

Federal Court



Cour fédérale

**Date: 20220812**

**Docket: T-1982-21**

**Citation: 2022 FC 1192**

**Ottawa, Ontario, August 12, 2022**

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

**BETWEEN:**

**WILLIAM B. VASS**

**Applicant**

**and**

**LEEF INC.**

**Respondent**

**JUDGMENT AND REASONS**

I. Overview

[1] The Applicant William B. Vass appeals the refusal of the Registrar of Trademarks [Registrar] to expunge a trademark pursuant to s 45 of the *Trademarks Act*, RSC 1985, c T-13.

The request for expungement concerned the trademark shown below, bearing registration number TMA 769,494 [Mark].



[2] The Registrar found that registration of the Mark should be maintained in part. The registration was amended to delete certain goods and services, while maintaining those in respect of which the owner of the Mark, Leef Inc [Leef], had established use during the relevant time period.

[3] The relevant time period [Relevant Period] was calculated as the three years immediately preceding the date on which notice was issued to Leef pursuant to s 45 of the *Trademarks Act*: June 15, 2017 to June 15, 2020. The Registrar was satisfied Leef had established use of the Mark during the Relevant Period in connection with the following: (1) “residential and commercial furniture, namely: movable office partitions, furniture screens” [Goods] and (2) “design and custom manufacturing of partitions, movable office partitions and furniture screens” [Services].

[4] As Justice Sean Harrington held in *Fraser Sea Food Corp v Fasken Martineau Dumoulin LLP*, 2011 FC 893 [*Fraser*], this is not a civil case in which it is incumbent upon Leef to prove use within Canada during the Relevant Period on the balance of probabilities. Section 45 of the *Trademarks Act* provides a quick and ready method to rid the Registry of deadwood, or to give the registered holder of a mark an opportunity to explain why it has not been used. Nevertheless, it is not sufficient to merely state the mark has been used; it must be shown to have been used (*Fraser* at paras 14-15).

[5] For the reasons that follow, Leef has met the modest burden of establishing use of the Mark in connection with the Goods and Services during the Relevant Period. The appeal is therefore dismissed.

## II. Background

[6] Leef is a Canadian corporation, incorporated under the laws of Ontario. Since 2001, Leef has manufactured and designed furniture for residential and commercial settings. This includes movable office partitions, privacy screens and space dividers. The company also offers custom furniture design and manufacturing services.

[7] Leef typically provides its products to large institutions, such as hospitals and hotels. The company offers “off-the-shelf” furniture with a variety of options for patterns, designs and finishes. The Mark is not placed on the furniture. Instead, notice of the association between the Mark and the Goods and Services is provided at various stages of the sales process, including in digital brochures, product specifications, invoices for the Goods, and a “Contact Us” button on the website featuring the Mark.

[8] Although not named in this proceeding, another company called Eventscape, which is also a Canadian corporation incorporated under the laws of Ontario, provides identical Goods and Services to those offered by Leef. Eventscape works collaboratively with Leef. Pursuant to an oral agreement between the two corporations, Leef has granted Eventscape a licence to use the Mark in Canada in association with the Goods and Services.

[9] Celeste Brennan is the owner and President of Leef and the Chief Financial Officer of Eventscape. Her husband, Gareth Brennan, is the Executive Director of Leef and the President and founder of Eventscape.

[10] On August 12, 2008, Leef filed Canadian trademark application number 1,398,166 to register the Mark based on its use in Canada since September 20, 2001. The Mark was described as a “blue and grey stylized leaf pattern of four leaves with the word Leef in blue”. The Mark was registered on June 11, 2010 for use in association with the following:

Goods

Residential and commercial furniture, namely: movable office furniture partitions, furniture of metal, furniture for displaying goods, display stands, display boards, furniture screens, seats, seating furniture.

Services

Design and custom manufacturing of residential and commercial furniture, furniture partitions, movable office partitions, furniture of metal, furniture for displaying goods, furniture, namely sales and display units, furniture screens and seating furniture, custom store fixtures, point of purchase displays, custom enclosed structures for use as reception area, training structure or lounge incorporating audio visuals, scents, sounds and projection or custom graphics and standoffs for custom display, namely a portable structure clad with fabric, plastic, wood or metal on metal frames.

[11] On June 15, 2020, at the request of Mr. Vass, the Registrar issued a notice under s 45 of the *Trademarks Act*. The notice required Leef to show the Mark had been used in Canada in association with each of the Goods and Services specified in the Registration at any time within

the Relevant Period and, if not, the date on which the Mark was last used and the reason for the absence of use since that date.

[12] On September 15, 2020, Leef submitted the affidavit of Elaine Allen-Milne [Allen-Milne Affidavit]. Ms. Milne was the manager of marketing and communications for both Leef and Eventscape until her retirement in December 2021.

[13] Neither party made written representations or requested an oral hearing. The Registrar's delegate rendered a decision on November 2, 2020, which was communicated to the parties the following day.

[14] The Registrar found the Allen-Milne Affidavit established Leef's use of the Mark to only a limited extent. The Registrar was nevertheless satisfied that use was established in association with the goods "movable office furniture partitions" and "furniture screens", and the services "design and custom manufacturing of [...] furniture partitions, movable office partitions [...] and] furniture screens".

[15] The Registrar acknowledged that the Mark was not placed on the Goods themselves, but found it was prominently featured on the invoices and materials typically shown to customers at the time of purchase. The Registrar found no evidence of use in association with the remaining registered goods, and ordered that the registration be amended accordingly.

[16] With respect to services, the Registrar found that sales brochures and evidence of two sales indicated use of the Mark in association with the services “design and custom manufacturing of [...] furniture partitions, movable office partitions [...] and] furniture screens”. The Registrar found no evidence of use in association with the remaining registered services, and ordered that the registration be amended accordingly.

### III. Legislative Scheme

[17] Section 45 of the *Trademarks Act* empowers the Registrar, upon request or upon his or her initiative, to give notice requiring the registered owner of a trademark to furnish an affidavit demonstrating use of all the goods and services specified in the registration. The relevant time period is “any time during the three-year period immediately preceding the date of the notice”. If the registered owner cannot establish use during the relevant time period, the Registrar may either expunge or amend the registration.

[18] Use is defined in s 4 of the *Trademarks Act* as follows:

#### **When deemed to be used**

**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

#### **Quand une marque de commerce est réputée employée**

**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

association is then given to the person to whom the property or possession is transferred.

**Idem**

(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.

aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

**Idem**

(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

[19] Pursuant to s 56(1) of the *Trademarks Act*, the Registrar's decision may be appealed to this Court. Evidence in addition to what was before the Registrar may be adduced, and the Court may exercise any discretion vested in the Registrar (*Trademarks Act*, s 56(5)).

IV. Issues

[20] This appeal raises the following issues:

- A. What is the standard of review?
- B. Is the Brennan Affidavit Material?
- C. Has Leef established use of the Mark?

V. Analysis

- A. *What is the standard of review?*

[21] Where a legislature has provided for a statutory right of appeal from an administrative decision, the appellate standard of review applies (*Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [Vavilov] at para 37). An application under s 56(1) of the *Trademarks Act* is therefore treated as an appeal, not an application for judicial review (*Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 [Miller Thomson] at para 44; *Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 [Clorox] at paras 19-20).

[22] Questions of fact and questions of mixed fact and law are subject to review against the standard of palpable and overriding error. For questions of law, the applicable standard is correctness (*Clorox* at para 23).

[23] Where the issue on appeal involves interpretation of the evidence as a whole, a decision maker's decision should not be overturned absent palpable and overriding error (*Housen v Nikolaisen*, 2002 SCC 33 at paras 10, 26, and 36). "Palpable" means an error that is obvious. "Overriding" means an error that affects the outcome of the case.

[24] If an appeal of a decision made pursuant to s 45 of the *Trademarks Act* does not include new evidence, or if there are no extricable questions of law, the applicable standard of review is palpable and overriding error (*Fasken Martineau Dumoulin LLP v Gentec*, 2022 FC 327 at para 35). However, where new evidence is filed pursuant to s 56(5) of the *Trademarks Act*, and the new evidence is material, the Court must consider *de novo* the issues to which the new evidence relates (*Miller Thomson* at para 47; *Clorox* at para 21).



[25] When new evidence is admitted on appeal, this does not necessarily displace the Registrar's findings in respect of every issue, but only those issues for which the evidence is provided and admitted (*Caterpillar Inc v Puma SE*, 2021 FC 974 [CAT] at para 36).

[26] The materiality of new evidence means "sufficiently substantial and significant" and of "probative value" (*Clorox* at para 21). Evidence that merely supplements or repeats existing evidence will not suffice. The test is not whether the new evidence would have changed the Registrar's mind, but rather whether it would have had a material effect on the decision. In that regard, "quality, not quantity, is key" (CAT at para 33).

[27] The Court must assess the nature, significance, probative value, and reliability of the parties' new evidence in the context of the record, and determine whether it adds "something of significance", and hence whether it would have affected the Registrar's decision materially (CAT at para 36).

B. *Is the Brennan Affidavit Material?*

[28] Leef has filed the Affidavit of Gareth Brennan [Brennan Affidavit] sworn on March 9, 2022 to supplement the Allen-Milne Affidavit. Mr. Brennan has not been cross-examined on his affidavit. Mr. Vass has not filed further evidence in response to the appeal.

[29] Mr. Vass maintains that the Brennan Affidavit would not have materially affected the Registrar's findings, because it is largely an affirmation of the Allen-Milne Affidavit. At paragraph 5, Mr. Brennan affirms paragraphs 4 to 7 of the Allen-Milne Affidavit describing the

nature of the Goods and Services sold by Leef and Eventscape in association with the Mark. Mr. Vass notes that mere assertions of use are insufficient (citing *Plough (Canada) Ltd v Aerosol Fillers Inc*, [1981] 1 FC 679).

[30] At paragraph 8, Mr. Brennan explains that Eventscape is understood by the “relevant consumers” to be the distributor, and Leef is seen as the manufacturer. Mr. Vass says this adds nothing to either the Allen-Milne Affidavit or to the Registrar’s analysis. He asserts that paragraphs 10 to 13 again merely affirm the Allen-Milne Affidavit, and do not supplement it.

[31] Leef maintains that the Brennan Affidavit meets the test for admissibility, because it enhances the overall cogency of the evidentiary record by clarifying and supplementing the facts and documents contained in the Allen-Milne Affidavit. Specifically, the Brennan Affidavit explains how Eventscape displays the Mark in association with the Goods and Services, and also provides further evidence of sales in the ordinary course of trade.

[32] The Brennan Affidavit provides some new documentary evidence of quotations featuring the Mark that were provided to customers. The quotations are for mobile health care screens and custom desktop tempered glass shields. Use of the Mark is evident on the quotations and visual descriptions of each item, although the Mark does not appear on the invoices.

[33] I am satisfied that the Brennan Affidavit provides further evidence of the relationship between Eventscape and Leef with respect to sales and advertising of the Goods and Services in association with the Mark. While the Brennan Affidavit affirms many of the statements in the

Allen-Milne Affidavit, it also provides new documentary evidence of use of the Mark in connection with quotations and sales.

[34] To this limited extent, the Brennan Affidavit is material and therefore admissible. The new evidence is “sufficiently substantial and significant” and of “probative value” to have had a material effect on the Registrar’s decision if it has been provided at the time. The Court will therefore consider *de novo* the issues to which the new evidence relates.

C. *Has Leef established use of the Mark?*

[35] Mr. Vass disputes that Leef has established use of the Mark in association with the Goods and Services on nine separate grounds. These may be consolidated as follows: (1) Leef has provided insufficient evidence of sales during the Relevant Period; (2) the few sales for which there is evidence do not pertain to the Goods; (3) the Mark that appears on the invoices is not the same as the registered Mark; and (4) there is no evidence of use in association with the Services.

(1) Insufficient evidence of sales

[36] Mr. Vass asserts that one of the two invoices included as Exhibit B to the Allen-Milne Affidavit was not rendered in the normal course of trade, as required by s 4 of the *Trademarks Act*. Instead, it is a promotional transaction involving “TAG WILLIS PROTOTYPES”. This is a company that provides certain materials used in the construction of Leef’s products.

[37] Leef responds that an affiant's statements are to be accepted at face value, and must be accorded substantial credibility (citing *Michelle Fleischhacker Room Service Interiors v Room Service Interiors Ltd*, 2022 TMOB 74 [*Fleischhacker*] at para 19). It is not necessary in a proceeding pursuant to s 45 of the *Trademarks Act* to furnish evidence of the total volume or dollar value of sales. Evidence of a single sale can meet the threshold (citing *Sim & McBurney v en Vogue Sculptured Nail Systems Inc*, 2021 FC 172 [*en Vogue*] at para 14).

[38] The exhibits to the Allen-Milne Affidavit and the Brennan Affidavits establish that at least one sale of the goods corresponding with "furniture screens" was made by Leef to Eventscape, and subsequently by Eventscape to Trillium Health Partners during the Relevant Period. The quotation attached as Exhibit A to the Brennan Affidavit also supports the inference that notice of the association between the Mark and the Goods was given to Trillium Health Partners at various stages throughout the sales process, not just on the invoice.

[39] I am therefore satisfied that the Allen-Milne Affidavit, combined with the Brennan Affidavit, provide sufficient evidence of sales in association with the Mark during the Relevant Period.

(2) Sales do not pertain to the Goods

[40] Mr. Vass says that Leef is required to provide particulars of how invoices accompanying the Goods provided a notice of association with the Mark at the time of transfer. He maintains that the Registrar failed to require Leef to demonstrate how invoices and packing slips

accompanied the Goods, and therefore could not assess whether they provided clear and unambiguous notice of association between the Mark and the Goods (citing *Riches, Mckenzie & Herbert v Pepper King Ltd*, 2000 CanLII 16133 (FC) [*Pepper King*] at para 24).

[41] In *Pepper King*, the affiant did not state that the invoices accompanied the goods at the time of transfer. Justice François Lemieux found it was not open to the Registrar to make such an inference. In this case, neither the Allen-Milne Affidavit nor the Brennan Affidavit clearly state that the invoices accompanied the goods. However, the Brennan Affidavit attaches invoices and quotations showing “Bill To” and “Ship To” as the same purchaser.

[42] The Trademarks Opposition Board has previously distinguished *Pepper King* where there is evidence the wares were shipped to the same physical place as the one to which the invoice was delivered. Where the “bill to” entity is the same as the “ship to” entity, an inference may be drawn that the invoice would be viewed by the same party who received the wares. This provides sufficient notice for the purposes of s 45 of the *Trademarks Act* (*LIDL Stiftung & Co KG v Joseph Rutigliano & Sons, Inc*, 2005 CanLII 91226 (CA TMOB)).

[43] Mr. Vass makes an unrelated argument that a “nested mobile healthcare screen” is not a “movable office furniture partition”, but the factual basis for this position is unclear. The brochure adduced in evidence depicts a nested mobile healthcare screen as a partition that affords a patient some degree of privacy when undergoing a procedure such as inoculation. When not in use, the screens may be “nested” for efficient storage. The screen is a partition that is mobile, and may fall within the description “movable office furniture partition”.

[44] More generally, as Justice Janet Fuhrer held in *en Vogue* (at paras 14-15):

Evidentiary overkill is not required (meaning not all examples of use must be evidenced). The use threshold is not stringent. 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. 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. 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.

Drawing an inference is a matter of reasonably probable, logical deductions from the evidence. 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*.

[citations omitted]

[45] The Allen-Milne Affidavit, combined with the Brennan Affidavit, support the reasonably probable and logical deduction that the Goods were sold in association with the Mark during the Relevant Period.

(3) The Mark that appears on the invoices is not the same as registered Mark

[46] Mr. Vass argues that the Mark as shown on the invoices included as Exhibit B to the Allen-Milne Affidavit differs from the Mark as registered. The Mark as registered is blue and grey, with three blue outlined leaves and a fourth grey outlined leaf on the top right. The text “Leef” is in a light style of font. The Mark shown on the Exhibit B invoices shows four leaves all

the same colour, and the text “Leef” is in a bolder style font. Mr. Vass says it was an error for the Registrar to “simply ignore” these clear differences.

[47] The Trademarks Opposition Board has recognized that variations which do not change the dominant feature of a registered mark are acceptable deviations from the mark as registered (*SD Pero Holdings Inc. v Cannoli Queens Inc.*, 2020 TMOB 94 [*SD Pero Holdings*] at paras 76-78). This includes displaying a mark in different colours. The test is whether the differences are so unimportant that an unaware purchaser would likely infer that both marks, in spite of their differences, identify goods or services that have the same origin (*Promafil Canada Ltée v Munsingwear Inc.*, 1992 CanLII 12831 (FCA) at p 64).

[48] The Mark as registered and the Mark as it appears on the invoices are shown below:



[49] The Mark as registered and the Mark as it appears on the invoices have consistent dominant characteristics. There is an icon with four individual leaves on the left side, with the text “Leef” following to the right. The Mark as used on the invoices falls within a range of acceptable deviation.

[50] While it may have been an oversight for the Registrar not to address the issue and come to a conclusion (see *SD Pero Holdings* at paras 74-78), this does not rise to the level of a

palpable and overriding error. It should be noted that neither of the parties made submissions to the Registrar regarding their respective positions.

(4) No evidence of use in connection with Services

[51] According to Mr. Vass, providing consumers with a choice of stock prints, textures, and/or dry erase surfaces for screens does not constitute “design and custom manufacturing” of furniture screens, or amount to a service. Rather, it consists only of manufacturing various stock screens. There is no benefit to third parties beyond the Goods, and accordingly no Services are provided.

[52] The parties have provided no authorities respecting the meaning of custom design services. Pursuant to s 4(2) of the *Trademarks Act*, use is established where the trademark owner is willing and able to perform its services in Canada and the trademark is used in the course of advertising those services. Leef has provided documentary evidence that the Mark is used in promotional materials and on design specification catalogues in relation to the advertised design services.

[53] Pursuant to s 4(2) of the *Trademarks Act*, “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”. Where the trademark owner is willing and able to perform its services in Canada, use of the trademark in the course of advertising those services meets the requirements of s 4(2) (*Fleischhacker* at para 27).



[54] The Allen-Milne Affidavit states that Leef “offers custom furniture design and manufacturing services to meet the particular needs and requirements of its customers”. This statement is supported by documentary evidence confirming that custom design and manufacturing services for furniture screens and movable office partitions are offered in association with the Mark. Consistent with the Registrar’s findings, this is sufficient to establish use of the Mark in association with the Services during the Relevant Period.

VI. Conclusion

[55] For all of the foregoing reasons, the appeal is dismissed with costs.

**JUDGMENT**

**THIS COURT'S JUDGMENT is that** the appeal is dismissed with costs.

"Simon Fothergill"

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Judge

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

**DOCKET:** T-1982-21

**STYLE OF CAUSE:** WILLIAM B. VASS v LEEF INC.

**PLACE OF HEARING:** BY VIDEOCONFERENCE BETWEEN TORONTO  
AND OTTAWA, ONTARIO

**DATE OF HEARING:** JUNE 8, 2022

**JUDGMENT AND REASONS:** FOTHERGILL J.

**DATED:** AUGUST 12, 2022

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