



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

**Citation: 2013 TMOB 168
Date of Decision: 2013-10-04**

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Miller Thomson LLP against registration
No. TMA591,375 for the trade-mark SMARTDESIGN in
the name of SmartDesign.com Inc.**

[1] At the request of Miller Thomson 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 April 20, 2011 to SmartDesign.com Inc. (the Registrant), the registered owner of registration No. TMA591,375 for the trade-mark SMARTDESIGN (the Mark).

[2] The Mark is registered for use in association with the following services:

Intellectual property development, namely curriculum design and development, development of models and methods for teaching and learning, development of new business methods for e-commerce, design and development of new corporate compensation structures and plans; consulting services, workshops and seminars on use of the designed and developed intellectual property.

[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 April 20, 2008 and April 20, 2011.

[4] The definition of “use” in association with services is set out in section 4(2) of the Act:

4(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.

[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 wares and services specified in the registration during the relevant period.

[6] With respect to services, where the trade-mark owner is offering and prepared to perform the services in Canada, use of the trade-mark on advertising of those services meets the requirements of section 4(2) [see *Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (RTM)]. In other words, advertising in Canada alone is insufficient to demonstrate use; at the very least, the services have to be available to be performed in Canada. By way of example, use of a trade-mark on advertising in Canada of services only available in the United States does not satisfy the provisions of section 4(2) [*Porter v Don the Beachcomber* (1966), 48 CPR 280 (Ex Ct)].

[7] In response to the Registrar's notice, the Registrant furnished the statutory declaration of Carolyn Hughes, owner of the Registrant, declared on November 21, 2011. The Requesting Party filed written representations and both parties attended an oral hearing.

[8] In her declaration, Ms. Hughes states that she is the registered owner of the Mark and owner of the Registrant, having used the trade name "Smart Design" or "SmartDesign" in business since 1995 in the United States and Canada. Ms. Hughes describes herself as "a Business Architect specializing in the design of business models for new ventures, comprising: businesses, organizations and learning environments". She states that, during the relevant period, the Registrant "designed more than twelve (12) models for new ventures" in various "sector areas", including education, health, travel, water systems and startup services. She attests that, in the Registrant's business, "the startup process is also our product offering, so when we

look for developers, partners, clients, we are not engaging in pre-business activities, we are engaging in our business”.

Evidence of Use During the Relevant Period

[9] In her declaration, Ms. Hughes states that, during the relevant period, the Registrant consulted “clients in the interest of their startup[s]”. In support, she provides copies of email communications between herself and various individuals at Exhibits B, D, E, F and G.

[10] Although the Mark appears in the signature portion of Ms. Hughes’ emails, I note that none of the clients or prospective clients represented in the emails appears to be located in Canada. For example, in Exhibit B, the evidence indicates that the client is located in New Mexico; in Exhibit G, the evidence indicates that the client is located in India.

[11] At the oral hearing, Ms. Hughes conceded that no Canadian customers are represented in the evidence. As such, the exhibited emails create the relatively unique situation whereby, even if I were to conclude that the Registrant’s email exchanges constitute performance or at least advertising of the services, they do not constitute display of the Mark *in Canada*. As such, this evidence is insufficient to demonstrate use of the Mark within the meaning of section 4(2) of the Act.

[12] The exhibits are problematic in other respects. For example, Exhibit G consists of a November 18, 2001 email letter from a client located in Chennai, India, “describing SmartDesign services performed beginning in January 2011, until the present”. Ms. Hughes states that “both the client and I deemed a letter preferable for the purpose of this proceeding rather than dozens of emails with extensive redactions to protect proprietary information”. Ms. Hughes does not clearly attest to the veracity of the facts recited in the letter and the letter itself is not a declaration or sworn affidavit. Rather than directly attesting to the services performed by the Registrant for this client, Ms. Hughes furnishes a letter written by her client that is dated after the relevant period and is *prima facie* hearsay.

[13] Furthermore, I note that Exhibit E relates only to an inquiry regarding the sale of a domain name owned by the Registrant; this does not clearly correspond to any of the services as

registered. Similarly, Exhibit F is heavily redacted; although Ms. Hughes states that it “shows how we successfully parlayed an initial inquiry into an ongoing co-design and consortium marketing partnership”, most of the reproduced email chain is from after the relevant period. As such, it is unclear which of the registered services, if any, were offered to this particular customer during the relevant period.

[14] Unfortunately, although Ms. Hughes may have been able to perform the services in Canada during the relevant period, she otherwise provides no evidence of display or advertising of the Mark in Canada. She states that “over the years we have used different presentations of the mark, some of which are herein attached as Exhibit A”. Exhibit A constitutes four pages of various SMARTDESIGN design marks. One of the pages appears to be blank letterhead, as the Registrant’s name, address and website appear at the top of the page. However, Ms. Hughes provides no context or specifics with respect to the use of these designs and, as the Requesting Party notes, blank letterhead is insufficient to show use of a trade-mark in the performance or advertising of services [per *Smith, Lyons, Torrance, Stevenson & Mayer v Pharmaglobe Laboratories Ltd* (1996), 75 CPR (3d) 85 (TMOB)].

[15] Similarly, although Ms. Hughes states that the Registrant “currently owns the SMARTDESIGN domain name .com, .info, .biz, .us., .in, and .co which registrations are a matter of public record”, she provides no evidence as to the appearance or content of the Registrant’s websites, either during the relevant period or otherwise.

[16] In view of the foregoing, I cannot conclude that the Registrant has demonstrated use of the Mark in association with the services within the meaning of sections 4 and 45 of the Act.

Special Circumstances

[17] With respect to whether special circumstances existed to excuse non-use of the Mark, Ms. Hughes does not explicitly address this issue, stating that “we have maintained our business activities, and we do have evidence of use during the relevant period”. However, she also attests that the relevant period “corresponds with the greatest impact of the recession for our business ... [and] commences about the time that leads and contracts were withering from recession pressures and ends just prior to a marked rise in business activity.”

[18] 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.

[19] 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.

[20] In its written representations, the Requesting Party submits that “although the [declaration] generally mentions prevailing economic conditions, it does not state how those conditions, applicable to all traders, affected the Registrant’s ability to use the trade-mark”. In this respect, the Requesting Party argues that “where the circumstances put forward are beyond the registrant’s control but not unique to the registrant, the registrant must show how those events affected the registrant’s inability to use the trade-mark” [per *American Airlines, Inc v Plan B Strategies Inc* (2005), 40 CPR (4th) 269 (TMOB)].

[21] This approach is consistent with *John Labatt Ltd v The Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD), where “special circumstances” were defined as “circumstances that are unusual, uncommon or exceptional”. Market fluctuations such as those experienced in a recession, however, are neither uncommon nor exceptional [*Lander Co Canada Ltd v Alex E Macrae & Co* (1993), 46 CPR (3d) 417 (FCTD)]. As noted by the Requesting Party, Ms. Hughes provides no explanation with respect to the apparent failure to advertise or promote the services in Canada in association with the Mark or how the economic conditions might have affected this.

[22] Given all of the foregoing, I am not satisfied that the Registrant has demonstrated special circumstances to excuse non-use of the Mark in this case.

Disposition

[23] Accordingly, 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