



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

**Citation: 2013 TMOB 159**  
**Date of Decision: 2013-09-27**

**IN THE MATTER OF A SECTION 45 PROCEEDING  
requested by Hudson's Bay Co. against registration  
No. TMA597,698 for the trade-mark BOMBAY KIDS &  
Design in the name of Bombay & Co. Inc.**

[1] At the request of Hudson's Bay Co. (the Requesting Party), the Registrar forwarded a notice under section 45 of the *Trade-marks Act* RCS 1985, c T-13 (the Act) on January 25, 2011 to Bombay & Co. Inc. (the Registrant), the registered owner of registration No. TMA597,698 for the trade-mark BOMBAY KIDS & Design (the Mark), shown below:



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

Furniture namely, chairs, loveseats, sofas, rockers, beds, ottomans, headboards, armoires, tables, bedside tables, desks, stools, dressers, rocking chairs, canopies, pedestals, storage pedestals, bookcases, chests, desks, computer desks, hutches, and drawer chests; home accessories namely, mobiles, lockers, nameplates, jewelry boxes, mirrors, seating cubes, picture frames, wall storage and wall ledges, dog door stoppers, pedestals, coin holders, magazine holders and curios; bedding, blankets, quilts, coverlets, throws, bedskirts, dust ruffles, pillow shams, pillows, floor pillows, applique pillows, pillowcases, sheets, sheet sets, window treatments, namely, curtains, drapes, curtain rods, brackets, finials and tiebacks; duvets, comforter and blanket covers, canopies and neck rolls” (the Wares).

[3] The Mark is also registered for use in association with the following services: “mail order and electronic catalogue services featuring furniture, home accessories and gifts; on-line retail services in the field of furniture, home accessories and gifts” (the Services).

[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 January 25, 2008 and January 25, 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.

[6] In response to the section 45 notice, the Registrant furnished the affidavit of Margaret Morrison, the President of the Registrant, sworn in Toronto on August 25, 2011. Only the Registrant filed written representations; an oral hearing was not held.

[7] In her affidavit, Ms. Morrison states that her company “operates 48 stores across Canada and offers large and small furniture, occasional furniture, wall décor and home accessories through a network of retail locations”. Ms. Morrison explains that the Mark was previously owned by BBA Holdings, LLC (BBA), which designed and marketed a line of home furnishings and decorative accessories through retail locations, “direct-to-customer” operations and international licensing agreements. Ms. Morrison states that the Mark was part of an asset acquisition on February 5, 2008 by the Registrant related to the bankruptcy of BBA. I note that this date is less than a month into the relevant period.

### Evidence of Use During the Relevant Period

[8] Ms. Morrison provides that, when acquired through the bankruptcy proceedings, the inventory of BBA included some of the registered wares shown in BBA's product catalogue, one page of which is furnished at Exhibit B of her affidavit. She attests that these remaining inventory items were sold during the relevant period and she provides copies of sales receipts relating to these products at Exhibit C of her affidavit.

[9] 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 and services specified in the registration during the relevant period.

[10] In this case, in the absence of evidence to demonstrate how the Mark was displayed or associated with the aforementioned inventory products, I consider Ms. Morrison's statements to be mere assertions of use, and as such, they do not meet the evidentiary threshold to demonstrate use of the Mark. In this respect, although the Registrant submits in its written representations that the Mark "would have appeared" on the inventory items, Ms. Morrison's affidavit includes no exhibits to show this, such as photographs of the inventory products.

[11] As will be discussed further below, Ms. Morrison has provided photographs which display the Mark after the relevant period; however, these photographs show the Mark displayed on tags attached to the furniture items, and not directly on the items themselves. Although Ms. Morrison provides evidence of sales of these items she does not attest that, when the items were sold in February 2008, similar tags were displayed.

[12] As such, I cannot conclude that the Registrant has demonstrated use of the Mark in association with any of the Wares during the relevant period.

[13] With respect to the Services, I note that the exhibited catalogue page only displays the word portion of the Mark, “BOMBAY KIDS”. In any event, Ms. Morrison provides no statements regarding the publication date of the catalogue, nor does she provide any details with respect to its distribution in Canada during the relevant period or otherwise. Accordingly, I cannot conclude that the catalogue constitutes evidence of use of the Mark during the relevant period in association with the Services.

[14] Therefore, the issue in this case is whether, pursuant to section 45(3) of the Act, special circumstances existed to excuse non-use of the Mark during the relevant period.

#### Special Circumstances Excusing Non-Use

[15] 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. 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. The other two factors will be relevant in considering the issue as a whole, but without a reason or reasons beyond the control of the registered owner, special circumstances cannot be found.

#### Length of time during which the trade-mark has not been in use

[16] With respect to the first criterion, generally, a registered owner must state or otherwise provide evidence as to when the trade-mark was last used. However, in cases of an assignment due to bankruptcy such as this, the date of assignment can be deemed to be the relevant date [see *GPS (UK) Ltd v Rainbow Jean Co* (1994), 58 CPR (3d) 535 (TMOB) and *Baker & McKenzie v Garfield's Fashions Ltd* (1993), 52 CPR (3d) 274 (TMOB)]. As such, for purposes of this analysis, the date of last use was February 5, 2008 and the period of non-use prior to the issuance of the section 45 notice is less than three years.

Whether non-use was beyond the control of the Registrant

[17] As noted above, the Registrant acquired the Mark through a bankruptcy proceeding in February 2008, less than one month into the relevant period. Ms. Morrison attests that the acquisition of the majority of BBA's assets, stores, employees, and related commitments was a significant undertaking requiring considerable planning, time, and cost to the Registrant. Ms. Morrison also states that while the company had developed a business plan in 2009 regarding the use of the Mark, in part "the ability to secure the needed capital investment, negatively impacted [the Registrant's] ability to implement this business plan." She attests that this problem persisted until 2010 when the Registrant decided to implement its business plan in association with the Mark and began contacting suppliers. Of note is the fact that the Registrant placed an order with one of its suppliers a week prior to the issuance of the section 45 notice.

[18] It is reasonable to assume that a new owner would need some time to make arrangements concerning the use of a newly acquired trade-mark [see *Garfield's Fashions, supra* and *Scott Paper Co v Lander Co Canada Ltd* (1996), 67 CPR (3d) 274 (TMOB)]. This is consistent with the apparent legislative intent that, generally, there is a maximum start-up time of three years for a registrant to commence serious commercial use in Canada following registration of its trade-mark [see *2001237 Ontario Ltd v Footstar Corp*, 2003 CarswellNat 6253 (TMOB)].

[19] In view of the Registrant's recent acquisition of BBA's assets (including the Mark), the work required in re-launching a product line following the assignment, and the difficulty in finding the necessary financing to re-launch the product line, I agree with the Registrant that when taken as a whole, these constitute the reasons for non-use of the Mark which were beyond the control of the Registrant during the relevant period.

Whether there exists a serious intention to shortly resume use

[20] With respect to the third criterion, Ms. Morrison provides the following in support of the Registrant's intent to resume use of the Mark:

- **Exhibit D** consists of a purchase order confirmation (dated April 25, 2011) for new inventory. As noted above, the confirmation shows that the order was placed on January

18, 2011 (a week before the section 45 notice was issued) and it is indicated that the product shipment was to arrive by August 11, 2011.

- **Exhibit E** consists of pages from the Registrant’s website, dated August 25, 2011, which Ms. Morrison attests show use of the Mark in association with some of the Wares sold by the Registrant. Only the first page displays the Mark as registered and each of the product images are accompanied with the statement that “This product is currently sold through our Bombay stores only”. However, Ms. Morrison attests that the Registrant is “currently developing an e-commerce website in order to offer customers [the Services] in association with the Registered Mark”.
- **Exhibit F** consists of a number of pictures showing two in-store furniture displays. Sitting on or near each product display is the advertisement described below in **Exhibit G**. One picture is a close-up of a “pricing hang tag” attached to one of the furniture pieces, featuring the Mark. Ms. Morrison attests that these pictures were taken in-store in August, 2011.
- **Exhibit G** is a copy of the in-store advertisement used in conjunction with the furniture displays shown in **Exhibit F**. The advertisement features an image of three furniture items (a bed, a “7 drawer dresser”, and a nightstand), the name “Morgan Collection”, and the Mark.
- **Exhibit H** is a copy of “electronic advertising material” which Ms. Morrison attests was sent via email on August 19, 2011 to subscribed customers. The Mark is featured in the advertisement, along with the same three products featured in the in-store displays of **Exhibits F & G**.
- **Exhibit I** consists of three pictures of in-store “pricing hang tags” for a nightstand, dresser and twin bed, respectively. Each tag features the Mark and the name of the particular product. The tags are dated “08/11”.

[21] In order to satisfy the third criterion of the special circumstances test, the intent to resume use must be substantiated by the evidence [see *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)]. In this case, Ms. Morrison provides a number of exhibits that demonstrate the Registrant’s intent to resume use the Mark. In particular, I note that the purchase order in Exhibit D shows that the Registrant had in fact begun to order some of the Wares from a supplier prior to the issuance of the section 45 notice and that, furthermore, Ms. Morrison attests to the intent to sell these products in association with the Mark.

[22] With respect to the electronic and online retail Services, it would appear that the Registrant has taken concrete steps to resume use, as indicated by the development of the Registrant's website.

[23] Although the evidence is primarily with respect to furniture items, I note Ms. Morrison makes clear statements regarding the Registrant's intent to resume use of the Mark in association with all of the wares and services as registered "between the fall of 2011 and summer 2012". Given the nature of the wares and services, and in the absence of submissions from the Requesting Party, in view of all of the foregoing, I am satisfied that the Registrant has demonstrated a serious intention to resume use of the Mark in association with both the Wares and the Services as registered.

#### Disposition

[24] Accordingly, I am satisfied that the Registrant has demonstrated special circumstances excusing non-use of the Mark during the relevant period within the meaning of section 45(3) of the Act with respect to the Wares and the Services as registered.

[25] 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 maintained.

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