicycle parts, namely, frame components”.

[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 15, 2010 and February 15, 2013.

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

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 section 45 proceedings [*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* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v 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 Registrant filed the affidavit of Jason Jenne, the Registrant's Chief Operating Officer, sworn on May 15, 2013 in Memphis, Tennessee. Only the Requesting Party filed written representations; an oral hearing was not held.

[7] In his affidavit, Mr. Jenne describes the Registrant as a designer, manufacturer and seller of "high end" bicycle parts, including frame components. He attests to shipping samples of bicycle frame components to prospective clients and distributors in Canada during the relevant period. He states that the total value of such samples distributed in Canada was "in excess of about \$5000 USD". In this respect, he explains that the distribution of samples was "for marketing, informational and promotional purposes and to develop goodwill" in Canada.

[8] As to the display of the Mark on such samples, Mr. Jenne attaches Exhibits A and B to his affidavit. Exhibit A is a photograph of the packaging the components were shipped in and Exhibit B is a photograph of the bicycle frame component itself. Both prominently display the Mark.

[9] The issue in this case is whether the distribution of samples attested to by Mr. Jenne constitutes transfers of the goods in the normal course of trade pursuant to section 4(1) of the Act. First, I would note that Mr. Jenne does refer to "sales" of the bicycle frame components in his affidavit. However, as noted by the Requesting Party and discussed below, it is not clear that

the “sales” referred to were separate transactions rather than an elaboration on the free distribution of samples evidenced by Mr. Jenne.

[10] In support of his assertion of “sales”, Mr. Jenne provides three invoices at Exhibit C to his affidavit. The invoices are all to “Guru Cycles Inc.” in Laval, Quebec, for various quantities of bicycle frame components. However, I note that each invoice shows a “no charge” transaction and a zero dollar value for the price per unit and the total charged. Additionally, Mr. Jenne states that this exhibit consists of “invoices evidencing the transfer of property of samples” (emphasis mine).

[11] Furthermore, in a table at paragraph 12 of his affidavit, Mr. Jenne provides an “estimate” of the “sales” of the Registrant’s bicycle frame components in Canada during the relevant period. The table shows the number of bicycle frame units “sold” during a given period as well as the dollar value per period. Specifically, the table shows that between March and December 2010, 45 units were “sold” for USD\$3,329 and that during 2011, 14 units were “sold” for USD\$1,652; no units were “sold” in 2012 or in January 2013.

[12] Curiously, these unit numbers correspond to the three exhibited invoices that evidence “the transfer of property of samples” as stated by Mr. Jenne. In particular, the two invoices from March and December 2010 total 45 bicycle frame units, while the third invoice from September 2011 is for 14 bicycle frame units.

[13] I also note that the “understated sales” amounts from Mr. Jenne’s table generally correspond with his statement regarding the total value of free samples distributed for the same time period. The table, which Mr. Jenne states is “an estimation”, shows total “sales” amounting to USD\$4,981. This is approximate to the “in excess of \$5000 USD” that Mr. Jenne states was the total value of bicycle frame components distributed as “samples” to Canada during the relevant period.

[14] As such, it would appear that Mr. Jenne’s references to “sales” in his affidavit are, in fact, valuations of the “no charge” distribution of bicycle frame components to Guru Cycle Inc. as shown in the exhibited invoices. At best, whether bicycle frame components were in fact sold or whether they were distributed as free samples is ambiguous. The Registrant did not provide any

written representations to clarify this ambiguity. Per *Plough, supra*, such ambiguity must be resolved against the Registrant.

[15] Therefore, I agree with the Requesting Party that the exhibited invoices are not representative of sales of the Registrant's bicycle frame components in the normal course of trade. Rather, the invoices and Mr. Jenne's affidavit as a whole can be taken as evidence of the distribution of bicycle frame components as free samples only.

[16] As to whether such free distribution is sufficient for purposes of section 4(1) of the Act, the Federal Court has held that, generally, the free delivery of samples does not constitute transfers in the normal course of trade [see *JC Penney Co v Gaberdine Clothing Co* (2001), 16 CPR (4th) 151 FCTD], except in particular circumstances. For example, in *ConAgra Foods, Inc v Fetherstonhaugh & Co* (2002), 23 CPR (4th) 49 (FCTD) the Court accepted the free distribution of samples as a regular step in the normal course of trade in the industry where the owner of the trade-mark was seeking to develop a market. This was supported by the fact that actual sales closely followed the relevant period in that case.

[17] In this case, it is not clear that such free distributions are a "regular step" in the normal course of trade in the Registrant's industry. Although Mr. Jenne asserts that the Registrant sought to secure future sales from the distribution of free samples, the Registrant provides no evidence of such subsequent sales. In fact, Mr. Jenne attests to no shipments of the goods after 2011 and provides no evidence of imminent sales, as was the case in *ConAgra Foods*. As such, I agree with the Requesting Party that the free distribution of bicycle frame components evidenced in Mr. Jenne's affidavit cannot be considered transfers of such goods in the normal course of trade in Canada during the relevant period.

[18] In view of the foregoing, I am not satisfied that the Registrant has demonstrated use of the Mark in association with "bicycle parts, namely frame components" during the relevant period within the meaning of sections 4 and 45 of the Act. Furthermore, the Registrant provided no evidence of special circumstances excusing such non-use of the Mark.

Disposition

[19] Accordingly, 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 expunged.

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