

## TRADEMARKS

### EXPUNGEMENT

Appeal, made pursuant to *Trademarks Act*, R.S.C., 1985, c. T-13, s. 56, from Registrar of Trademarks decision expunging Trademark Registration No. TMA423520 for AVIREX under Act, s. 45 — Applicant current owner of AVIREX — AVIREX brand founded in 1975 for military-inspired line of apparel, accessories — Registered in February 1994 — Previously owned by KVZ International Ltd. — KVZ assigned AVIREX to applicant in October 2018 — Assignment made of record in June 2019 — Registrar issued notice to then-owner KVZ under Act, s. 45 seventeen days before Assignment requiring owner of AVIREX to furnish evidence of use of mark within relevant period, i.e. October 12, 2015, to October 12, 2018, with respect to each of registered goods — Applicant responded to notice on June 11, 2019, with affidavit sworn by Ms. Marjan Elbaum (Elbaum Affidavit) attesting to use of AVIREX during relevant period — Registrar relied on applicant's evidence as contained in Elbaum Affidavit — Noted Ms. Elbaum's explanations that applicant used, intended to use AVIREX on all registered goods in Canada, that applicant and previous owner had always sold, intended to sell registered goods in Canada — Dismissed applicant's submission that, when Elbaum Affidavit referenced activities by "my company," it was a reference to both applicant, KVZ — Observed that, given KVZ was the registered owner of AVIREX during relevant period, evidence of use should demonstrate that either KVZ or a licensee used AVIREX during that period — Therefore concluded that applicant had not shown use of AVIREX in association with registered goods in Canada during relevant period — Next, Registrar considered whether, pursuant to Act, s. 45(3), there were special circumstances that could excuse non-use — Registrar concluded that, save for bare assertions that applicant, KVZ had been in constant communication with potential Canadian retailers, that goods were sold in the U.S., that discussions happened with movie producers, there was no evidence to demonstrate special circumstances to excuse non-use — Applicant's arguments on merits of this appeal focused significantly on line of jurisprudence addressing s. 45 proceedings in which there was a change in registered ownership of relevant mark in proximity to issuance of s. 45 notice — Applicant submitted, *inter alia*, that application of evidence on appeal to criteria outlined in *Canada (Registrar of Trade Marks) v. Harris Knitting Mills Ltd.*, [1985] F.C.J. No. 226, 4 C.P.R. (3d) 488 (QL) (F.C.A.) (*Harris Knitting*) supporting conclusion that it should not suffer expungement of AVIREX as result of non-use during relevant period — Main issue whether, applying appropriate standard of review to consideration of special circumstances to excuse absence of use under s. 45(3), AVIREX should be expunged — In circumstances where new owner acquires mark during relevant period, principles identified in line of case law relied on by applicant generally apply, such that special circumstances analysis may focus on whether absence of use is excused during portion of relevant period that follows acquisition — However, arguments as to why those principles do not apply in cases where acquisition is subsequent to end of relevant period compelling — Reasoning in *Citadelle, Coopérative de Producteurs de Sirop d'Érable / Citadelle, Maple Syrup Producers' Cooperative v. RAVINTORAIŠIO OY*, 2018 TMOB 55 (*Citadelle*) instructive, consistent with both language of s. 45(3), appellate case law interpreting application thereof — When s. 45(3) describes available exception in terms of it appearing to Registrar "... that the absence of use has not been due to special circumstances that excused the absence of use...", phrase "the absence of use" read as reference to non-use of trademark described in immediately preceding language of s. 45(3) — It follows that absence of use, which must be excused by special circumstances in order for exception to apply, is absence of use during relevant period — In *Harris Knitting*, Court stated expressly that, for exception to apply, absence of use that must be excused through special circumstances is absence of use before owner receives notice from Registrar — That means the absence of use during relevant period — Line of authority related to ownership

changes upon which applicant relied consistent with above interpretation of s. 45(3), because those authorities focus upon excusing non-use during relevant period — If ownership change occurs after end of relevant period, as in case at hand, s. 45(3) not authorizing exception to expungement based on similar focus on period after new owner acquired mark, because s. 45(3) exception not applying to special circumstances that might excuse non-use after end of relevant period — Reasoning in *Citadelle* consistent with these conclusions — Based on case law analysis, applicant not in same position as new owners in change of ownership authorities upon which applicant relied — Applicant could not ask Court to consider period of non-use, for purposes of assessing special circumstances, to be period starting from date of acquisition — That period falling entirely outside relevant period — KVZ's intention to resume use of AVIREX not representing special circumstance excusing its absence of use — First *Harris Knitting* criterion, length of time during which trademark had not been in use, not favouring applicant — No special circumstances excusing absence of use of AVIREX within meaning of s. 45(3) existing — AVIREX mark should be expunged — Appeal dismissed.

CENTRIC BRANDS HOLDING LLC V. STIKEMAN ELLIOTT LLP (T-2235-22, 2024 FC 204, Southcott J., reasons for judgment dated February 8, 2024, 35 pp.)