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CASE SUMMARY: THE APPLICANT, DOLLAR GENERAL CORPORATION, SUCCESSFULLY APPLIED TO THE FEDERAL COURT TO SET ASIDE A DECISION OF THE REGISTRAR OF TRADEMARKS WHICH HAD EXPUNGED ITS TRADEMARK, “DOLLAR GENERAL”. THE REGISTRAR HAD MADE THIS DECISION AFTER AN APPLICATION WAS MADE BY THE RESPONDENT, 2900319 CANADA INC.

Administrative law – Decisions reviewed – Registrar of Trademarks – Judicial review – Standard of review – Unreasonableness – Intellectual property

Dollar General Corp. v. 2900319 Canada Inc., [2018] F.C.J. No. 801, 2018 FC 778, Federal Court, July 25, 2018, M.D. Manson J.

The Applicant, Dollar General Corporation, is the owner of the trademark, “DOLLAR GENERAL” (the “Mark”), which was registered in 2010 for use in association with “retail variety store services” (the “Services”).

The Applicant operates retail stores in the United States of America (“USA”), as well as an e-commerce website. The website allows customers from Canada to review products and make online purchases by using a credit card. The Applicant does not ship products to Canada. Customers from Canada must have the products delivered to an address in the USA or shipped to a third-party shipping agent (“trans-shipper”) with a fee paid to the trans-shipper.

In 2014, the Respondent, 2900319 Canada Inc., asked the Registrar of Trademarks to issue a notice requesting that the Applicant provide evidence of use of the Mark in Canada in association with the Services for the preceding three years. The Applicant submitted evidence and attended an oral hearing before the Registrar. The Respondent filed written submissions.

In 2017, the Registrar issued its decision to expunge the Applicant’s trademark on the basis it had not demonstrated use of the Mark in Canada during the preceding three years. The Applicant appealed from this decision, alleging the Registrar erred in fact and in law by defining the Services too restrictively and by failing to follow the jurisprudence on this point.

The Federal Court (the “Court”) first considered whether the Registrar’s decision was clearly wrong as a result of various errors in fact and law. The applicable standard of review was reasonableness.

The Court reviewed a few cases relating to the interpretation of the requirement that, “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”. In one case, the Court previously held that retail store services could be performed without the presence of brick-and-mortar stores in Canada.

The Court noted that previous decisions confirmed the word “services” should be liberally construed, and the *Trade-Marks Act* makes no distinction between primary, incidental or ancillary services (and, as long as some members of the public receive a benefit, it is a service).

The Registrar had relied on the Court’s decision in a case called *Unicast*, but that case dealt with a much broader issue. The Court held that *Unicast* was distinguishable.

The Court emphasized that the burden on an expungement hearing is not a heavy one. The Court held that the Registrar should have concluded that, based on the evidence submitted by the Applicant, it maintained a sufficient benefit in Canada to justify maintaining the registration in issue.

The Court held the Registrar’s decision was clearly wrong and unreasonable. The Applicant’s application was allowed and the Registrar’s decision set aside.

This case was digested by [Scott J. Marcinkow](#), and first published in the LexisNexis® Harper Grey Administrative Law Netletter and the Harper Grey Administrative Law Newsletter. If you would like to discuss this case further, please contact Scott Marcinkow at smarcinkow@harpergrey.com.