Nelligan O’Brien Payne v Amy French, 2025 TMOB 261

Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2025 TMOB 261

Date of Decision: 2025-12-19

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Nelligan O'Brien Payne

Registered Owner: Amy French

Registration: TMA1,055,111 for Grey Matter

THE PROCEEDING

[1] At the request of Nelligan O'Brien Payne (the Requesting Party), the Registrar of Trademarks issued a notice pursuant to section 45 of the Trademarks Act, RSC 1985, c T-13 (the Act) on February 11, 2025, to Amy French, the Owner of registration No. TMA1,055,111 for the trademark Grey Matter (the Mark).

[2] The section 45 notice required the Owner to show whether the Mark was used in Canada in association with each of the registered goods and services (the Goods and Services) set out below at any time within the three-year period before the notice's date (the Relevant Period):

Goods:

(1) Women's shirts, namely shirt dresses, tunics and jumper dresses

(2) Tote bags

(3) Children's clothing; cuffs; ear muffs; leg warmers; socks; women's blouses;

(4) Gloves; hats; headbands; scarves; shawls; shoulder wraps

Services:

(1) Online sale of clothing, and clothing accessories

[3] For the reasons that follow, the registration will be amended.

ANALYSIS

[4] The purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing "deadwood" from the register [*Black & Decker Corp v Method Law Professional Corp*, 2016 FC 1109 at para 12]. The evidence in a section 45 proceeding need not be perfect; indeed, here the Owner need only establish a *prima facie* case of use within the meaning of sections 4 and 45 of the Act. The relevant definitions of use in section 4 of the Act are set out below:

> 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 association is then given to the person to whom the property or possession is transferred.
>
> 4(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.

[5] Where the Owner does not show use, the registration is liable to be expunged or amended, unless there are special circumstances that excuse the absence of use.

[6] In response to the Registrar's notice, the Owner submitted as its evidence an affidavit in their name. Both parties submitted written representations. At this juncture, I note that the Requesting Party's written representations included several citations that did not correspond to their arguments. I discuss this further at the end of the decision. A hearing was not held.

Does Use Enure to the Owner?

[7] The Owner designs, manufactures and distributes uniquely designed clothing items and clothing accessories (para 9).

[8] Since 2019, the GREY MATTER business has continuously operated through Grey Matter Collection Incorporated (the Corporation) under the Owner's direct control, supervision and sole authority (para 10). Through the Corporation, the Owner offers its Goods and Services online through *https://www.etsy.com/ca/shopGreyMatterCollection* (the Etsy Store) and *https://grey-matter-collection.square.site*, and at in-person craft shows in Guelph and Toronto, Ontario (paras 14–16).

[9] The Requesting Party submits that there is no indication that the Corporation used the Mark under license or explains how control was exercised (Requesting Party's written representations, para 12).

[10] Section 50(1) of the Act states that "if an entity is licensed by or with the authority of the owner" and uses a trademark and the owner of that trademark controls, either directly or indirectly, the character or quality of the goods or services sold under that trademark, the use of the trademark enures to the owner. A trademark owner can demonstrate the requisite control of the character or quality of the goods or services pursuant to section 50(1) of the Act either by clearly attesting to the fact that it exerts the requisite control or by providing evidence that demonstrates that it

exerts the requisite control [*Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102, aff'd 2011 FCA 340]. It is not necessary to furnish a written licence agreement to establish licensed use of a trademark [*Wells' Dairy Inc v UL Canada Inc,* 2000 CanLII 15538 (FC)].

[11] The Owner clearly states that they exercise direct control over the character and quality of the Goods and Services and explains that they are the incorporator, sole shareholder, officer, and director of the Corporation (para 10). An inference may be drawn that the requisite control exists where an individual is a director or an officer of both the registered owner and the alleged licensee [*Petro-Canada v 2946661 Canada Inc,* 1998 CanLII 9107 (FC); *TGI Friday's of Minnesota Inc v Canada (Registrar of Trade Marks)*, 1999 CanLII 7911 (FCA)]. I am satisfied that the Owner exerts the requisite control over the Corporation and that any use of the Mark by it enures to the Owner.

Is the Mark Used as Registered?

[12] The Requesting Party submits that the Owner does not use the Mark as registered because it is only designated with the ™ symbol when used in combination with the term "Collection," and in that form the Mark is materially different in appearance and commercial impression (Requesting Party's written representations, para 17). The Mark as used in this form is shown below:

GREY MATTER™
— COLLECTION —

[13] If a mark as used deviates from the mark as registered, the question to be asked is whether the mark was used in such a way that it did not lose its identity and remained recognizable in spite of the differences between the

form in which it was registered and the form in which it was used [*Canada (Registrar of Trade-marks) v Compagnie International pour l'informatique CII Honeywell Bull*, 1985 CanLII 5537 (FCA)]. In considering this issue, one must look to see whether the dominant features have been preserved [*Promafil Canada Ltée v Munsingwear Inc*, 1992 CanLII 12831 (FCA)]. It is a question of fact whether the differences between the marks are "so unimportant that an unaware purchaser would be likely to infer that both, in spite of their differences, identify goods having the same origin" [*Honeywell* at 525]. I note that use of a trademark in combination with other words or features constitutes use of the registered mark if the public as a matter of first impression, would perceive the trademark *per se* as being used. This question of fact is dependent on whether the trademark stands out from the additional material, for example by the use of different lettering or sizing or whether the additional material would be perceived as clearly descriptive matter or as a separate trademark or trade name [*Nightingale Interloc Ltd v Prodesign Ltd,* 1984 CanLII 5914 (TMOB); *88766 Canada Inc v National Cheese Co,* 2002 CanLII 79637 (TMOB)].

[14] In the present case, the Mark stands out from "Collection" because it is bolded, larger, bears a TM symbol separating it from the additional material, and appears on a separate line. Further, the word "Collection" is descriptive in the context of the Goods and Services indicating a collection of clothing goods.

No Evidence for Some Goods

[15] The Owner concedes that there is no evidence of use of the Mark in association with the following goods during the Relevant Period (Owner's written representations, para 4):

(1) Women's shirts, namely shirt dresses, tunics and jumper dresses

(2) Tote bags

(3) […] cuffs; ear muffs; […] women's blouses […]

[16] As there are no special circumstances excusing non-use, the registration will be amended to delete these goods.

Is There Use of the Mark in Association with the Remaining Goods?

[17] The Owner explains that all online and in-person sales made during the Relevant Period involved products packaged the same way (para 16). In support she provides photographs that depict the Mark on hang tags and business cards that accompany the goods (Exhibits 12C, 16). It is accepted that the appearance of a trademark on hang tags [*Mcdowell v Laverana GmbH & Co KG*, 2016 FC 1276 at para 21] and on business cards included with packages [*Canada Lands Company Limited v Artem Polukarov*, 2024 TMOB 44 at paras 14, 17] may support use of a trademark in association with goods. The Owner's hang tags and business cards establish the requisite notice of association between the Mark and the goods at the time of transfer.

[18] The evidence includes invoices that demonstrate sales to Canadians during the Relevant Period (paras 17–24, Exhibits 17A–23C). Provided below is a table that cross-references the following goods with the Owner's evidence.

Registered Good	**References in Evidence**
Children's clothing	Paragraph 17; Exhibit 17A
Leg warmers	Paragraph 19; Exhibit 19A

Gloves	Paragraph 20; Exhibits 17A, 20A, 22A, 23A
Hats	Paragraph 21; Exhibit 21A
Headbands	Paragraph 22; Exhibit 22A
Scarves	Paragraphs 22–23; Exhibits 22A, 23A, 23B
Shawls	Paragraph 22; Exhibit 22A

[19] The Requesting Party disputes the Owner's characterization of fingerless gloves as gloves (Requesting Party written representations, para 27) and cowls as scarves (Requesting Party written representations, para 29) because they are distinct entries in the Canadian Intellectual Property Office's *Goods and Services Manual*. I consider fingerless gloves to be a type of glove and cowls to be a type of scarf. Noting the registration does not include both fingerless gloves and gloves or both cowls and scarves, I consider the use of the Mark for fingerless gloves and cowls to support the maintenance of gloves and scarves in the registration. It is a well-established principle that when interpreting a statement of goods or services in a section 45 proceeding, one need not be "astutely meticulous" when dealing with the language used [*Aird & Berlis LLP v Levi Strauss & Co*, 2006 FC 654 at para 17].

[20] As the evidence shows that these goods featured the Mark on attached hang tags and business cards included with packages and there is evidence

of transfer, the registration will be maintained in respect of the goods listed in the table above.

[21] That leaves the issue of whether use of the Mark has been shown with socks and shoulder wraps.

(a) With respect to socks, the evidence is silent.

(b) With respect to shoulder wraps, the Owner states that shawls are a form of shoulder wrap and relies on evidence of shawls to support its claim to use of the Mark in association with both shawls and shoulder wraps (para 22). Having distinguished shawls from shoulder wraps in the statement of goods, the Owner is obligated to produce evidence with respect to each of the goods [*John Labatt Ltd v Rainier Brewing Co*, 1984 CanLII 5833 (FCA)]. As the Owner accepts that shawls are a more specific form of a shoulder wrap and only use of the Mark in association with shawls is shown (para 22, Exhibit 22A), I do not find the evidence supports maintaining shoulder wraps in the registration.

As there are no special circumstances excusing the non-use of socks and shoulder wraps, the registration will be amended to delete these goods.

[22] Finally, the Requesting Party submits that token use is insufficient to maintain a registration (Requesting Party written representations, para 33). There is no evidence from which I could find or infer that the Owner's sales are token in nature. The Owner operates a small business selling its goods online and at local trade fairs in Ontario as part of its normal course of trade (paras 14–16). High sales volumes are not required and evidence of a single sale can be sufficient to establish use for the purposes of section 45 expungement proceedings, so long as it follows the pattern of a genuine

commercial transaction and is not seen as deliberately manufactured or contrived to protect the registration [*Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289 (FCTD) at 293]. The evidence shows sales made during the Owner's normal course of trade through its online stores and in-person events.

Is There Use of the Mark in Association with the Services?

[23] The Owner shows use of the Mark in the performance of the Services during the Relevant Period. The evidence establishes the operation of two online stores and includes representative screenshots showing how the Mark appeared on storefronts during the Relevant Period (paras 14–15, 30, 33, Exhibits 14A, 15). The Mark appears on the banner of the Owner's Etsy store where various clothing and clothing accessories are offered for sale (Exhibit 14A). The Owner states 326 sales were made through the Etsy Store during the Relevant Period and provides the number of visitors and sales for each of the years 2022-2025 (para 14, Exhibits 14B, 29). The Owner also provides an invoice for the sale of a scarf from the Etsy Store (para 23, Exhibit 23B). The invoice confirms the Owner was willing and indeed did perform the Services during the Relevant Period.

INACCURATE REPRESENTATIONS AND COSTS

[24] On April 1, 2025, the *Trademarks Regulations,* SOR/2018-227 added section 74.1(1)(b) to permit the Registrar to order costs on request if a party engages in unreasonable conduct that causes undue delay or expense. In this case, the Owner did not request an award of costs. That being said, if the Owner had requested costs, I would have considered whether the inaccurate citations throughout the Requesting Party's written representations contributed to undue delay or expense in this proceeding. The Requesting Party cites several decisions, such as *Burke-Robertson v Carhartt Canada Ltd* (1994), 56 CPR (3d) 353 (FCTD) and

Shapiro Cohen Andrews & Finlayson v 1089751 Ontario Limited (2003), 28 CPR (4th) 124 (TMOB), that do not stand for the principles relied upon.

[25] These citations could be the result of an innocent mistake or lack of attention. They might also be the result of a failure to verify generative artificial intelligence work products, or even an attempt to mislead the Board or other party. Whatever the reason, these citations should not have been included. Their inclusion causes misunderstanding and wastes time and resources [*BC Taco Restaurant Group Ltd*, 2025 BCEST 134]. Courts have stated that reliance on decisions that do not exist or do not stand for the relied upon principles can lead to miscarriages of justice [*Zhang v Chen*, 2024 BCSC 285 at para 29; *Ko v Li*, 2025 ONSC 2965 at paras 14–17] and have also awarded costs against the party that made those misrepresentations [*JRV v NLV*, 2025 BCSC 1137; *Hussein v Canada (Immigration, Refugees and Citizenship),* 2025 FC 1138].

DISPOSITION

[26] Pursuant to the authority delegated to me under section 63(3) of the Act, and in compliance with the provisions of section 45 of the Act, the registration will be amended to delete the following goods:

(1) Women's shirts, namely shirt dresses, tunics and jumper dresses

(2) Tote bags

(3) […] cuffs; ear muffs; […] socks; women's blouses;

(4) […] shoulder wraps

[27] The registration will now read:

Goods

(1) Children's clothing; leg warmers

(2) Gloves; hats; headbands; scarves; shawls

Services

(1) Online sale of clothing, and clothing accessories

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

No hearing held

AGENTS OF RECORD

For the Requesting Party: Nelligan O’Brien Payne

For the Registered Owner: Wises Professional Corporation