



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2024 TMOB 191

Date of Decision: 2024-10-23

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Cindy David Financial Group Ltd.

Registered Owner: Bullfrog Insurance Ltd.

Registration: TMA1039388 for INSURANCE NINJA

INTRODUCTION

[1] At the request of Cindy David Financial Group Ltd. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on November 2, 2023, to Bullfrog Insurance Ltd. (the Owner), the registered owner of registration No. TMA1039388 for the trademark INSURANCE NINJA (the Mark).

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

Insurance services; insurance brokerage; insurance agencies.

[3] The notice required the Owner to show whether the Mark was used in Canada in association with the 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 use since that date. In this case, the relevant period for showing use is November 2, 2020 to November 2, 2023.

[4] The relevant definition of use is set out in section 4(2) of the Act as follows:

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.

[5] 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.

[6] In response to the Registrar's notice, the Owner furnished the affidavit of W. Bruce Rabik, sworn in Calgary on February 1, 2024 (the Rabik Affidavit).

[7] Only the Owner submitted written representations; an oral hearing was not requested.

THE OWNER'S EVIDENCE

[8] In his affidavit, Mr. Rabik identifies himself as the Managing Director of the Owner [para 1]. He explains that the Owner is a licensed Canadian insurance broker that provides various insurance products to Canadian businesses, as well as a direct-to-consumer platform that provides quotes online [para 4].

[9] With respect to use of the Mark in Canada in association with the registered services, Mr. Rabik instead states that the Owner "intended to commence use" shortly after the Mark was registered in July 2019, but that such use was delayed because of reasons beyond the Owner's control [para 10].

[10] In particular, Mr. Rabik states the following:

- The Owner experienced “a disruption to its business” after the World Health Organization declared the COVID-19 pandemic in March 2020, “which led to [the Owner] not having the financial resources” to use the Mark during the relevant period [para 11].
- During the relevant period, the Owner lost approximately \$1 million per year in profit, “which undermined [the Owner’s] ability to make the investment to launch” the use of the Mark [para 12].
- As the Owner’s clients are small business owners, these businesses were either “shutting down” or they were unable to purchase the registered insurance services [para 12].
- In 2023, the Owner’s “business fortunes were recovering from the COVID downturn”, but in order to make it “feasible” to make the investment to launch services in association with the Mark, the Owner “needed to phase out the existing trademark it was using, BULLFROG”, in favour of the Mark [para 13].
- In order to phase out use of the BULLFROG trademark in connection with insurance services, the Owner “has to wait for the active BULLFROG branded insurance policies to expire” [para 14].
- The “last such” BULLFROG-branded insurance policy is set to expire in September 2024 [para 14].

[11] Mr. Rabik indicates that, once the last of the BULLFROG-branded insurance policies have expired, the Owner “intends to start using” the Mark in association with the registered services in Canada [para 15].

ANALYSIS – SPECIAL CIRCUMSTANCES

[12] As there is no evidence of use of the Mark during the relevant period or otherwise, the issue in this case is whether special circumstances existed to excuse the absence of use.

[13] The general rule is that absence of use will be penalized by expungement, but there may be an exception where the absence of use is excusable due to special circumstances [*Smart & Biggar v Scott Paper Ltd*, 2008 FCA 129].

[14] To determine whether such special circumstances have been established, the Registrar must first determine, in light of the evidence, why in fact the trademark had not been used during the relevant period. Second, the Registrar must determine whether these reasons for non-use constitute special circumstances [per *Registrar of Trade Marks v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA) (*Harris Knitting*)]. The Federal Court has held that special circumstances mean circumstances or reasons that are “unusual, uncommon, or exceptional” [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD) at para 29].

[15] If the Registrar determines that the reasons for non-use constitute special circumstances, the Registrar must still decide whether such special circumstances excuse the period of non-use. This involves the consideration of three criteria: (i) the length of time during which the trademark has not been in use; (ii) whether the reasons for non-use were beyond the control of the registered owner; and (iii) whether there exists a serious intention to shortly resume use [*Lander Co Canada Ltd v Alex E Macrae & Co*, 1993 CarswellNat 251 (FCTD) (*Lander*) at para 13, citing *Harris Knitting*, above].

[16] The intention to shortly resume use must be substantiated by “a sufficient factual basis” [*NTD Apparel Inc v Ryan*, 2003 FCT 780; see also *Arrowhead Spring Water Ltd v Arrowhead Water Corp* (1993), 47 CPR (3d) 217 (FCTD)].

[17] All three criteria are relevant, but satisfying the second criterion is essential for a finding of special circumstances excusing non-use [per *Scott Paper*].

Why the Mark was not used during the relevant period

[18] This case is illustrative of the difficulty in assessing the question of special circumstances where there is no evidence of use of the subject trademark at any time. Where there is evidence of an established pattern of sales or performance of the subject services, this typically assists in identifying the reason(s) for subsequent non-use of the subject trademark. Absent such evidence, however, the issue is much more nebulous, i.e., why the trademark owner did not *commence* use of its trademark.

[19] In its written representations at paragraph 10, the Owner submits that non-use of the Mark during the relevant period can be attributed to the following factors:

- The Owner faced a diminished client base and financial hardships, from at least the start of the relevant period until 2023; and
- The Owner could not start using the Mark until the phase out of its BULLFROG trademark, until at least the end of the relevant period.

[20] With respect to the first factor – covering the majority of the relevant period in this case – the Owner submits that, as small businesses “were disproportionately impacted by the COVID-19 pandemic” and that all of the Owner’s clients are small businesses, “it follows that the COVID-19 pandemic disproportionately impacted” the Owner [para 11].

[21] With respect to the second factor – relating to the phase out of the BULLFROG trademark towards the end of the relevant period – the Owner submits that (i) simultaneous use of the Mark and the BULLFROG trademark

“would be contrary to fundamental trademark law principles”; (ii) abrupt cessation of use of the BULLFROG trademark would be “contrary to contract law principles”; and (iii) abrupt cessation of use of the BULLFROG trademark would also “severely negatively impact third parties” [para 12].

[22] Notwithstanding the Owner’s representations, this would appear to be a clear case where the Owner made business decisions to not commence use of the Mark for economic considerations.

[23] I first note that, despite the Mark having been registered in July 2019, Mr. Rabik makes no statements regarding efforts to commence use prior to the onset of the COVID-19 pandemic circa March 2020. In any event, Mr. Rabik states that the Owner’s loss in *profit* “undermined” its ability to make the investment to launch use of the Mark [para 12] and that, later, the Owner “needed to phase out the existing [BULLFROG] trademark it was using” [para 13].

[24] Although the Owner attempts to expand on Mr. Rabik’s statements [Owner’s written representations at paras 13 to 16], the Rabik Affidavit itself does not clearly explain what kind of investment or steps were required to “launch” use of the Mark, or why the Owner had to wait for active BULLFROG insurance policies to expire before commencing use of the Mark.

Whether the reasons for non-use constituted special circumstances

[25] In any event, it is well established that poor or unfavourable market conditions alone are generally not considered special circumstances excusing non-use [see *Harris Knitting*, above; *Lander*, above; *Rogers, Bereskin & Parr v Registrar of Trade-marks* (1987), 17 CPR (3d) 197 (FCTD); and *Jose Cuervo SA de CV v Bacardi & Co*, 2009 FC 1166 at para 51, aff’d 2010 FCA 248]. Furthermore, the jurisprudence indicates that voluntary business decisions are not the sort of uncommon, unusual or exceptional reasons for

non-use that constitute special circumstances, even if potentially compounded by other factors [see, for example, *E & J Gallo Winery v O'Rourke Family Vineyards Ltd*, 2024 TMOB 81 at para 20; *Kate Henderson v Gestion Montreal Gourmet*, 2022 TMOB 37; *BenefitHub, Inc v Frontline Centre Inc*, 2021 TMOB 233 at para 22; *Andrews Robichaud v Entechnevision Inc*, 2017 TMOB 105 at paras 53 to 56; and *Barrette Legal Inc v Maison des Futailles sec*, 2015 TMOB 122 at paras 40 and 41].

[26] Applied to this case, while the COVID-19 pandemic was unusual, it was generally not uncommon – the pandemic impacted all businesses to some degree. Accordingly, the reasons for non-use of the Mark until 2023 can at best be characterized as being due to poor or unfavourable market conditions, causing the Owner to make a business decision not to commence use of the Mark.

[27] Furthermore, whether or not simultaneous use of the Mark and the BULLFROG trademark would be “contrary to fundamental trademark law principles [and] contrary to contract law principles” (as asserted in the Owner’s written representations) – and although waiting for more favourable market conditions and then the expiry of extant BULLFROG-branded policies may have been wise from a business perspective – for purposes of this analysis, the absence of use of the Mark is properly characterized as the result of voluntary business decisions.

[28] As such, I do not consider the evidence in this case to support a finding that the reasons for non-use constituted special circumstances.

[29] Accordingly, it is not necessary to consider whether non-use of the Mark can be excused. I would simply note, however, that while Mr. Rabik implies that use of the Mark will commence after the expiration of the last of the BULLFROG-branded policies in September 2024, the evidence otherwise

makes no indication of what concrete steps the Owner has taken to actually “launch” or otherwise commence use of the Mark at that time or otherwise.

[30] In view of all of the foregoing, I am not satisfied that the Owner has established special circumstances excusing non-use of the Mark within the meaning of section 45(3) of the Act with respect to any of the registered services.

DISPOSITION

[31] 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
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: Lei Zhou

For the Registered Owner: Fasken Martineau Dumoulin LLP