

Federal Court



Cour fédérale

Date: 20210222

Docket: T-435-20

Citation: 2021 FC 172

Ottawa, Ontario, February 22, 2021

PRESENT: The Honourable Justice Fuhrer

BETWEEN:

SIM & MCBURNEY

Applicant

and

**EN VOGUE SCULPTURED NAIL SYSTEMS
INC.**

Respondent

JUDGMENT AND REASONS

I. Overview

[1] The trademark EN VOGUE Design (“Design Mark”, shown below) is registered in Canada under Registration No. TMA789,288 dated February 1, 2011 (“Design Mark Registration”):

en Vogue

[2] The Design Mark Registration is based on use of the trademark in Canada by the Respondent, en Vogue Sculptured Nail System Inc. (“en Vogue”) of Langley, British Columbia, since at least as early as 2000 for the following goods (“Goods”):

Chemicals used in industry and photography, in particular light hardening gel; adhesives used in industry; adhesives used for a applying artificial finger nails; nail care products, namely, false nails, artificial fingernails and glue in kit form, emery boards, all for nail grooming; nail care preparations, namely, brush-on gels and resins for nail, curable nail gels; nail coating removers, artificial nails, nail adhesives; nail brush cleaners, nail forms; dust brushes; apparatus for lighting, namely, UV lamps (not for medical purposes).

[3] The Applicant, Sim & McBurney, sought to have the registration cancelled under Section 45 of the *Trademarks Act*, RSC 1985, c T-13. In response to the Section 45 Notice issued by the Registrar of Trademarks on June 12, 2017, en Vogue filed the affidavit of its President, Arlene Janis Rushworth, to demonstrate en Vogue’s use of the Design Mark in Canada in association with the Goods during the prescribed three-year period, June 12, 2014-June 12, 2017 (“Relevant Period”). Briefly, Ms. Rushworth’s affidavit evidence included the following:

- en Vogue is a manufacturer and distributor of polymer resin nail enhancements and related products that it sells to esthetics schools, training centres and distributors who in turn distribute such products to nail and esthetics salons and spas for use by licensed nail technicians; as a distributor itself, en Vogue also sells its products directly to licensed nail technicians, nail and esthetic salons and spas, etc.;
- en Vogue launched its first product in 1997 and sold its products locally in the Vancouver area; by June 12, 2017, en Vogue’s products had been sold and distributed continuously across Canada, including in British Columbia, Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia, and en Vogue had expanded its sales distribution network internationally in a number of countries;
- throughout the Relevant Period, the Design Mark was displayed prominently on the Goods (which Ms. Rushworth defined as “Nail Enhancement and Related Products”), on their containers and/or packaging material;

- Ms. Rushworth estimated sales of the Nail Enhancement and Related Products during the Relevant Period were in the range of \$2.4 million;
- since at least 2000 and during the Relevant Period, en Vogue’s advertising has included product catalogues distributed by en Vogue to its Canadian distributors, print advertisements, and en Vogue’s website located at www.envoguenails.com;
- exhibits to Ms. Rushworth’s affidavit included photographs of Nail Enhancement and Related Products (but the affidavit did not describe or list the products shown in the photos), a product catalogue, sample invoices from en Vogue for orders placed by Canadian distributors and customers, sample print advertisements, and a printout from en Vogue’s website (as displayed during the Relevant Period); all exhibits display the Design Mark but Ms. Rushworth did not correlate the Goods listed in the Design Mark Registration with the items shown in the product catalogue or the invoices.

[4] The Hearing Officer of the Trademarks Opposition Board, the Registrar’s delegate, found that the exhibits comprised of (print) advertising and the printout from en Vogue’s website did not assist en Vogue. The former, on its own, was insufficient to establish use of the Design Mark in association with the Goods, while the latter provided only general information about en Vogue without depicting any products.

[5] In the decision that issued (2020 TMOB 9), the Hearing Officer noted that Ms. Rushworth did not correlate the Goods with any of the items shown in the photos, product catalogue or invoices. Nonetheless, the Hearing Officer was of the view that the invoices were useful for establishing which of the products shown in the photos and the product catalogue were sold during the Relevant Period; the product catalogue and invoices contained sufficient information to correlate some of the listed items with each other and with the applicable Goods.

[6] The Hearing Officer was not prepared to find, however, that the inclusion of the words “en Vogue” next to certain items listed in the invoices, in and of itself, established use of the

Design Mark in association with those items. The Hearing Officer also did not accept en Vogue's argument that it would be evidentiary overkill to require documentary evidence for each Good. The evidence depicted a wide range of products, some displaying the Design Mark, while others displayed other trademarks. There was no factual basis, therefore, for concluding the Design Mark was displayed on those items for which no correlation was discerned.

[7] With that approach, the Hearing Officer found that en Vogue had established use of the Design Mark during the Relevant Period with each of the Goods, except for the following goods to be deleted from the registration: nail brush cleaners, adhesives used in industry, nail adhesives, and apparatus for lighting, namely, UV lamps (not for medical purposes). The amended statement of goods thus would read as follows:

Chemicals used in industry and photography, in particular light hardening gel; adhesives used for a applying artificial finger nails; nail care products, namely, false nails, artificial fingernails and glue in kit form, emery boards, all for nail grooming; nail care preparations, namely, brush-on gels and resins for nail, curable nail gels; nail coating removers, artificial nails; nail forms; dust brushes.

[8] The Applicant now appeals the Registrar's decision under Section 56 of the *Trademarks Act*, seeking from this Court an Order setting aside the Registrar's decision and striking out the Design Mark Registration. The main issue for consideration is whether the Registrar erred in maintaining, in part, the Design Mark Registration on the basis that the Design Mark had been used with the Goods during the Relevant Period in accordance with Subsection 4(1) and Section 45 of the *Trademarks Act*.

[9] Because the Respondent did not file any new evidence, the applicable appellate standard of review is palpable and overriding error for any question of fact or mixed fact and law (where the legal principle is not readily extricable), or correctness for any question of law or any extricable legal principle: *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [Vavilov] at para 37 (citing *Housen v Nikolaisen*, 2002 SCC 33, [2002] 2 SCR 235 [Housen] at paras 8, 10, 19, 26-37); *The Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 at para 23. Regarding the former standard of review, it is highly deferential attracting appellate intervention where an error is obvious and determinative of the outcome: *Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 120 (citing *Salomon v. Matte-Thompson*, 2019 SCC 14, 432 D.L.R. (4th) 1, at para. 33; and *Mahjoub v Canada (Citizenship and Immigration)*, 2017 FCA 157 at paras 61-75).

[10] For the reasons that follow, I dismiss this appeal. I am not persuaded that the Registrar made any conclusions of law or decided any extricable legal principles attracting the correctness standard of review. Further, I am not persuaded that the Registrar made any palpable and overriding errors. More specifically, I find the Registrar made acceptable inferences regarding en Vogue's use of the Design Mark in Canada based on en Vogue's evidence as a whole, rather than impermissible speculation as argued by the Applicant. My analysis below summarizes the applicable principles and applies them to the circumstances of this matter.

II. Relevant Provisions

[11] See Annex "A" below for applicable provisions of the *Trademarks Act*.

III. Analysis

[12] Section 45 proceedings are summary. They are intended to clear the register of trademarks that no longer are in use (“dead wood”) while at the same time providing safeguards against unwarranted expungement attempts: *Wolfville Holland Bakery Ltd v Canada (Registrar of Trade Marks)*, 1964 CarswellNat 4 at para 10, 25 Fox Pat C 169, 42 CPR 88. Contentious commercial interests should be resolved in expungement proceedings under Section 57 of the *Trademarks Act: Osler, Harkin & Harcourt v Canada (Registrar of Trade-Marks)*, 1997 CanLII 5927 (FC) at para 16.

[13] To maintain the challenged registration, the trademark owner must make assertions of fact showing “use” (within the meaning of sections 2 and 4 of the *Trademarks Act*), as opposed to mere or bald assertions of use: *Plough (Canada) Limited v Aerosol Fillers Inc*, [1981] 1 FC 679 (FCA) [*Plough*] at para 10; *Eclipse International Fashions Canada Inc v Cohen*, 2005 FCA 64 at para 5, citing *Central Transport, Inc v Mantha & Associés/Associates* (1995), 64 CPR (3d) 354.

[14] Evidentiary overkill is not required (meaning not all examples of use must be evidenced): *Union Electric Supply Co Ltd v Registrar of Trade Marks*, 1982 CarswellNat 21 at para 3, [1982] 2 FC 263, 63 CPR (2d) 56 [*Union Electric*]. The use threshold is not stringent: *Wells' Dairy, Inc v U L Canada Inc*, 2000 CanLII 15538 (FC) at para 25; *Swabey Ogilvy Renault v Golden Brand Clothing (Canada) Ltd*, 2002 FCT 458 [*Swabey Ogilvy*] at para 7. Evidence of a single sale may be sufficient, depending on the circumstances, to establish use of the trademark in the normal course

of trade; the owner need only establish a *prima facie* case of use: *1459243 Ontario Inc v Eva Gabor International, Ltd*, 2011 FC 18 at para 5. Nonetheless, sufficient facts must be provided from which the Registrar can conclude that the trademark has been used during the relevant three-year period for each good (or service) specified in the registration: *John Labatt Ltd v Rainier Brewing Co*, 1984 CarswellNat 570 at para 12, [1984] FCJ No 302. The sufficiency of the evidence in establishing use of the trademark is a question of mixed fact and law, rather than a question of law: *FCA US LLC v Pentastar Transportation Ltd*, 2019 FC 745 at para 21.

[15] Drawing an inference is a matter of reasonably probable, logical deductions from the evidence: *Attaran v Canada (Foreign Affairs)*, 2011 FCA 182 at paras 32-33. Further, the decision maker properly may draw inferences from proven facts considering the evidence as a whole which, in turn, must make it possible for the decision maker to infer every element of Section 4 of the *Trademarks Act*: *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 [*Diamant*] at para 11.

[16] The role of an appellate court, however, is not to consider whether other inferences reasonably may have been drawn from the evidence but rather, whether the decision maker made any palpable and overriding errors in drawing the inferences that were drawn from the evidence: *Jeddore v The Queen*, 2003 FCA 323 at para 71. Although it is open to an appellate court to find that an inference of fact made by the decision maker is clearly wrong, an appellate court will be hard pressed to find a palpable and overriding error where evidence exists to support the inference; in cases where evidence exists that supports a factual conclusion, interference with

this conclusion entails interference with the weight assigned by the decision maker to the evidence: *Housen*, above at para 22.

[17] In the context of the case before me, the question thus is whether the Hearing Officer made any palpable and overriding errors drawing the inferences that the Hearing Officer drew, having regard to the evidence as a whole including both the statements in Ms. Rushworth's affidavit and the documentary exhibits attached to her affidavit. Ms. Rushworth manifestly was in a position, both in terms of her experience and her office, to know what she attested: *Union Electric*, above at para 9. Put another way, although the affidavit before the Hearing Officer could have been more explicit, was it nonetheless sufficient for an inference to be drawn from the evidence as a whole that en Vogue used Design Mark in Canada with those of the Goods specified by the Hearing Officer: *Diamant*, above at para 9, citing *Eclipse International Fashions Canada Inc v Shapiro Cohen*, 2005 FCA 64 at para 7.

[18] Having regard to the foregoing principles, I find the Rushworth affidavit supported the inferences that the Hearing Officer drew concerning the Goods with which the Design Mark was held to be used in Canada during the Relevant Period; further, the Hearing Officer made no palpable and overriding errors in doing so. It must be borne in mind that in *Plough*, the registered owner's evidence did little more than parrot the language of Section 4 of the *Trademarks Act*: "Plough (Canada) Limited is currently using and was on September 7, 1978 using the registered trade mark PHARMACO in the normal course of trade in Canada in association with pharmaceutical preparations": *Plough*, above at para 3. This statement was the sum total of the registered owner's evidence.

[19] Ms. Rushworth's affidavit, however, contains the following descriptions (paraphrased):

- the nature of en Vogue's business and Goods (manufacturer and distributor of polymer resin nail enhancements and related products for use by professional nail technicians);
- the nature of en Vogue's trade (sales to esthetic schools, training centers and distributors who, in turn, distribute products to nail and esthetics salons and spas for use by licensed nail technicians; en Vogue also acts as a distributor of its products selling directly to nail technicians, nail and esthetic salons, spas, etc.)
- Exhibits "A" and "B" comprised respectively of photographs, and a product catalogue displaying photographs, both representative of en Vogue's nail enhancement and related products bearing the Design Mark and packaging sold in Canada during the Relevant Period;
- the estimated sales of en Vogue's nail enhancement and related products bearing the Design Mark during the Relevant Period; and
- Exhibit "C" comprised of a representative sampling of en Vogue's invoices for orders of its nail enhancement and related products placed by Canadian distributors and customers during the Relevant Period.

[20] These are not bald statements, as asserted by the Applicant. Rather, they address the necessary elements of Section 4: (i) transfer of property in or possession of the Goods; (ii) in the normal course of trade; (iii) with the Design Mark depicted on the Goods themselves or the packages in which they are distributed. Further, I agree with en Vogue that acknowledging a lack of correlation is not the equivalent of finding there is no evidence. While Ms. Rushworth's affidavit could have been more explicit in this regard, I find that, based on the evidence as a whole, the Hearing Officer made reasonably probable, logical deductions (as opposed to "guessing," as argued by the Applicant) in making the correlations that were made and did not make any palpable and overriding errors in the process. I also agree with en Vogue that *Wrangler Apparel Corp v Pacific Rim Sportswear Co* (2000), 10 CPR (4th) 568 (TMOB) is distinguishable; the case before me does not involve ambiguity in the nature of the maintained Goods in relation to the products evidenced in Ms. Rushworth's affidavit.

IV. Conclusion

[21] Bearing in mind the summary nature of Section 45 cancellation proceedings and that evidentiary overkill is not required, I therefore dismiss this appeal. Based on the parties' submissions regarding costs at the hearing of this matter, I exercise my discretion to award en Vogue lump sum costs in the amount of \$4,000, payable by the Applicant.

JUDGMENT in T-435-20

THIS COURT'S JUDGMENT is that

1. The appeal is dismissed.
2. The Respondent is entitled to lump sum costs in the amount of \$4,000 payable by the Applicant.

"Janet M. Fuhrer"

Judge

Annex A: Relevant Provisions***Trademarks Act, RSC 1985, c T-13***

<p>When deemed to be used</p> <p>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.</p>	<p>Quand une marque de commerce est réputée employée</p> <p>4 (1) Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.</p>
<p>Registrar may request evidence of use</p> <p>45 (1) After three years beginning on the day on which a trademark is registered, unless the Registrar sees good reason to the contrary, the Registrar shall, at the written request of any person who pays the prescribed fee — or may, on his or her own initiative — give notice to the registered owner of the trademark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to all the goods or services specified in the registration or to those that may be specified in the notice, whether the trademark was in use in Canada at any time during the three-year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.</p> <p>Form of evidence</p> <p>(2) The Registrar shall not receive any evidence other than the affidavit or statutory</p>	<p>Le registraire peut exiger une preuve d'emploi</p> <p>45 (1) Après trois années à compter de la date d'enregistrement d'une marque de commerce, sur demande écrite présentée par une personne qui verse les droits prescrits, le registraire donne au propriétaire inscrit, à moins qu'il ne voie une raison valable à l'effet contraire, un avis lui enjoignant de fournir, dans les trois mois, un affidavit ou une déclaration solennelle indiquant, à l'égard de chacun des produits ou de chacun des services que spécifie l'enregistrement ou que l'avis peut spécifier, si la marque de commerce a été employée au Canada à un moment quelconque au cours des trois ans précédant la date de l'avis et, dans la négative, la date où elle a été ainsi employée en dernier et la raison pour laquelle elle ne l'a pas été depuis cette date. Il peut cependant, après trois années à compter de la date de l'enregistrement, donner l'avis de sa propre initiative.</p> <p>Forme de la preuve</p> <p>(2) Le registraire ne peut recevoir aucune preuve autre que cet affidavit ou cette</p>

declaration, but may receive representations made in the prescribed manner and within the prescribed time by the registered owner of the trademark or by the person at whose request the notice was given.

Service

(2.1) The registered owner of the trademark shall, in the prescribed manner and within the prescribed time, serve on the person at whose request the notice was given any evidence that the registered owner submits to the Registrar. Those parties shall, in the prescribed manner and within the prescribed time, serve on each other any written representations that they submit to the Registrar.

Failure to serve

(2.2) The Registrar is not required to consider any evidence or written representations that was not served in accordance with subsection (2.1).

Effect of non-use

(3) Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears to the Registrar that a trademark, either with respect to all of the goods or services specified in the registration or with respect to any of those goods or services, was not used in Canada at any time during the three year period immediately preceding the date of the notice and that the absence of use has not been due to special circumstances that excuse the absence of use, the registration of the trademark is liable to be expunged or amended accordingly.

Notice to owner

(4) When the Registrar reaches a decision whether or not the registration of a trademark ought to be expunged or amended, he shall give notice of his decision with the reasons therefor to the registered owner of the trademark and to the person at whose request

déclaration solennelle, mais il peut recevoir des observations faites — selon les modalités prescrites — par le propriétaire inscrit de la marque de commerce ou par la personne à la demande de laquelle l’avis a été donné.

Signification

(2.1) Le propriétaire inscrit de la marque de commerce signifie, selon les modalités prescrites, à la personne à la demande de laquelle l’avis a été donné, la preuve qu’il présente au registraire, et chacune des parties signifie à l’autre, selon les modalités prescrites, les observations écrites qu’elle présente au registraire.

Absence de signification

(2.2) Le registraire n’est pas tenu d’examiner la preuve ou les observations écrites qui n’ont pas été signifiées conformément au paragraphe (2.1).

Effet du non-usage

(3) Lorsqu’il apparaît au registraire, en raison de la preuve qui lui est fournie ou du défaut de fournir une telle preuve, que la marque de commerce, soit à l’égard de la totalité des produits ou services spécifiés dans l’enregistrement, soit à l’égard de l’un de ces produits ou de l’un de ces services, n’a été employée au Canada à aucun moment au cours des trois ans précédant la date de l’avis et que le défaut d’emploi n’a pas été attribuable à des circonstances spéciales qui le justifient, l’enregistrement de cette marque de commerce est susceptible de radiation ou de modification en conséquence.

Avis au propriétaire

(4) Lorsque le registraire décide ou non de radier ou de modifier l’enregistrement de la marque de commerce, il notifie sa décision, avec les motifs pertinents, au propriétaire inscrit de la marque de commerce et à la

<p>the notice referred to in subsection (1) was given.</p> <p>Action by Registrar</p> <p>(5) The Registrar shall act in accordance with his decision if no appeal therefrom is taken within the time limited by this Act or, if an appeal is taken, shall act in accordance with the final judgment given in the appeal.</p>	<p>personne à la demande de qui l'avis visé au paragraphe (1) a été donné.</p> <p>Mesures à prendre par le registraire</p> <p>(5) Le registraire agit en conformité avec sa décision si aucun appel n'en est interjeté dans le délai prévu par la présente loi ou, si un appel est interjeté, il agit en conformité avec le jugement définitif rendu dans cet appel.</p>
<p>Legal Proceedings</p> <p>Appeal</p> <p>56 (1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.</p> <p>Procedure</p> <p>(2) An appeal under subsection (1) shall be made by way of notice of appeal filed with the Registrar and in the Federal Court.</p> <p>Notice to owner</p> <p>(3) The appellant shall, within the time limited or allowed by subsection (1), send a copy of the notice by registered mail to the registered owner of any trademark that has been referred to by the Registrar in the decision complained of and to every other person who was entitled to notice of the decision.</p> <p>Public notice</p> <p>(4) The Federal Court may direct that public notice of the hearing of an appeal under subsection (1) and of the matters at issue therein be given in such manner as it deems proper.</p> <p>Additional evidence</p> <p>(5) On an appeal under subsection (1), evidence in addition to that adduced before</p>	<p>Procédures judiciaires</p> <p>Appel</p> <p>56 (1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.</p> <p>Procédure</p> <p>(2) L'appel est interjeté au moyen d'un avis d'appel produit au bureau du registraire et à la Cour fédérale.</p> <p>Avis au propriétaire</p> <p>(3) L'appelant envoie, dans le délai établi ou accordé par le paragraphe (1), par courrier recommandé, une copie de l'avis au propriétaire inscrit de toute marque de commerce que le registraire a mentionnée dans la décision sur laquelle porte la plainte et à toute autre personne qui avait droit à un avis de cette décision.</p> <p>Avis public</p> <p>(4) Le tribunal peut ordonner qu'un avis public de l'audition de l'appel et des matières en litige dans cet appel soit donné de la manière qu'il juge opportune.</p> <p>Preuve additionnelle</p> <p>(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie</p>

the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-435-20

STYLE OF CAUSE: SIM & MCBURNEY v EN VOGUE SCULPTURED
NAIL SYSTEMS INC.

PLACE OF HEARING: TORONTO, ONTARIO (VIA VIDEOCONFERENCE)

DATE OF HEARING: FEBRUARY 9, 2021

**REASONS FOR JUDGMENT
AND JUDGMENT:** FUHRER J.

DATED: FEBRUARY 22, 2021

APPEARANCES:

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Chantal Saunders FOR THE RESPONDENT
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