

Federal Court



Cour fédérale

**Date: 20170928**

**Docket: T-1813-16**

**Citation: 2017 FC 866**

[UNREVISED CERTIFIED ENGLISH TRANSLATION]

**Ottawa, Ontario, September 28, 2017**

**PRESENT: The Honourable Mr. Justice Martineau**

**BETWEEN:**

**SIMON ZAKINI, ALSO DOING BUSINESS  
UNDER THE NAME OF PROMOTIONS  
DÉMO**

**Applicant**

**and**

**GAÉTANE ROSS**

**Respondent**

**JUDGMENT AND REASONS**

[1] This is an application for an appeal filed under section 56 of the *Trademarks Act*, RSC, 1985, c T-13 [the Act]. The applicant is challenging the merits of the decision by the Registrar of Trademarks [the Registrar] ordering that registration number TMA803,955 for the trademark ARTHRI-MED PLUS [the Trademark] be expunged, pursuant to subsection 45(4) of the Act.

I. Background

[2] On August 9, 2011, the Trademark was registered in Canada in association with the product “liquid medicine for treating arthritis” for the registered owner, “Simon Zakini”. On August 10, 2011, the owner’s information on file was amended to show:

[TRANSLATION] ”Simon Zakini, also doing business under the name of Promotions Démo”.

[3] On March 13, 2015, the respondent submitted a request to the Registrar under subsection 45(1) of the Act, which allows any person who pays the prescribed fee to request that the Registrar give notice to the owner of the Trademark to provide evidence of its use.

[4] On March 19, 2015, the Registrar gave the registered owner the notice provided for in subsection 45(1) of the Act, requiring him to show by means of an affidavit or a statutory declaration the use of the Trademark between March 19, 2012, and March 19, 2015 [the relevant period], or the registration would be expunged.

[5] In response to that notice, on March 27, 2015, the registered owner filed a statutory declaration from his representative, Melvin Dionne, in which he submits that the Trademark is [TRANSLATION] “currently used in Canada for the product specified in the registration”, as well as two invoices, dated August 15, 2013, and March 13, 2015, issued by “Laboratoire Sol-Labo Inc.” to the “Promotions Multidemos” company, and on which the Trademark’s name appears.

[6] On September 14, 2015, the respondent made written submissions to the Registrar in which she argues that the Trademark should be expunged because the declaration by the

applicant's representative and the supporting documents do not show any use of the Trademark within the meaning of subsection 4(1) of the Act, nor any use by the owner or on his behalf, during the relevant period, or in connection with the product.

[7] In reply to those submissions, the registered owner attempted to submit additional evidence. However, the Registrar refused the additional evidence in a letter dated December 17, 2015, because it was filed outside the time limit. The Registrar also stated that its submission would violate the expeditious and summary nature of the procedure set out in section 45.

[8] On July 27, 2016, the Registrar rendered a decision ordering that the Trademark be expunged and issued a notice, dated August 22, 2016, expunging the Trademark.

[9] On October 24, 2016, the applicant submitted this application for appeal to our Court under section 56 of the Act. On November 4, 2016, the respondent appeared on the record, announcing her intention to object to the application.

[10] On January 25, 2017, the applicant served and filed the affidavits of Simon Zakini and Jean-Christophe Doublet [additional evidence].

[11] On May 11, 2017, upon the respondent's request, the Court extended the time to serve and file her reply record until June 29, 2017. However, the respondent did not file any reply record or make any oral submissions to the Court during the appeal hearing on September 25, 2017.

## II. Analysis

[12] To meet the requirements of section 45 of the Act, the owner must show that he used the Trademark for each of the goods specified in the registration during the relevant period. The evidence must show that the Trademark was used by the registered owner directly or through licensees and/or distributors. The Trademark may have been used by another person whose use accrued to the registrant's benefit (*Spirits International B.V. v. BCF S.E.N.C.R.L.*, 2012 FCA 131 at paragraph 7, [2012] FCJ No. 526 (QL)). It is not necessary to produce a formal licensing agreement to prove the existence of a licensing agreement (*3082833 Nova Scotia Company v. Lang Michener LLP*, 2009 FC 928 at paragraph 32, [2009] FCJ No. 1142 (QL)). A licensing agreement may be inferred from the facts.

[13] Section 4 of the Act defines "use" as follows:

4(1) A trade-mark 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(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.

[14] The procedure set out in section 45 must be simple and expeditious. The threshold to establish the use of a trademark within the meaning of section 4 is relatively low (*Uvex Toko Ltd.*

*v. Performance Apparel Corp.*, 2004 FC 448 at paragraph 38, 249 FTR 105). A *prima facie* case of use will be acceptable (for example, see *1459243 Ontario Inc. v. Eva Gabor International, Ltd.*, 2011 FC 18 at paragraph 5, [2011] FCJ No. 27 (QL)).

[15] The Registrar's main reasons for expunging the Trademark can be found in the following excerpt:

[17] In the first place, nothing indicates that the goods sold by Laboratoire are the Goods. As for the transfer of ownership, these invoices prove a transfer of ownership from Sol-Labo to Multidemos. These two invoices in no way prove a transfer of ownership from the Registered Owner to a third party.

[18] Moreover, Mr. Dionne does not explain the relationship between the Registered Owner and Multidemos. I recall that the Registered Owner is Mr. Simon Zakini, also doing business under the name of Promotions Démos. There is no evidence on record that Multidemos would be a licensee of the Mark under a license agreement with the Registered Owner.

[19] Another important point: Mr. Dionne does not inform us of how the Mark appears on the Goods during the transfer of ownership of the Goods.

[20] Even if I considered Sol-Labo's invoices to be evidence of use of the Mark in association with the Goods, I have no evidence that these invoices accompanied the Goods during their delivery.

[21] Finally, below the name 'Melvin Dionne' in the statutory declaration, there is the mention [TRANSLATION] 'rep for service'. I presume this means 'Representative for service' because in the record, Mr. Dionne indeed is identified as the representative for service on behalf of the Registered Owner. However, the fact of being the representative for service does not empower Mr. Dionne to attest to the use of the Mark on behalf of the Registered Owner, except if he has personal knowledge of the facts described in his statutory declaration. There is no assertion in this sense in his statutory declaration.

[22] All these deficiencies and questions, which remain unanswered, are sufficient to conclude that the Registered Owner has not proved that he used the Mark in Canada in association with

the Goods during the Relevant Period, within the meaning section 4(1) of the Act. Moreover, the Registered Owner has not provided evidence of facts that could constitute special circumstances within the meaning of section 45(3) of the Act, justifying the non-use of the Mark during the Relevant Period.

[23] On all these grounds, I conclude that the registration of the Mark must be expunged from the register.

[16] In the case at hand, as permitted by subsection 56(5) of the Act, the applicant submitted to the Court record considerable additional evidence in support of his appeal requesting that the Registrar's decision be set aside:

- a) The applicant's affidavit, in which he attests to having used the Trademark in connection with the product during the relevant period, directly and/or through licensees and distributors (paragraph 8). However, he states in that document that he promoted and sold the product associated with the Trademark through the company 9253-1979 Québec Inc. [the company] after it was incorporated on October 19, 2011. He states at paragraphs 14 and 15 of his affidavit that he controls 100% of the company and has been the sole director, shareholder and representative since it was incorporated. He also explains in the affidavit that the company conducts business most often under the company name Promotions Multi Démo, but that it also uses the company names Promo Demo and Promotions Démo (paragraph 22);
- b) The following exhibits were filed in support of the applicant's affidavit:
  1. Exhibit SZ-3: photographs of the product. The name of the Trademark can clearly be seen on the label. At paragraph 10 of his affidavit, the applicant

states that this is how the product was sold to consumers throughout the relevant period;

2. Exhibit SZ-5: the certificate of incorporation for the company 9253-1979 Québec Inc., indicating Promotions Multidemos as the trade name. Simon Zakini is listed as the registered owner on the certificate;
3. Exhibit SZ-6: an excerpt from the Business Register for the abovementioned company. Simon Zakini is listed as the sole shareholder and director;
4. Exhibits SZ-9 to SZ-17: space rental contracts dated from 2012 to 2015. The Trademark and names of Simon Zakini and Promotions Multidemos are listed as parties to the contract. The applicant states at paragraphs 24 and 25 of his affidavit that he used these spaces during trade shows and fairs to sell the product. The applicant states at paragraphs 28 and 29 of his affidavit that in-person sales of the product took place during those trade shows and fairs and that he was present at each one;
5. Exhibit SZ-18: photographs of booths bearing the Trademark that were set up at those trade shows and fairs;
6. Exhibit SZ-19: copies of invoices for sales of the product to Médialibs by Simon Zakini, dated between July 1, 2012, and March 10, 2015. The applicant states at paragraph 32 of his affidavit that the corporation Médialibs has acted as distributor of the product since December 3, 2010. The applicant submits that he authorized the president of that company, Jean-Christophe Doublet, to register the domain [www.arthrimed-plus.ca](http://www.arthrimed-plus.ca) in

order to sell the product there (paragraph 33). At paragraph 36 of his affidavit, the applicant confirms that he had control over the presentation of the product and the Trademark on the website;

7. Exhibit SZ-20: invoices issued by Promotions Multidemos Inc. to Nature Vibe and Whites Road. The Trademark is indicated on the invoices. The applicant states at paragraph 37 of his affidavit that he sold a number of units of the product to the distributors Nature Vibe and Whites Road on July 11, 2014, and April 5, 2013, respectively;

- c) Jean-Christophe Doublet's affidavit, in which he confirms that he conducts business through Médialibs, a company that was incorporated on February 28, 2005, under the original name of Trigramme Inc. (paragraph 1). He states that he is the president of that corporation, which offers e-commerce solutions for the sale of products and services online, among other services (paragraph 2). He explains that the applicant approached him on December 3, 2010, to use the services of Médialibs to sell the natural health product used to treat arthritis, known under the trademark ArthriMED Plus (paragraph 3). Thus, he attests that he registered the domain name [www.arthrimed-plus.ca](http://www.arthrimed-plus.ca) and launched the website on December 3, 2010 (paragraphs 5 and 6). He certifies that his company acts as the main distributor of the product exclusively through sales on this website and that it also received payment from customers (paragraph 11). However, he states that Mr. Zakini has always been very involved in the various aspects of managing the website and participated in the important decisions (paragraph 12). More generally, he submits that Mr. Zakini used the Trademark in connection with the



product at some point during the relevant period, at least, and not exclusively, through his product distribution company (paragraphs 8 and 9);

d) The following exhibits were filed in support of Jean-Christophe Doublet's affidavit:

1. Exhibit JCD-3: photographs of the product bearing the Trademark on the label;
2. Exhibit JCD-6: notice of receipt of payment by Jean-Christophe Doublet from a customer named Monique Valois. "Arthri-med-plus" can be seen in the description of the product sold;
3. Exhibit JCD-8: examples of PayPal payment notifications received by Jean-Christophe Doublet from several buyers. "ArthriMED-plus" can be seen in the product description;
4. Exhibit JCD-9: sales invoices for products bearing the description "ARTHRIMED-PLUS". Some invoices list the name of Simon Zakini in the "sold by" column. At paragraph 14 of his affidavit, Mr. Doublet states that Mr. Zakini personally and/or through Promotions Multi D emos sold numerous bottles of the product to M edialibs during the relevant period so that it could sell the product on its website;
5. Exhibit JCD-10: sales report covering the period from November 4, 2013, to March 29, 2015. Mr. Doublet certifies that he sold 309 units of the product through the website during the period, mostly in Canada;

6. Exhibit JCD-12: promotional boxes for the product using the Trademark. Mr. Doublet states that when the product is delivered, the Trademark is displayed on the label attached to the vial of the product and on the promotional box for the product (paragraph 16). The promotional boxes were used both before and after the beginning of 2014.

[17] When an applicant appeals a decision by the Registrar under section 56 of the Act and submits new determinative evidence—which is the case here—the case must be heard *de novo*, according to the correctness standard of review (*Molson Breweries v. John Labatt Ltd.*, [2000] 3 FCR 145, 2000 CanLII 17105 at paragraph 51). I am satisfied in this case that the additional evidence submitted to our Court is sufficient to conclude that the Trademark was used by the owner directly and through licensees and distributors during the relevant period.

[18] The additional evidence demonstrates the use of the Trademark in connection with the product during the relevant period. This use occurred in the normal course of business, since the goal of using the Trademark was to sell products to customers at trade shows and fairs, as well as through distributors and the website. The evidence confirms this use in the normal course of business. The invoices produced also show that there were numerous sales of the product during the relevant period. It is clear that the Trademark was used in connection with the product because it is displayed directly on the labels affixed to the vial of the product that is sold to consumers. This is the case regardless of how the product is sold (at trade shows and fairs, online, etc.). The Trademark is in fact affixed to the product at the time of the transfer of ownership. The photographs submitted as evidence confirm these submissions.

[19] The Act also requires that the Trademark be used by the owner directly or through licensees and distributors. I am satisfied that the applicant has discharged his burden in this respect. The space rental contracts and the applicant's affidavit show that it is the registered owner who personally profits from the sales during trade shows and fairs. Moreover, the evidence is clear that the registered owner conducts business with various distributors, including Médialibs, in order to sell the product online, and that he profited from those sales. The invoices show that Mr. Zakini sold units of the product to Médialibs, which in turn distributed it. The owner's name can be found on some of these invoices. The registered owner maintains control over the distribution operations. The applicant conducts business through the Promotion Démos company, which constitutes an extension of himself. There is an implicit licensing contract between the registered owner and the company.

[20] In light of the additional evidence in the Court record, the Registrar's decision to expunge the Trademark is incorrect.

### III. Conclusion

[21] For these reasons, the applicant's appeal is allowed, and the Registrar's decision to expunge the Trademark is set aside. The applicant is entitled to costs of \$2,250.00 from the respondent.

**JUDGMENT in T-1813-16**

**THIS COURT'S JUDGMENT** is that:

1. The applicant's appeal is allowed;
2. The decision rendered by the Registrar on July 27, 2015, to expunge the ARTHRI-MED PLUS trademark is set aside; and
3. The applicant is entitled to costs of \$2,250.00 from the respondent.

“Luc Martineau”

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Judge

Certified true translation  
This 1st day of October 2019

Lionbridge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1813-16

**STYLE OF CAUSE:** SIMON ZAKINI, ALSO DOING BUSINESS UNDER  
THE NAME OF PROMOTIONS DÉMO v.  
GAÉTANE ROSS

**PLACE OF HEARING:** MONTRÉAL, QUEBEC

**DATE OF HEARING:** SEPTEMBER 25, 2017

**JUDGMENT AND REASONS:** MARTINEAU J.

**DATED:** SEPTEMBER 28, 2017

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