



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 214

Date of Decision: 2022-11-07

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Miltons IP

Registered Owner: 2828161 Ontario Inc.

Registration: TMA839,431 for TEXAS LONGHORN

INTRODUCTION

[1] This is a decision involving a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA839,431 for the trademark TEXAS LONGHORN (the Mark).

[2] The Mark is registered for use in association with the goods and services set forth in Schedule “A”.

[3] For the reasons that follow, I conclude that the registration ought to be amended.

THE PROCEEDING

[4] At the request of Miltons IP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on May 19, 2020 to Ace Cafe Toronto Inc. (Ace), the registered owner of the Mark as of that date.

[5] The notice required Ace to show whether the Mark was used in Canada in association with each of the goods 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 May 19, 2017 to May 19, 2020 (the Relevant Period).

[6] An assignment of the Mark from Ace to 2443218 Ontario Inc. (218 Ontario), *nunc pro tunc* July 1, 2015, was recorded against the registration on April 15, 2021.

[7] An assignment from 218 Ontario to 2828161 Ontario Inc. (161 Ontario), *nunc pro tunc* January 15, 2017, was also recorded against the registration on April 15, 2021.

[8] Accordingly, the registration now stands in the name of 161 Ontario.

[9] The relevant definitions of use are set out in section 4 of the Act as follows:

4(1) A trademark 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.

4(2) A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[10] In the absence of use, pursuant to section 45(3) of the Act, the registration is liable to be expunged, unless the absence of use is due to special circumstances.

[11] In response to the Registrar's notice, 161 Ontario furnished the Affidavit of Richard Figueiredo sworn on March 18, 2021, to which were attached Exhibits 1 to 10.

[12] Both parties submitted written representations. Only the Requesting Party attended an oral hearing.

THE EVIDENCE

[13] Mr. Figueiredo was the sole shareholder, sole director and president of Ace from its date of incorporation on January 8, 2009 to October 5, 2017 when it was dissolved (Exhibit 1 is a copy of the Corporate Profile Report for Ace).

[14] Mr. Figueiredo is the sole shareholder, sole director and president of:

- (a) 218 Ontario, incorporated on November 24, 2014 (Exhibit 2 is a copy of the Corporate Profile Report for 218 Ontario); and,
- (b) 161 Ontario, incorporated on July 19, 2016 (Exhibit 3 is a copy of the Corporate Profile Report for 161 Ontario).

[15] Mr. Figueiredo states that Ace assigned the Mark to 218 Ontario on July 1, 2015 by way of a General Conveyance, a copy of which is attached as Exhibit 4 to his affidavit. The General Conveyance concerns the undertaking and assets of Ace relating to the restaurant business of Ace known as TEXAS LONGHORN and included the registered and unregistered trademarks and the name TEXAS LONGHORN.

[16] On March 17, 2021, Mr. Figueiredo on behalf of Ace (which was dissolved on October 5, 2017) executed an assignment of the Mark from Ace to 218 Ontario, *nunc pro tunc* July 1, 2015. A copy of the Assignment is attached as Exhibit 5 to his affidavit. The assignment was recorded by the Registrar on April 15, 2021 as noted above. The wording of the assignment is as follows:

The undersigned, [Ace] (the "Assignor"), ... in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, *nunc pro tunc* as of July 1, 2015, does hereby assign, transfer and set over unto between [218 Ontario] (the "Assignee"), ... its entire right, interest and title in and to Canada Registration No. TMA839431 for the trademark TEXAS LONGHORN (the "Mark"), with the goodwill of the business in the goods and services associated with the Mark, the same to be held and enjoyed by the Assignee as fully and completely as by the Assignor had this assignment not been made.

[17] Mr. Figueiredo states that 218 Ontario Inc. assigned the Mark to 161 Ontario on January 15, 2017.

[18] On March 17, 2021, Mr. Figueiredo on behalf of 218 Ontario executed an assignment of the Mark from 218 Ontario to 161 Ontario, *nunc pro tunc* January 15, 2017. A copy of the Assignment is attached as Exhibit 6 to his affidavit. The assignment was recorded by the Registrar on April 15, 2021 as noted above. The wording of the assignment is identical to the wording of the first assignment except for the names of the parties and the *nunc pro tunc* date.

[19] Mr. Figueiredo goes on to assert that, during the Relevant Period, the Mark was used by 161 Ontario in association with the services set forth below which were provided at a restaurant located in Mississauga, Ontario (the Restaurant):

Catering services; restaurants; cafes; bar services; entertainment services, namely, organizing and providing facilities for live and recorded musical performances.

[20] In support, Mr. Figueiredo provides the following:

- (a) Exhibit 7: photographs showing the way in which the Mark was displayed on the exterior of the Restaurant during the Relevant Period. One of the photographs appears to show musical instruments.
- (b) Exhibit 8: a photograph showing the way in which the Mark was displayed on the interior of the Restaurant during the Relevant Period.
- (c) Exhibit 9: a copy of a menu displaying the Mark which was distributed to customers of the Restaurant during the Relevant Period. The menu lists food and bar items.
- (d) Exhibit 10: a print out from the website www.thetexaslonghorn.ca operated by 161 Ontario promoting the Restaurant and showing the way in which the Mark was displayed on the website as of July 31, 2017 (taken from the Wayback Machine). The website provides information about the Restaurant and states “Whether it be live sporting events, music, or specials, something is always going on at the Longhorn.” The website also says “We cater to groups, teams, and organizations as well. Please contact us to inquire about group events and parties”.

[21] Mr. Figueiredo states that, during the Relevant Period, sales of services by 161 Ontario in association with the Mark generated revenue in excess of \$2.5 million.

ANALYSIS AND REASONS FOR DECISION

[22] In its written submissions, 161 Ontario acknowledged that all of the goods and services specified in the registration, but for the following services (the Services at Issue), may be removed from the registration:

Catering services; restaurants; cafes; bar services; entertainment services, namely, organizing and providing facilities for live and recorded musical performances.

Information services, namely, providing information via a web site in respect of a restaurant and bar.

[23] Accordingly, given that 161 Ontario has not shown use of the Mark, within the meaning of sections 4(1), 4(2) and 45 of the Act, in association with any of the goods and services specified in the registration, but for the Services at Issue, and as there is no evidence of special circumstances to justify non-use, all of the said goods and services will be deleted from the registration.

[24] Turning to the Services at Issue, the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing “deadwood” from the register. As such, the evidentiary threshold that the registered owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448 at para 68] and “evidentiary overkill” is not required [see *Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD) at para 3]. Nevertheless, sufficient facts must still be provided to allow the Registrar to conclude that the Mark was used in association with the Services at Issue.

[25] Further, I have kept in mind that an affiant’s statements are to be accepted at face value and must be accorded substantial credibility in a section 45 proceeding [*Oyen Wiggs Green & Mutala LLP v Atari Interactive Inc*, 2018 TMOB 79 at para 25].

Ownership

[26] The Requesting Party submits that 161 Ontario was not the owner of the Mark during the Relevant Period. While it accepts that, based on the Exhibit 4 General Conveyance, there is cogent evidence that an assignment from Ace to 218 Ontario took

place on July 1, 2015, it submits that the assignment from 218 Ontario to 161 Ontario only had effect on the date the assignment was executed, namely March 17, 2021 because there is no cogent evidence to confirm that the assignment actually took place on January 15, 2017.

[27] The Requesting Party relies on *Star-Kist Foods Inc v Canada (Reg of TM)* (1988), 20 CPR (3d) 46, in which the Federal Court of Appeal noted that the construction of an assignment is a question of mixed fact and law and then went on to say at paragraph 5:

In my respectful opinion, the Registrar clearly erred in ascribing the significance he did to *nunc pro tunc* in the present case. The use of the phrase in the title cannot alter the plain purport of the text. As of September 23, 1980, Debdonell assigned the registration to Menu Foods with retroactive effect to August 8, 1979. The registration of that assignment February 4, 1981, had the effect of recording a change of ownership as of September 23, 1980, but not as of August 8, 1979.

[28] The Federal Court of Appeal went on to conclude:

Transactions post-dating the issue of a s. 44 notice may properly be viewed with some scepticism, and when the true circumstances are peculiarly within the knowledge of one party, he should bring that evidence forward. It is unreal and unfair to lay the onus on another who, in the scheme of things, has no power to compel production of evidence.

[29] Similarly, in *88766 Canada Inc v Barlow, Menard & Associates* (2002), 22 CPR (4th) 542, the Registrar held as follows:

The first issue in this case is whether the document entitled "*nunc pro tunc* assignment" is a valid confirmation of an earlier assignment that occurred between Barlow, Menard & Associates - a Division of Flansberry, Menard & Associates Inc. and Flansberry, Menard & Associates Inc. but had not been recorded.

The Registrar has the jurisdiction in a Section 45 proceeding to decide the effect of an assignment, as stated in *Star-Kist Foods Inc. v Canada (Registrar of Trade Marks)* Further the *Marcus* case is authority for the proposition that the Registrar in a Section 45 proceeding should view with scepticism transactions post-dating the Section 45 notice. Accordingly, it is necessary to carefully consider the document in order to determine whether there was, in fact, an earlier assignment of the trade-mark rights from Barlow Menard & Associates to Flansberry, Menard & Associates Inc.

....

The phrase "does hereby sell, assign and transfer... as and from" is indicative of giving something retroactive effect, rather than being confirmatory in nature. This is exactly the type of wording that was considered in *Star-Kist Foods Inc* Consequently, from

this reading, I cannot conclude that the assignment of the trade-mark occurred on January 31, 1987.

In the result, I must consider the assignment of the trade-mark from Barlow, Menard & Associates to FMA to have been effected on the execution date of the assignment document, being January 18, 2001. Consequently, I conclude that the recording of the assignment on March 30, 2001 had the effect of recording the change of ownership as of January 18, 2001, but not as of January 31, 1987.

[30] *Nexus Law Group LLP v Take-Two Interactive Software, Inc*, 2021 TMOB 96 [paras 15 to 19] confirms that:

For the purposes of section 45 proceedings, an unrecorded assignment effected prior to the notice date, may be recorded *nunc pro tunc* on the register, as long as the prior assignment is established, through evidence, to the Registrar's satisfaction. In this regard, the Federal Court of Appeal advises to view with skepticism transactions post-dating the Section 45 notice

[31] Accordingly, I must determine if the *nunc pro tunc* assignment from 218 Ontario to 161 Ontario was a valid confirmation of an earlier assignment.

[32] In this case, in addition to the *nunc pro tunc* assignment document itself, I have the sworn statement of Mr. Figueiredo, the sole shareholder, sole director and president of both companies, that 218 Ontario assigned the Mark to 161 Ontario on January 15, 2017. Given that an affiant's statements are to be accepted at face value and must be accorded substantial credibility, I am satisfied that his statement provides cogent evidence that the *nunc pro tunc* assignment was a valid confirmation of an assignment that took place on January 15, 2017.

Use of the Mark in association with the Services at Issue

[33] Mr. Figueiredo states that the following services were provided at the Restaurant operated by 161 Ontario:

Catering services; restaurants; cafes; bar services; entertainment services, namely, organizing and providing facilities for live and recorded musical performances.

[34] The evidence shows the display of the Mark on the exterior and interior of the Restaurant operated by 161 Ontario and on menus used in the Restaurant. One of the photographs appears to show musical instruments as well.

[35] The evidence also shows the use of the Mark on a website operated by 161 Ontario which refers to music and to catering as noted above.

[36] I am satisfied that the evidence as a whole shows use of the Mark in Canada during the Relevant Period by 161 Ontario in association with "catering services; restaurants; cafes; bar services; entertainment services, namely, organizing and providing facilities for live and recorded musical performances".

[37] Further, based on the display of the Mark on the website, I am satisfied that the evidence shows use of the Mark in Canada during the Relevant Period by 161 Ontario in association with "information services, namely, providing information via a web site in respect of a restaurant and bar".

DISPOSITION

[38] 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 amended to delete all of the goods as well as the services (2), with the exception of "information services, namely, providing information via a web site in respect of a restaurant and bar".

[39] The amended statement of services will read as follows:

- (1) Catering services; restaurants; cafes; bar services; entertainment services, namely, organizing and providing facilities for live and recorded musical performances.
- (2) Information services, namely, providing information via a web site in respect of a restaurant and bar.

Robert A. MacDonald
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

Goods

(1) Jewelry and costume jewelry; precious stones; rings being jewelry; necklaces, clip-on earrings, pierced earrings, bracelets; beaded necklaces; precious and semi-precious gemstones, namely, body gems and adornments for the body to be worn as jewelry; studs of precious metal for clothing; jewelry chains, cuff links, tie clips; tie pins; lapel pins; key rings of precious metal; charms; belt buckles of precious metal; collar tips of precious metal; money clips of precious metal; medallions; pendants; tins of precious metal; clocks; wall clocks, alarm clocks, clocks incorporating radios; watches, straps for watches; desk clocks; flick combs; combs, bath sponges; clothing brushes, hair brushes; toothbrushes, cosmetic brushes; fitted vanity cases, compacts sold empty; soap dishes; toilet utensils; dinnerware made of china; beverage glassware; porcelain mugs; earthenware mugs; cookware, namely, pots; bowls; plates; corkscrews; bottle openers; household containers for food; cups; mugs; bowls; meal trays; dishes; plates; saucers; decanters; lunch boxes; drinking vessels; drinking glasses; beer glasses; tankards not of precious metal; goblets; plastic drink bottles sold empty; glass storage jars; jugs; vacuum bottles; tea pots not of precious metal; coffee pots not of precious metal; household gloves; condiment dispensers; napkin holders and napkin rings not of precious metal; wastepaper baskets; books about motorcycling, automobiles, motorcycles and motorcycle culture; magazines, manuals, newsletters and periodicals all in the field of motorcycling, automobiles, motorcycles and motorcycle culture; maps and atlases; catalogues in the field of motorcycling, automobiles, motorcycles and motorcycle culture; event programs; greeting cards and postcards; pens and pencils; calendars; posters, photo albums, photographs and pictures; plastic and iron-on stickers and transfers; temporary tattoos; bumper stickers; paper gift bags; paper mats; paper placemats; paper beer mats; paper coasters; printed menus; articles of clothing and articles of clothing made from leather, namely, T-shirts, shirts, polo shirts, vests, string vests, sweatshirts, jumpers, cardigans, jackets, leather jackets, leather trousers, denim jackets; headgear, namely, headbands, hats and caps; wristbands; scarves; silk scarves; neck warmers; kerchiefs; neckerchiefs; bandanas; socks; trousers; trouser straps; chaps; jeans; shorts, underwear, pajamas, waterproof jackets and pants; shoes and boots; parts for footwear, namely, boot tips, shoe sole plates and heel guards; hosiery; motorcyclists' seaboot hose; gloves; belts; leather belts; coveralls; clasps for clothing; buckles for clothing; belt clasps; ornamental novelty pins; embroidered patches; cloth patches for clothing; clothing accessories, namely, brooches, buttons, metal and slide fasteners for shoes; shoe and boot laces; adhesive patches for clothing not of textile; heat adhesive patches for clothing not of textile; hair ornaments; decorative press studs for clothing.

Services

(1) Catering services; restaurants; cafes; bar services; entertainment services, namely, organizing and providing facilities for live and recorded musical performances.

(2) Education services, namely, seminars, classes and workshops in the field of motorcyclists and motorcycling; organization of reunions for social interest groups and patrons with shared interests in motorcycling and motoring; fan clubs; night club services; production of musical entertainment shows; production of television programs and motion picture films; production of video, radio and television programs; publishing of books and electronic publications; organization of competitions, namely, automobile, motor sport and musical events; information services, namely, providing information via a web site in respect of a restaurant and bar.

Appearances and Agents of Record

HEARING DATE: 2022-09-22

APPEARANCES

For the Requesting Party: Philip Lapin

For the Registered Owner: No one appearing

AGENTS OF RECORD

For the Requesting Party: Miltons IP

For the Registered Owner: Ridout & Maybee LLP