



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2024 TMOB 013

Date of Decision: 2024-01-26

IN THE MATTER OF TWO SECTION 45 PROCEEDINGS

Requesting Party: VIVIR DRINKS LTD

Registered Owner: Vins Arterra Canada, division Quebec, Inc.

Registrations: TMA976,201 for VIVERE, and
TMA569,445, for VIVERE

INTRODUCTION

[1] This decision pertains to summary expungement proceedings with respect to registration Nos. TMA976,201 and TMA569,445, both for the trademark VIVERE (the Mark), owned by Vins Arterra Canada, division Quebec, Inc. (the Owner).

[2] The Mark is registered in association with “wines” (TMA976,201) and the French language equivalent, “vins” (TMA569,445) (collectively, the Goods).

[3] For the reasons that follow, I conclude that the registrations ought to be maintained.

THE RECORD

[4] On September 27, 2019, the Registrar of Trademarks sent notices under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) to the Owner. The notices were sent at the request of VIVIR DRINKS LTD (the Requesting Party).

[5] The notices required the Owner to furnish evidence showing that it had used the Mark in Canada at any time between September 27, 2019 and September 27, 2022 (the Relevant Period) with respect to the goods specified in each registration. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last used in Canada and the reasons for the absence of use since that date.

[6] The relevant definition of use in the present case is set out in section 4(1) 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.

[7] Section 45 proceedings are considered to be summary and expeditious for clearing the register of non-active trademarks. The expression “clearing deadwood” has often been used to describe these proceedings. The threshold for establishing use in these proceedings is 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)]. There is no particular type of evidence that must be provided in a section 45 proceeding and the evidence need not be perfect [*Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)]. Nevertheless, sufficient facts must still be provided to allow the Registrar to conclude that the trademark was used in association with each of the registered goods during the relevant period [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448]. Mere assertions of use are insufficient to prove use of the trademark

[*Aerosol Fillers Inc v Plough (Canada) Ltd* (1980), 45 CPR (2d) 194 (FCTD), aff'd 53 CPR (2d) 62 (FCA)].

[8] In response to the Registrar's notices, the Owner furnished the affidavit of Frédéric Décary, sworn on April 26, 2023, together with Exhibits A through H.

[9] Only the Requesting Party filed written representations. No oral hearing was held.

THE EVIDENCE

[10] Mr. Décary is the Sales Director of Arterra Wines Canada, Inc., an affiliate of the Owner. He refers to Arterra Wines Canada, Inc. and the Owner collectively as "Arterra", and states that as the Sales Director of Arterra, he is responsible for overseeing Arterra's sales operations and has regular involvement in Arterra's marketing and branding initiatives. He states that as such, he has personal knowledge of the matters to which he attests, except for where such facts and matters are based on information and belief, to which he verily believes them to be true (para 1).

[11] With respect to the Mark, Mr. Décary explains that it is a sub-brand in the Owner's "Bù" collection of wines, a collection that was launched in 2016. He states that at that time, the Mark was adopted as the brand name for the Sangiovese wine featured in that collection (para 5).

[12] Mr. Décary then explains that the Owner has sold the Goods to the Canadian general public in standard 750 ml bottles affixed with labels bearing the Mark (para 8). In support, he provides a representative example of the label which was affixed to a bottle of the Goods sold to Canadian consumers during the Relevant Period (Exhibit B). The Mark appears on the label as follows:



[13] With respect to the Owner's normal course of trade, Mr. Décary attests that the Owner marketed and sold the Goods under the Mark during the Relevant Period to liquor stores, grocery stores, convenience stores, and other distributors in Canada. In particular, he states that one of the Owner's largest Canadian customers for the Goods under the Mark is Metro Richelieu Inc., a retailer, franchisor, and distributor that operates a network of more than 900 food stores under banners like Metro, Metro Plus, Super C, and Food Basics in the provinces of Ontario and Quebec (para 9). He provides photographs of the Goods which bear labels as per Exhibit B, on display and available for purchase during the Relevant Period at a variety of such Metro stores (Exhibits D-1 to D-6). He further provides under Exhibits E to G, archived screenshots of websites (from the Internet archive, the *Waybackmachine*) of other distributors from the Relevant Period, which include distributors such as the SAQ and ANBL (the provincial crown corporations responsible for the trade of alcoholic beverages in Quebec and New Brunswick). The screenshots of these webpages either show the Goods (bearing a label as in Exhibit B) for sale through the website itself or feature the Goods as available for purchase in-store.

[14] Mr. Décary attests that there were significant sales of the Goods under the Mark in Canada during the Relevant Period. In particular, he provides that between March 1, 2020, and September 28, 2020, and between September 26, 2021 and September 24, 2022, the Owner made over \$855,000 and \$715,000 CDN respectively in sales of the Goods under the Mark in Canada. As further evidence of sales, he provides a copy of

an invoice dated May 19, 2020, which he attests shows “one instance of sales of the Goods under the Mark by the [Owner] to Metro during the Relevant Period” (Exhibit C and para 9).

[15] Lastly, Mr. Décary states that in the past 5 years, the Owner has spent about \$1,000,000 on brand marketing and \$500,000 on shopper experience marketing to promote the Registrant’s “Bu” collection, which includes the Goods bearing the Mark. He attests that marketing of the Goods takes place by word of mouth, general publicity, and print advertising. In support, he provides as Exhibit H, copies of sample catalogues in circulation during the Relevant Period for promoting the Registrant’s “Bu” collection of wines, which includes the Goods bearing the Mark as per the label in Exhibit B.

ANALYSIS AND REASONS FOR DECISION

[16] The Requesting Party’s submissions raise four main issues with respect to the Owner’s evidence:

- whether it constitutes inadmissible hearsay evidence and whether the evidence is sufficiently credible to establish use in Canada within the Relevant Period;
- whether it shows even a single sale of the Owner’s Goods in association with the Mark in the normal course of trade in Canada during the Relevant Period;
- whether it establishes any sales of Goods bearing the Mark by the Owner itself or by a licensee of the Owner where the Owner exerts the requisite control over the character or quality of the Goods; and
- whether it shows a deviation such that any evidence of use would not support use of the Mark as registered.

Is Mr. Décary’s Evidence Admissible?

[17] With respect to the first point above, the Requesting Party submits that Mr. Décary is not employed by the Owner and does not indicate how Arterra Wines Canada, Inc. is affiliated with the Owner. Furthermore, the Requesting Party submits

that Mr. Décary has not explained how he acquired the information set forth in his affidavit nor does his affidavit speak to the necessity and reliability of his evidence. Therefore, the Requesting Party submits that the evidence in the Décary affidavit constitutes inadmissible hearsay evidence.

[18] However, I note that, in the first paragraph of Mr. Décary's affidavit, he states that as the Sales Director of "Arterra" (which is a collective reference for the Owner and Arterra Wines Canada, Inc., an affiliate of the Owner), he is responsible for overseeing "Arterra's" sales operations and is also regularly involved with "Arterra's" marketing and branding initiatives. At a minimum, given Mr. Décary's sworn statements regarding his aforesaid responsibilities, I accept that he would have access to the business records of the Owner and, as such, the evidence is admissible.

Does the Evidence Show Sales in the Owner's Normal Course of Trade?

[19] With respect to sales of the Goods in the normal course of trade in Canada, the Requesting Party submits that, aside from Mr. Décary's uncorroborated statements regarding sales figures (to which the Requesting Party has argued such evidence is inadmissible hearsay), the only other evidence concerning sales is a single invoice that was issued by an unrelated third party to another third party. Specifically, the Requesting Party submits that the Exhibit C invoice was issued by "METRO RICHELIEU INC." and not the Owner, and that the named recipient of the invoice was "VIN ARTERRA CANADA DIVISION", which is also not the Owner. Further to this, the Requesting Party submits that the invoice includes the notation "Ristournes promotionelles", which it submits suggests that the invoice was issued for a promotional purpose and does not establish use of the trademark in the normal course of trade. The Requesting Party submits that even where the distribution of promotional goods involves payment for the goods, such an exchange does not on its own establish use in the normal course of trade [citing *Riches, McKenzie & Herbert LLP v Cosmetic Warriors Limited*, 2018 FC 63, at paras 18-19].

[20] To begin, invoices are not necessary in a section 45 proceeding [*Lewis Thomson, supra*] provided that there is some evidence of transfers in the normal course

of trade in Canada during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)]. It has been accepted that such evidence can be in the form of sales reports or can also be through clear sworn statements regarding volumes of sales, dollar value of sales, or equivalent factual particulars [see, for example, *1471706 Ontario Inc v Momo Design srl*, 2014 TMOB 79]. In this regard, I have accepted Mr. Décary's sworn statements, as admissible, regarding the Owner's sales figures for the Goods bearing the Mark during the Relevant Period. In any event, in addition to accepting such statements regarding the Owner's sales figures, I accept the Exhibit C invoice as supporting evidence of transfers in the normal course of trade of the Goods. In this regard, contrary to the Requesting Party's position, it appears that the invoices were issued by "VIN ARTERRA CANADA DIVISION" (with an address identical to the Owner's address on the Trademark Register) to "METRO RICHELIEU INC.", whom Mr. Décary has attested is one of the Owner's largest Canadian customers. As the address on the invoice is identical to the Owner's address on the Trademark Register, I am prepared to infer that "VIN ARTERRA CANADA DIVISION" is an abbreviation of the Owner's name. With respect to the notation "Ristournes promotionelles", the invoice indicates that the quantity of Goods sold was 1013 units for a total sales amount of \$395.07. While this would appear, on a per unit basis, to be a significant discount, I accept that such discounted sales were a part of the normal course of trade for the purpose of obtaining future sales/orders for the Goods [see *Conagra Foods Inc v Fetherstonhaugh & Co*, 2002 FCT 1257; and *Estee Lauder Cosmetics Ltd v Loveless*, 2017 FC 927 regarding the promotional distribution of goods]. This being so, given the Owner's significant sales figures that followed during the Relevant Period and that Metro Richelieu Inc. is one of the Owner's largest Canadian customers. Furthermore, while not evidence of sales transactions itself, the Exhibits D-3 to D-6 photographs showing the Goods bearing the Mark available for sale at numerous Metro retail locations thereafter is consistent with the evidence as a whole and the finding that the Owner's Goods were sold and distributed to this customer during the Relevant Period.

Does the Evidence Show Sales by the Owner or a Licensee?

[21] The Requesting Party submits that Mr. Décary's evidence does not show use of the Mark by the Owner or a licensee in compliance with section 50 of the Act. The Requesting Party's position appears to be that the use of the Mark shown was through Arterra Wines Canada, Inc., the Owner's affiliate, and not the Owner. Further, the Requesting Party submits that the Owner has not established that Arterra Wines Canada, Inc. was a licensee of the Mark and that the Owner had direct or indirect control over the character or quality of the Goods. The Requesting Party submits that the Federal Court of Appeal dealt with an identical situation in *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2020 FCA 120, in which evidence of use by an affiliate of the owner of a registered trademark was deemed insufficient. Indeed, the Requesting Party submits that the Décary affidavit does not establish that any license existed between the Owner and Arterra Wines Canada, Inc. or with the Owner and any other third party during the Relevant Period, which provided the requisite control [per *Empresa Cubana del Tabaco v Shapiro Cohen*, 2011 FC 102, aff'd 2011 FCA 340].

[22] Although the evidence was provided by Mr. Décary, an employee of the Owner's affiliate, I disagree with the Requesting Party that the evidence shows use of the Mark by the affiliate, rather than by the Owner, or that the evidence is otherwise ambiguous as to the entity using the Mark. Once again, Mr. Décary has clearly attested to his role and responsibilities with Arterra, as an employee of the Owner's affiliate, with personal knowledge of the matters set out in his affidavit. Furthermore, he consistently and specifically identifies the Owner (and not the affiliate) as the entity responsible for sales and marketing of the Goods under the Mark. For example, his statements regarding sales figures are attributable to the Owner, as well as his statements describing the Owner's customers and the channels through which the Owner sells its Goods. Lastly, the Exhibit C invoice corroborates sales made by the Owner. Consequently, the evidence of use shown is by the Owner and, as such, licensing is not an issue.

Does the Evidence Show Use of the Mark as Registered?

[23] The Requesting Party submits that the evidence of alleged use of the Mark provided in the Décary affidavit constitutes an unacceptable deviation of the Mark as

registered. In this regard, the Requesting Party submits that the evidence shows display of the Mark together with the additional word “BÙ”, resulting in the deviation “BÙ VIVERE”.

[24] The Requesting Party likens the present case to the cases of *Mantha & Associates v Cravatte di Pancaldi SrL* (1997), 79 CPR (3d) 382 (TMOB), and *Farris, Vaughan, Wills & Murphy v Sav-On Drugs Ltd* (1997) 79 CPR (3d) 570 (TMOB). In *Pancaldi*, the Registrar held that the use of the VITALIANO & Design mark with the additional word PANCALDI did not constitute use of the VITALIANO & Design mark. Similarly, in *Farris*, the Registrar held that the use of “SAV-ON DRUG MART”, with the additional word “MART” was not sufficient to constitute use of the word mark “SAV-ON DRUGS”.

[25] However, the cases of *Pancaldi* and *Farris* are distinguishable in that the additional matter did not stand out from the registered trademarks, such that the registered trademarks themselves would be perceived as the trademarks being used *per se*. In the present case, the element “BÙ” appears in a much larger and different style of font than the term VIVERE, such that these elements would be construed by the public, as a matter of first impression, as separate trademarks [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB) at 538]. Moreover, Mr. Décarry attests that the Mark is a sub-brand in the Owner’s “Bù” collection of wines, and the evidence clearly shows that in addition to the Mark, there are several sub-brands within the Owner’s “Bù” collection of wines [see *AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD) and *Bennett Jones LLP v Pirelli Tyre SpA*, 2013 TMOB 37 re: use of a secondary trademark to identify a subset product]. Consequently, I accept that VIVERE, *per se*, would be perceived by consumers as a secondary trademark used to identify a subset “Bù” wine collection product, and that its evidenced display does not constitute a deviation of the Mark as registered.

[26] In view of all of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with the Goods within the meaning of sections 4 and 45 of the Act.

DISPOSITION

[27] Having regard to the aforementioned, 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 registrations will be maintained.

Kathryn Barnett
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Requesting Party: Gowling WLG (Canada) LLP

For the Registered Owner: McCarthy Tetrault LLP