

Federal Court



Cour fédérale

Date: 20100121

Docket: T-1502-08

Citation: 2010 FC 73

Calgary, Alberta, January 21, 2010

PRESENT: The Honourable Madam Justice Snider

BETWEEN:

MARTY SANDERS

Applicant

and

**SMART & BIGGAR INTELLECTUAL
PROPERTY & TECHNOLOGY LAW**

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] The Applicant, Mr. Marty Sanders, is the registered owner of registration No. TMA574,587 for the trade-mark “UGGLY BOOTS” (the Mark), registered in association with “ladies and mens: slippers, boots and shoes”. The Mark was filed on December 21, 1999.

[2] In February 2006, Smart & Biggar Intellectual Property and Technology Law (the Respondent) began the process to have the registration of the Mark expunged on the basis that the

Applicant had not used the Mark during the period 2003 to 2006. In a decision dated July 29, 2008, a panel of the Trade-marks Opposition Board (the Board) determined that the Mark was to be expunged, in accordance with the provisions of s. 45(5) of *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act). The basis of the decision was that the Applicant had not “shown evidence of the use of the Mark in Canada in association with each of the registered wares in accordance with s. 4 of the Act during the material period [between February 28, 2003 and February 28, 2006]”.

[3] Pursuant to s. 56(1) of the Act, the Applicant appeals this decision to expunge.

[4] The Respondent made no submissions on the merits of this appeal and has advised the Court that it would not take any position.

Statutory Framework

[5] I begin with an overview of the statutory framework.

[6] Pursuant to s. 4 (1) of the Act, a trade-mark is deemed to be used in association with wares if, at the time of the transfer of property in or possession of the wares, in the normal course of trade, the trade-mark 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.

[7] The Respondent commenced the review of the Mark by initiating a request pursuant to s. 45(1) of the Act. Section 45(1) provides that the Registrar may give notice to the registered owner of the trade-mark requiring him to furnish an affidavit or a statutory declaration within three months of such notice. Once s. 45(1) notice is given, the registered owner must show that the trade-mark at issue was in use, in association with the registered wares, in Canada at any time during the three-year period immediately preceding the date of the notice. If the registered owner cannot do so, he must show the date when the trade-mark was last used, and the reason for the absence of use since that date. Consequently, the Applicant, the registrant of the Mark, was required to prove to the satisfaction of the Registrar that he used the wares, with the Mark, in Canada at any time between February 28, 2003 and February 28, 2006.

[8] The Applicant appealed the decision of the Board pursuant to s. 56 of the Act. According to s. 56(5), on an appeal to the Federal Court, additional evidence that was not before the Board may be adduced, and the Court may exercise any discretion vested in the Registrar.

Analysis

[9] In an appeal of the Board's decision, the law is clear on the standard of review. As stated by Justice David Near in *Loro Piana S.P.A. v. Canadian Council of Professional Engineers*, 2009 FC 1096, [2009] F.C.J. No. 1344 at paras. 14-15:

The standard of review on appeal where no new evidence is filed that would have materially affected the Registrar's findings or exercise of discretion is reasonableness (see *Mattel Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772, 49 C.P.R. (4th) 321 at paragraphs 40-41, *Guido Berlucchi & C.S.r.l. v. Brouillette Kosie Prince*, 2007 FC 245, 49

C.P.R. (4th) 321 at paragraph 23, *Dunsmuir v. New Brunswick*, 2008 SCC 9, [2008] 1 S.C.R. 190).

When additional evidence is filed in the appeal that would have materially affected the Registrar's findings of fact or the exercise of discretion, the Court must decide the issue *de novo* considering all of the evidence before it (*Shell Canada Limited v. P.T. Sari Incofood Corporation*, 2008 FCA 279, 68 C.P.R. (4th) 390). In assessing the impact that additional evidence will have for the standard of review, the question is the extent to which the additional evidence has a probative significance that extends beyond the material that was before the Board (*Berlucchi*, above, and *Fairweather Ltd. v. Canada (Register of Trade-marks)*, 2006 FC 1248, C.P.R. (4th) 50).

[10] During the proceeding before the Board, the Applicant presented very little evidence in support of his use of the Mark. In its decision, the Board observed that the evidence submitted by the Applicant was “rampant with ambiguities” and omissions. For this appeal, it appears that the Applicant learned his lesson and has provided the Court with extensive, detailed and unambiguous evidence of the use of the Mark.

[11] The Applicant submits that the new evidence he has presented to the Court in this appeal is sufficient to demonstrate that the Mark was in use in Canada during the relevant time. I agree.

[12] In this appeal – in contrast to the proceeding before the Board – the Applicant filed substantial new evidence that relates directly and persuasively to the use of the Mark in the period between February 28, 2003 and February 28, 2006. The affidavits of clients, Amanda Clare Cragg, Gerardina Klis, Dianne Dietrich, Jessica Klis, and Linda Klikach, are not merely bare allegations that the Mark, UGGLY BOOTS, was in use. Rather, each affidavit comes with invoices showing the transfer of wares, with the Mark, between the Applicant and others in Canada. Each invoice has

a GST number at the bottom and is dated at the top. These dates fall within the February 28, 2003 to February 28, 2006 time frame.

[13] I conclude that the evidence before me is sufficient to demonstrate the existence of:

[...] evidence of a single sale, whether wholesale or retail, in the normal course of the trade, [...] as it follows the pattern of a genuine commercial transaction and is not being deliberately manufactured or contrived to protect the registration of the trade-mark at issue (*Guido*, above, at para. 17).

[14] Furthermore, under the principle of use “in the normal course of trade”, where there is no evidence that the affiant’s credibility is being challenged, good faith is presumed (see *Guido*, above, at para. 52). In the case at hand, there are no challenges to the credibility of affidavits filed in support of use of the Mark. Thus, I conclude that the Applicant has satisfied his burden to prove “use” under s. 4 of the Act. Property with the Mark, UGGLY BOOTS, was distributed or transferred from the Applicant to other persons in Canada between February 28, 2003 and February 28, 2006, in the normal course of trade.

Conclusion

[15] In conclusion, I find that the Applicant has proved use of the Mark, in association with the registered wares, within the relevant time. Accordingly, the appeal will be allowed. No costs are requested by the Applicant and none will be awarded.

JUDGMENT

THIS COURT ORDERS AND ADJUDGES that:

1. the appeal is allowed and the July 29, 2008 decision of the Trade-marks Opposition Board with respect to trade-mark registration No. TMA574,587 is set aside;
2. trade-mark registration No. TMA574,587 will be maintained on the register without amendment; and
3. no costs are awarded.

“Judith A. Snider”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1502-08

STYLE OF CAUSE: MARTY SANDERS v.
SMART & BIGGAR INTELLECTUAL
PROPERTY & TECHNOLOGY LAW

PLACE OF HEARING: Calgary, Alberta

DATE OF HEARING: January 21, 2010

APPEARANCES:

Neil Kathol FOR THE APPLICANT

No One Appearing FOR THE RESPONDENT

SOLICITORS OF RECORD:

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Smart & Biggar FOR THE RESPONDENT
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