

Federal Court



Cour fédérale

Date : 20110718

Docket: T-1485-10

Citation: 2011 FC 893

Montréal, Quebec, July 18, 2011

PRESENT: The Honourable Mr. Justice Harrington

BETWEEN:

FRASER SEA FOOD CORP.

Applicant

and

FASKEN MARTINEAU DUMOULIN LLP

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] Fraser Sea Food Corp., a Massachusetts Corporation, is, or more correctly was, the registered holder of the Canadian trade-mark **Seafood Temptations** for use in association with various frozen and unfrozen seafoods and prepared meals. The registration was expunged by the Registrar of Trade-Marks on 29 June 2009 “by reason of the failure to file the evidence required”, in accordance with subsection 45(4) of the *Trade-marks Act*. This is an appeal from that Order. Although the appeal was not taken within the statutory timeframe, an extension was granted by this Court under Docket No. 10-T-18.

[2] The appeal was taken pursuant to Section 56 of the *Trade-marks Act*. Subsection 5 thereof provides that “evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.” In this case new evidence was filed. If such evidence would have materially affected the Registrar’s finding, the Court is required to consider the issue *de novo*, without owing deference to the Registrar or having to identify an error which may have been committed (*Maison Cousin (1980) Inc. v Cousins Submarines Inc.* 2006 FCA 409, 60 C.P.R. (4th) 369; *John Labatt Limited et al v Molson Breweries, a partnership* (2000), 5 CPR (4th) 180 and *Shell Canada Limited v P.T. Sari Incofood Corporation* 2008 FCA 279).

The Evidence Before the Registrar

[3] Section 45 of the *Trade-marks Act* permits any person who pays a prescribed fee to request the Registrar to give notice to the registered owner of a trade-mark requiring it to furnish within three months an affidavit or a statutory declaration showing the use of the trade-mark in Canada at any time during the preceding three-year period or, if not, the date when last used and the reason for the absence of such use thereafter. The Registrar gave notice on 13 May 2008.

[4] Subsection 45(2) states:

(2) The Registrar shall not receive any evidence other than the affidavit or statutory declaration, but may hear representations made by or on behalf of the registered owner of the trade-mark or by or on behalf of the person at whose request the notice was given.

(2) Le registraire ne peut recevoir aucune preuve autre que cet affidavit ou cette déclaration solennelle, mais il peut entendre des représentations faites par le propriétaire inscrit de la marque de commerce ou pour celui-ci ou par la personne à la demande de qui l’avis a été

donné ou pour celle-ci.

[5] The applicant made representations, but did not furnish an affidavit or a statutory declaration within the prescribed timeframe. The trade-mark, TMA 509,174, registered 12 March 1999 was therefore expunged.

[6] The applicant provided examples of packaging on which its trade-mark **Seafood Temptations** was displayed as well as an invoice for a single sale. The sale had not taken place within the required timeframe of 13 May 2005 to 13 May 2008, but rather thereafter. Thus, apart from the lack of form, the evidence was useless.

A Matter of Timing

[7] The new evidence submitted to the Court must be considered in context. The applicant submits that it has been unable to produce evidence that it could have produced, such as sales invoices to Canadian customers, because of a flood that occurred on 2 January 2009 within the building where those records were kept.

[8] However, on 11 August 2008 the law firm which was on file with the Registrar as the applicant's representative for service obtained an extension from the Registrar until 13 November 2008 since "[a]dditional time is necessary to consider all the issues in order to prepare and file comprehensive evidence. The time provided to date has not proved sufficient for this purpose." The only further evidence filed within that extended delay was a brief note from Alfred Fraser, a

principal of the company, stating that the applicant also had shrimp under the trade-mark and enclosing some labels used, information which had been sent previously.

New Evidence Before the Court

[9] The new evidence comprises the affidavits of Paul Fraser, the President of the appellant corporation, his brother the said Alfred Fraser, the Secretary-Treasurer, and Donald Lundin, the President of a fish brokerage firm which arranged some deliveries of the appellant's product from Boston into Nova Scotia.

[10] Paul Fraser essentially deferred to his brother. He said that purchasers, unknown to him, would place their orders from Canada by telephone. Although the examples of packaging attached to his affidavit were in English only, and might very well be in breach of our labelling laws, some product had been shipped between 2005 and 2008 with bilingual packaging, all of which packaging was lost in the flood. He produced three invoices of sales that occurred outside the relevant time period. One such invoice was dated 24 March 2010 to Sambro Fisheries via Four Seas Inc. for 10 oven-ready haddock at a total cost of \$57.50.

[11] Apparently it was Alfred Fraser who dealt with Canadian customers. He is maddeningly vague. During his cross-examination, the transcript of his previous cross-examination in a patent infringement case currently pending before this court under Docket No. T-1583-09 was put to him. He stated that at one point Sambro Fisheries was its Canadian distributor but conceded that the relationship had ended well before May 2005.

[12] Asked in the cross-examination in this case to identify customers to whom product was sold between May 2005 and 2008 he said:

“I can give you a name, sure. I sold to Sambro Fishery, not Sambro Fishery the company, but to Sambro, which was the individuals at Sambro.

Q: What do you mean, “which was the individuals at Sambro”?

A: Uh... Office personnel, maybe Doug himself, some of the people that worked on the premises.

Q: And those people are located where?

A: They’re located in Sambro, up in Nova Scotia.”

[13] The evidence of the Fraser brothers is that there would be three or four shipments a year. Mr. Lundin, the President of Four Seas Inc., a fish brokerage firm located in Boston, stated in his affidavit that he brought down fresh seafood annually from Nova Scotia, and had worked with Fraser Sea food Corp. for at least the past 15 years. He would periodically arrange delivery of Seafood Temptations branded products to Canadian customers. When trucks arranged by Four Seas were making trips from Boston to Nova Scotia, Fraser product would be carried from time to time if there was room in the truck. However, he was not privy to Fraser’s business.

The Burden of Proof

[14] This is not a civil case in which it is incumbent upon Fraser to prove use within Canada within the three years in question on the balance of probabilities. Section 45 of the *Trade-marks Act* provides a quick and ready method to rid the Registry of deadwood, or to give the registered holder of the trade-mark an opportunity to explain why it has not been used (*Eclipse International Fashions Canada Inc v Shapiro Cohen*, 2005 FCA 64, 48 CPR (4th) 223). Nevertheless, it is not

sufficient to merely state the trade-mark has been used; it has to be shown that it was used (*Mantha & Associates/Associates v Central Transport, Inc* (1995), 64 CPR (3d) 354, 59 ACWS (3d) 301). The bar may be low, but it is still a bar.

[15] As stated by Chief Justice Thurlow of the Federal Court of Appeal in *Plough (Canada) Ltd v Aerosol Fillers Inc*, [1981] 1 FC 679, 53 CPR (2d) 62, in dealing with what was then section 44 of the Act:

[10] What subsection 44(1) requires is an affidavit or statutory declaration not merely stating but "showing", that is to say, describing the use being made of the trade mark within the meaning of the definition of "trade mark" in section 2 and of use in section 4 of the Act. The subsection makes this plain by requiring the declaration to show with respect to each of the wares and services specified in the registration whether the trade mark is in use in Canada and if not the date when it was last used and the reason for the absence of such use since that date. The purpose is not merely to tell the Registrar that the registered owner does not want to give up the registration but to inform the Registrar in detail of the situation prevailing with respect to the use of the trade mark so that he, and the Court on appeal, can form an opinion and apply the substantive rule set out in subsection 44(3). There is no room for a dog in the manger attitude on the part of registered owners who may wish to hold on to a registration notwithstanding that the trade mark is no longer in use at all or not in use with respect to some of the wares in respect of which the mark is registered.

[16] In *Meredith & Finlayson v Canada (Registrar of Trade Marks)* (1991), 40 CPR (3d) 409, 138 NR 379 (FCA), Mr. Justice Hugessen opined:

[4] Subsection 45(2) is clear: the Registrar may only receive evidence tendered by or on behalf of the registered owner. Clearly it is not intended that there should be any trial of a contested issue of fact, but simply an opportunity for the registered owner to show, of he can, that his mark is in use or if not, why not.

[17] In *Scott Paper Ltd v Smart & Biggar*, 2008 FCA 129, 65 CPR (4th) 303, Mr. Justice Pelletier noted the Court draws a distinction between explaining the absence of use and excusing the absence of use.

[18] Evidence of use can take the form of a single commercial transaction in the ordinary course of business (*Stikeman Elliott LLP v Les Sols R. Isabelle Inc*, 2011 FC 59, 92 CPR (4th) 83). Such transaction, however, must be genuine, *bona fide* and not contrived to protect the trade-mark (*Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289, 3 ACWS (3d) 109; *Vêtement Multi-Wear Inc v Riches, McKenzie & Herbert LLP*, 2008 FC 1237, 73 CPR (4th) 3); *Jagotec AG v Riches, McKenzie & Herbert LLP*, 2006 FC 1468, 153 ACWS (3d) 1222).

[19] The Court will resolve any evidentiary ambiguities in favour of the trade-mark owner, but not if doing so would lower the *prima facie* standard required to prove use (*Messrs. Bereskin & Parr v Fairweather Ltd*, 2006 FC 1248, 58 CPR (4th) 50, *aff'd* 2007 FCA 376, 62 CPR (4th) 266; *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184, 90 CPR (4th) 428).

[20] The appellant had been given six months, from 13 May 2008 to 13 November 2008, to provide evidence of use. It failed to do so. Absolutely no reason has been given why it could not come up with a single Canadian invoice during that time. The flood only occurred in January 2009. In the circumstances, an alleged sale, maybe to “Doug” or to some of the people in Sambro’s premises, a company which no longer represents it in Canada, is simply not enough. The sales, if that is what they were, were not in the ordinary course of business.

[21] Further extensions were given by this Court and one could easily have obtained an affidavit from “Doug” or some of Sambro’s people. Instead, the appellant has provided unclear evidence surrounding the nature of the business transaction. Such vague evidence is inadequate even by the generous standards provided by the jurisprudence (*S.C. Johnson & Son Inc v Registrar of Trade Marks* (1981), 55 CPR (2d) 34, 8 ACWS (2d) 71).

[22] In light of this finding, it is not necessary to consider other submissions made by the parties.

JUDGMENT

FOR REASONS GIVEN:

THIS COURT'S JUDGMENT is that the appeal of Fraser Sea Food Corp. is dismissed with costs in the amount of \$5,000.

“Sean Harrington”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1485-10

STYLE OF CAUSE: FRASER SEA FOOD CORP. v
FASKEN MARTINEAU DUMOULIN LLP

PLACE OF HEARING: Toronto, Ontario

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

DATED: July 18, 2011

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