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CURB RECORDS LOST THEIR T-SHIRTS AND CAPS!

LAURENT CARRIÈRE AND MARIE-MICHÈLE MCDUFF^{*}
LEGER ROBIC RICHARD, LLP
LAWYERS, AND PATENT AND TRADE-MARK AGENTS

PRÉCIS: The Federal Court partially reversed the decision of the Registrar of Trade-marks as, on the basis of additional evidence, the Court found that, at least for some wares and services, there was sufficient evidence of use of the trade-mark registered by Curb Records .

In the matter of *Michael_Curb v. Smart & Biggar*, [2009 FC 47; 2009-01-20], the Federal Court of Canada was seized for appeal of a decision of the Registrar of trade-marks expunging certain wares from registration TMA 521,953 for the trade-mark CURB RECORDS. The Respondent, a law firm acting for an undisclosed client, and the Registrar of Trade-marks (hereinafter the Registrar) chose not to contest the appeal. The Applicant, Mr. Michael Curb_(hereinafter Curb), is a well-known record producer as well as the owner of Curb Records and the trade-mark CURB RECORDS.

In Canada, Section 45 of the *Trade-marks Act* (hereafter the Act) provides in part that the Registrar may at any time and, at the written request made after three years from the date of registration of a trade-mark by any person, shall give notice to the registered owner of a trade-mark requiring it to furnish evidence of use of said trade-mark with respect to each of the wares or services specified in the registration, whether the trade-mark in question was in use in Canada at any time during the three year period immediately preceding the date of the notice.

In this case, the Respondent asked the Registrar to issue a notice under Section 45 of the Act requiring Mr. Curb to prove use of his trade-mark CURB RECORDS in Canada in association with each and every product and service listed in the registration during the past three years prior to the date of the notice. The registration for Curb Records originally covered:

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^{*} Lawyer and trade-mark agent, Laurent Carrière, is a senior partner with LEGER ROBIC RICHARD, LLP a multidisciplinary firm of lawyers, and patent and trade-mark agents. Marie-Michèle Mcduff is an articling student with the firm. Published in a March 2009 issue of *World Media Law Report*. Publication 328.063.

LEGER ROBIC RICHARD, L.L.P.
1001 Square-Victoria - Bloc E - 8th floor
Montreal (Quebec) Canada H2Z 2B7
Tel.: (514) 987-6242 Fax: (514) 845-7874
www.robic.ca info@robic.ca

Wares: Audio and audio-visual recordings; printed materials, namely posters; clothing, namely, t-shirts and caps.

Services: Entertainment services provided by pre-recorded and live music; and the production, publishing and distribution of audio and audio-visual recordings.

The Registrar found there to be insufficient evidence of use of the trade-mark CURB RECORDS in association with certain wares and services listed in the registration; consequently she ordered that the trade-mark registration be amended.

The points in issue can be summarised as follows:

- 1- What is the appropriate standard of review of the Registrar's decision?
- 2- Did Curb use the Curb Records trade-mark in Canada, during the relevant period, in association with each of the deleted wares and services?

With regards to choosing the appropriate standard of review, pursuant to section 56 of the Act, on appeal of the Registrar of trade-marks, the applicant is entitled to file new evidence, which Curb did. When new evidence is filed, it must be established that it would have materially affected the Registrar's finding if it had been originally presented to her at first instance. The Court is then entitled to consider the issue *de novo*, without deferring to the Registrar or having to identify an error committed by her. In this case, the Court ruled that the new evidence filed would have materially affected the Registrar's decision, hence considering the matter *de novo* except with respect to t-shirts and caps, decision to strike these products from the registration was found reasonable.

Section 45 of the Act requires the registered owner of a trade-mark to furnish an affidavit or statutory declaration «showing» the use of the trade-mark in Canada at any time in the past three years; this means the registered owner cannot merely assert use, he must «show» use. The new evidence provided in appeal showed that Joe Dee Messina, a well known Country and Western artist represented by Curb Records, released a CD in Canada entitled *Delicious Surprise*. This CD was sold together with a poster and was therefore sufficient to demonstrate “use” and overturn the Registrar's decision on that matter.

With respect to entertainment services provided by pre-recorded music, the Court also found that access to the web site www.curb.com in order to listen to pre-recorded music and to view videos through a service listened to in Canada, from a computer located in Canada, was sufficient evidence of use.

Moreover, as regards «production, publishing and distribution of audio and audio-visual recordings» in Canada, a distribution agreement between Curb Records and

EMI Music Canada revealed that Curb Records, had produced Lisa Brokop's music video for «*Wildflower*». This particular song from her CD was released during the relevant period in Vancouver, Canada. The Court was therefore satisfied that this new evidence was sufficient to show that Curb records had hired the company to film the video, and had ultimate control over the music video produced.

However, on the question of t-shirts and caps, the evidence adduced by Curb was considered ambiguous as it failed to demonstrate that these products had been sold or distributed in Canada in association with CURB RECORDS. The argument in appeal focused particularly on whether there had to be a sale, as opposed to a distribution by other means in the normal course of business, in order to satisfy section 4 of the Act. Photographs of caps and t-shirt bearing the CURB and CURB RECORDS mark which would have been sold and/or distributed in the United States and/or Canada were presented as evidence.

The Court found, considering the evidence as a whole, that it could not infer that «t-shirts and caps» would have been commercially available for distribution by sale or otherwise in Canada. The Court deemed the evidence to be insufficient to «show» use in Canada. Justice Harrington stated that neither the Registrar nor the Court would undertake an exercise of speculation, but rather that they needed to draw proper inference from proven the facts. Furthermore, he stated that if these items had been sold, there would have been accounting records documenting the sale, particularly when it comes to the Goods and Services Taxes that could have been put forward. Absent this type of evidence, the Judge could not conclude that the trade-mark CURB RECORDS had been used in association with “t-shirts and caps”.

Therefore, in the light of what was previously reasoned, the appeal was granted in part, the Registrar's decision of 27 March 2008 was set aside and the Registrar was ordered to maintain Canadian Trade-Mark Registration Number TMA 521,953 for Curb Records with the original list of wares and services, except that wares «clothing, namely, t-shirts and caps» was deleted therefrom.



