

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

Citation: 2014 TMOB 75 Date of Decision: 2014-03-28

IN THE MATTER OF A SECTION 45 PROCEEDING requested by Clark Wilson LLP against registration No. TMA712,361 for the trade-mark KINDLE PARK in the name of ThinkBox LLC

- [1] At the request of Clark Wilson LLP, the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on July 20, 2011 to ThinkBox Media, LLC, the registered owner of record at the time of registration No. TMA712,361 for the trade-mark KINDLE PARK (the Mark).
- [2] As a preliminary matter, subsequent to the furnishing of evidence in response to the notice, the Registrar accepted evidence from the registered owner indicating that the Mark was inadvertently registered in the name of ThinkBox Media, LLC and should have been registered in the name ThinkBox Inc (the Owner). Further, the Mark was subsequently assigned to Thinkbox LLC in February 2012. However, these changes to the registration are not at issue in this proceeding.
- [3] The Mark is registered in association with the services "production of educational and entertainment video programming intended for on-line distribution by means of a global computer network" and the following wares:
 - (1) Pre-recorded compact discs featuring music, activities and stories; multi-media software recorded on CD ROMs in the fields of entertainment and education; computer programs for use in the fields of reading and writing skills, thinking and learning skills, languages, art, music, social studies, mathematics, science and the humanities and manuals sold as a unit in the fields of entertainment and education; computer game software in the form of discs.

- (2) Publications for children, namely printed educational and teaching materials in the fields of reading and writing skills, thinking and learning skills, languages, art, music, social studies, science, mathematics and humanities; picture books, books and magazines, all in the fields of education and entertainment; newspaper and magazine coloring comic strips.
- [4] 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 20, 2008 and July 20, 2011.
- [5] The relevant definitions of "use" are set out in sections 4(1) and 4(2) of the Act as follows:
 - 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.
 - (2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.
- 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*, (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co 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 wares specified in the registration during the relevant period.
- [7] In response to the Registrar's notice, the Owner filed the affidavit of Brian Napack, President and CEO of the Owner, sworn on January 20, 2012 in New York, New York. Neither party filed written representations; only the Owner was represented at an oral hearing.

- [8] In his affidavit, Mr. Napack states that the Owner is a company that makes and sells a variety of digital and printed educational products for children. He explains that these products are primarily sold to educational institutions such as elementary schools and are purchased either through the Owner's Canadian distributor or through the Owner's website. He further explains that the Owner entered into a licence and distribution agreement with a distributor in 2002, providing the distributor the right to sell the registered wares in association with the Mark throughout the United States and Canada.
- [9] In particular, Mr. Napack asserts use of the Mark in association with the wares in 2008 and 2009, corresponding to the first half of the relevant period. He attests that the Owner's wares were not sold in Canada from some point in 2010 through the end of the relevant period because of the "winding down" of the Owner's relationship with its distributor at that time.
- [10] Nonetheless, in support of his assertion of use, Mr. Napack attaches the following exhibits to his affidavit:
 - Exhibit A consists of colour photocopies of two compact discs and their respective CD case labels. Mr. Napack attests that the first printout shows "a representative sample music compact disc" and that the other shows "a compact disc containing the software to run the KINDLE PARK program". I note that the Mark is displayed on the discs and their packaging. Mr. Napack attests that, during the relevant period, "packaging and products such as these, featuring the KINDLE PARK trade-mark, were used in Canada by [the Owner], either directly or through its licensee".
 - Exhibit B consists of three screenshot printouts of images from the Owner's websites at www.thinkbox.com and www.kindlepark.com, both of which Mr. Napack attests were accessible to Canadians during the relevant period. I note that the Mark is displayed on the pages. The image of a music compact disc similar to the one shown in Exhibit A is displayed on one of the screenshots. The text below the image identifies it as a music CD produced by the Owner entitled "I'm Ready! Music From Kindle Park". Although Mr Napack attests that Canadians were able to order the Owner's wares through the websites during the relevant period, it is not apparent from the printouts that a customer could actually do so. As acknowledged by the Owner at the oral hearing, there is no direct link

displayed on the websites for purchasing the CD or any other product. One of the pages simply states that "For more information on Kindle Park and other ThinkBox products, email us at *info@ThinkBox.com*".

- [11] Mr. Napack states that the Owner incurred \$10,000 in annual advertising expenditures in 2008 and 2009 for promoting the sale of wares bearing the Mark. I note that he does not clearly state whether any such expenditure was directed at Canadians. Nonetheless, attached as Exhibit C to his affidavit are what appear to be two flyers, which Mr. Napack attests are representative of promotional materials distributed to the Owner's customers and potential customers during the relevant period. The flyers display the Mark and provide information about the Owner's various educational products and related online tools. An image of three books is displayed on one of the flyers, though it is not clear if the Mark appears on the books.
- [12] With respect to sales, Mr. Napack attests that "estimated annual revenues for the sale of the registered wares bearing the Mark in Canada during the years 2008 and 2009 were \$25,000 (Cdn) annually". However, he provides no further particulars and no documentary evidence of such sales in the form of invoices, purchase orders or the like. He explains that copies of invoices showing sales of the wares could not be provided due to the termination of the aforementioned licence agreement with the Owner's distributor. However, in the absence of invoices, Mr. Napack provides insufficient particulars that would allow me to accept his assertion that the Owner's wares were, in fact, sold in Canada. In this respect, I note that Mr. Napack does not identify its licensee/distributor or at least the location of said distributor during the relevant period. Nor does he identify any end consumers located in Canada. Given the breakdown in the relationship with the distributor and the lack of any supporting documentation, it is unclear what the basis is for Mr. Napack's assertion that the Owner's products were sold in Canada in the normal course of trade.
- [13] Furthermore, although he attests that the Owner's products are purchased *either* through its distributor or directly through the Owner's website, he provides no invoices or evidence of direct sales from the Owner to customers in Canada and provides no explanation for their omission.

- [14] In any event, I am not satisfied that the Owner has provided sufficient evidence with respect to each of the registered wares. As noted in *Saks & Co v Canada (Registrar of Trademarks)* (1989), 24 CPR (3d) 49 (FCTD), actually showing use for all the wares listed in a registration is not necessarily required when the affidavit clearly states that the trade-mark is used on all of the wares and adequate examples of use from each category of wares is shown.
- [15] In this case, Mr. Napack has provided examples of the Mark being displayed on the general category of wares listed in the registration as wares (1), being compact discs and software recorded on CD ROMs. However, he has not provided similar evidence with respect to wares (2), being publications such as picture books, magazines or comic strips. Further, I note that there are no publications displayed on the websites shown in Exhibit B and the books shown in the Exhibit C promotional materials do not appear to display the Mark. Even if I were to accept that the \$25,000 in revenue was, in fact, generated from sales in the normal course of trade in Canada, Mr. Napack provides insufficient particulars to determine, at a minimum, from which category of wares such sales were generated. Given that there is no evidence of the Mark being displayed on one of the categories of wares, absent further particulars, I cannot conclude that the \$25,000 was generated from sales of wares bearing the Mark.
- [16] With respect to the registered services, Mr. Napack attests that the Owner did not offer such services in Canada in association with the Mark during the relevant period because of the termination of the aforementioned licence agreement with the Owner's distributor.
- [17] In view of all of the foregoing, I am not satisfied that the Owner has demonstrated use of the Mark in association with any of the registered wares or services during the relevant period within the meaning of sections 4 and 45 of the Act.

Special Circumstances

[18] With respect to whether there were any special circumstances excusing non-use of the Mark, Mr. Napack provides no details regarding the circumstances of the Owner's termination and/or "winding down" of the Owner's relationship with its licensee during the relevant period. Although he states that the Owner "will be entering into a new licence and distribution agreement for the [Mark] covering the marketing and sale of the registered wares as well as

services associated with the [Mark] throughout Canada", absent particulars, this statement is

vague and does not support the existence of a serious intention to shortly resume use. As such, I

cannot find that the criteria set out in Registrar of Trade Marks v Harris Knitting Mills Ltd

(1985), 4 CPR (3d) 488 (FCA) have been satisfied in this case.

[19] In this respect, I note the following observation by the Federal Court of Appeal in

Plough, supra, at 66:

There is no room for a dog in the manger attitude on the part of registered owners who

may wish to hold on to a registration notwithstanding that the trade mark is no longer in use at all or not in use with respect to some of the wares in respect of which the mark is

registered.

[20] As the Owner has provided no evidence to demonstrate that the reasons for non-use of

the Mark were beyond its control or that it has a serious intention to shortly resume use, I must

further conclude that the Owner has not demonstrated special circumstances to justify non-use of

the Mark during the relevant period within the meaning of section 45(3) of the Act.

Disposition

[21] 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

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