

Federal Court



Cour fédérale

Date: 20190219

Docket: T-1746-17

Citation: 2019 FC 206

Toronto, Ontario, February 19, 2019

PRESENT: The Honourable Madam Justice McDonald

BETWEEN:

BEDESSEE IMPORTS LTD.

Applicant

and

**GLAXOSMITHKLINE CONSUMER
HEALTHCARE (UK) IP LIMITED**

Respondent

JUDGMENT AND REASONS

[1] The trade-marks HORLICK'S and HORLICKS are owned by the Respondent, GlaxoSmithKline Consumer Healthcare (UK) IP Limited (hereinafter referred to as "GSK" or "GSK Canada"), and were registered in 1917 and 1952, respectively. In this Application brought pursuant to sections 57 and 18 of the *Trade-marks Act*, RSC 1985, c T-13 [Act], Bedessee Imports Ltd. ("Bedessee") seeks to have the GSK trade-marks HORLICK'S and HORLICKS expunged from the Register of Trademarks.

[2] Bedessee claims that the trade-marks were not registrable at the date of registration, are not distinctive, and have been abandoned. For the reasons that follow, this Application is dismissed as Bedessee has not demonstrated with reliable evidence the facts necessary to support an expungement claim on any of the grounds alleged.

I. Background

[3] The Applicant, Bedessee, carries on business in Toronto, Ontario in the sale of food products including spices, oils, agricultural produce, rice, peas and beans, frozen products, beverages, juices and drinks, and drink mixes. Bedessee sells its goods to retailers in specialty markets, grocery stores, and restaurants.

[4] The Respondent, GSK, is a healthcare company headquartered in Brentford, United Kingdom (UK). GSK Canada has offices in Mississauga, Ontario. GSK's operations are generally divided into three areas: pharmaceuticals, vaccines, and consumer healthcare products. In consumer healthcare, GSK focuses primarily on developing and marketing products in the wellness, oral healthcare, nutrition, and skin health fields.

[5] In Canada, HORLICKS products are imported by GSK and then distributed through grocery stores, retail stores, and specialty markets. The sale of HORLICKS products is a significant business for GSK, with worldwide sales in 2017 exceeding \$600 million (United States dollars).

[6] The HORLICKS trade-marks were originally granted to William and James Horlick of Wisconsin, United States where they founded Horlick's Malted Milk Company. Through a series of mergers and acquisitions, both the HORLICKS marks are now owned by GSK.

[7] The trade-mark registration details are as follows:

<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>	<u>Goods</u>
HORLICK'S	TMDA22577	1917-05-11	A powdered food product intended to be mixed with liquid to make a flavoured drink
HORLICKS	UCA44562	1952-08-20	Malted milk for food

II. The Evidence

[8] In support of its Application, Bedessee filed the following evidence:

- a) Affidavit of Rayman Bedessee affirmed November 28, 2017;
- b) Affidavit of Junior Williams sworn November 23, 2017; and
- c) Affidavit of Michael Stephan sworn November 29, 2017.

[9] The Respondent relies upon the following evidence:

- a) Affidavit of Kyle Webber sworn January 31, 2018;
- b) Affidavit of Nathan Helm sworn February 1, 2018;
- c) Affidavit of Craig Shields Hannaford sworn February 1, 2018;

- d) Affidavit of Daniel Dunlop sworn February 7, 2018;
- e) Supplemental Affidavit of Daniel Dunlop sworn February 7, 2018;
- f) Affidavit of Ingrid Andrade sworn February 2, 2018;
- g) Affidavit of Kathy Paterson sworn February 7, 2018; and
- h) Affidavit of Ron Judge sworn February 7, 2018.

[10] The parties conducted cross-examinations on the Affidavits.

III. Trade-marks Act

[11] The relevant provisions of the *Act* are in the attached Annex.

IV. Issues

[12] The following are the issues to be determined:

- (1) Is the Applicant a person interested under subsection 57(1) of the *Act*?
- (2) Were the trade-marks not registrable pursuant to paragraph 18(1)(a)?
- (3) Are the trade-marks not distinctive pursuant to paragraph 18(1)(b)?
- (4) Have the trade-marks been abandoned within the meaning of paragraph 18(1)(c)?

V. Analysis

A. *Burden of Proof*

[13] There is a presumption that the registration in question is valid and any doubts must be resolved in favour of the validity of registration (*Mr P's Mastertune Ignition Services Ltd v Tune Master Inc*, [1984] 82 CPR (2d) 128 (FC) at 134).

[14] This presumption of validity was explained in *Emall.ca Inc v Cheaptickets and Travel Inc*, 2008 FCA 50 at paragraph 12:

What that means, in my view, is that an application for expungement will succeed only if an examination of all of the evidence presented to the Federal Court establishes that the trade-mark was not registrable at the relevant time.

[15] Bedessee thus has the onus to prove, on a balance of probabilities, that the HORLICKS marks are invalid (*Uniwel Corp v Uniwel North America Inc*, [1996] 109 FTR 81 (FC) at para 6).

(1) Is the Applicant a person interested under subsection 57(1) of the Act?

[16] The *Act* at subsection 57(1) states that only a “person interested” may bring a proceeding challenging the validity of a registered trade-mark. In his Affidavit, Mr. Bedessee states that Bedessee is the owner of trade-mark Application No. 1,848,529 filed on July 20, 2017 for the trade-mark HORLICKS with proposed use in association with malted milk powder drink mix, drinks, and other goods.

[17] Bedessee claims that it filed the application for the mark on the belief that the HORLICKS marks had been abandoned by GSK and that the Registration Nos. 22,577 and 44,562 are invalid. Bedessee states it has a reasonable apprehension that its commercial interest in the use of the HORLICKS mark will be challenged by GSK and affected by its registrations.

[18] In the circumstances, I am satisfied that its competing registration for the HORLICKS mark qualifies Bedessee as a person interested for the purposes of the *Act* (*John Labatt Ltd v Carling Breweries Ltd*, [1974] 18 CPR (2d) 15 (FC) at 25).

(2) Were the trade-marks not registrable pursuant to paragraph 18(1)(a)?

[19] Bedessee argues that the HORLICKS registrations are invalid because they were not registrable on the dates of registration — being May 11, 1917 for HORLICK'S and August 20, 1952 for HORLICKS. Bedessee argues that HORLICKS did not distinguish its products from other products, and it relies upon HORLICKS advertisements from the relevant time to argue that the trade-mark was used in a descriptive and generic manner.

[20] The test for whether a mark is clearly descriptive or deceptively misdescriptive is outlined in *GWG Ltd v Canada (Registrar of Trade Marks)*, [1981] 55 CPR (2d) 1 (FC) at 2-3 as follows:

(1) that whether a trade mark is clearly descriptive is one of first impression;

(2) that the word "clearly"...is not a tautological use but it signifies a degree and is not synonymous with "accurate" but means in the context of the paragraph "easy to understand, self-evident or plain", and

(3) that it is not a proper approach to the determination of whether a trade mark is descriptive to carefully and critically analyse the words to ascertain if they have alternate implications or alternate implications when used in association with certain wares and to ascertain what those words in the context in which they are used would represent to the public at large who will see those words and will form an opinion as to what those words will connote [citations omitted].

(a) *1917 Registration for HORLICK'S*

[21] The legislation in force at the relevant time for the HORLICK'S mark was the *Trade Mark and Design Act*, RSC 1906, c 71, which stated at paragraph 11(e) that the Minister may refuse to register any trade-mark "if the so-called trade mark does not contain the essentials necessary to constitute a trade mark, properly speaking."

[22] In support of its position, Bedessee relies upon a dictionary definition from "An Illustrated Dictionary of Medicine Biology and Allied Sciences" by George M. Gould (5th ed, Toronto: 1907). There the term "Horlick's Food" was defined as, "A variety of Liebig's foods for infants. Its composition is: Water, 3.39; fat, 0.08, grape-sugar 34.99; cane-sugar, 12.45; no starch; soluble carbohydrates, 87.20; albuminoids, 6.71; ash, 1.28." Bedessee uses this definition to argue that the trade-mark is descriptive and generic.

[23] In my view, a dictionary definition from 1907 is irrelevant to the question of whether the HORLICK's mark was registrable in 1917.

[24] Bedessee also relies upon historic advertisements prior to the registration date of 1917 purporting to show HORLICKS portrayed generically. According to Bedessee, this is proof that HORLICKS was advertised descriptively and therefore was not registrable as a trade-mark in 1917.

[25] In support of the evidence of advertisements, Bedessee relies upon *Canadian Shredded Wheat Co v Kellogg Co*, [1938] 2 DLR 145 (JCPC) [*Shredded Wheat*] to argue that advertisements using a purported trade-mark descriptively have been found to be sufficient for proving that the mark is descriptive or generic. In *Shredded Wheat* the issue was the dismissal of an action for an injunction where the Court found that the term “shredded wheat” had not acquired a secondary meaning so as to indicate exclusively the biscuits manufactured by the plaintiff and by no one else. The Court concluded as follows:

Their Lordships see no reason for granting any such relief upon the evidence given in the present case. They are not satisfied that a person asking for shredded wheat, will not have his request truly satisfied if the product shredded wheat as manufactured by Kelloggs or any other manufacturer is supplied; nor are they satisfied that a customer who really desires a biscuit of the plaintiff's manufacture, will necessarily be deceived by being offered a biscuit of the same shape but perceptibly smaller. Such likelihood of deception requires to be proved and it is noticeable that no witness was shown a Kellogg's biscuit and asked whether he would have taken that to be a biscuit of the plaintiff's manufacture. The plaintiff has not in their Lordships' opinion made out a case in these proceedings which would justify the granting of a passing-off injunction based solely on the form of the biscuit.

[26] The facts and issues in *Shredded Wheat* can be distinguished from this case, as the HORLICKS mark is a name. In any event the *Shredded Wheat* case does not trump the decision of the Supreme Court of Canada in *Horlick's Trade Mark, Re*, [1917] 64 SCR 466, where the Court directly addressed the issue of whether the HORLICK'S mark was registrable in 1917, as follows:

The evidence as I understand it, and I have read the affidavits with some attention, does not refer, as the judge below assumed, to the quality of the goods, but they establish that the word "Horlick's" has been used as a sign or symbol to indicate the origin or ownership of the goods to which it has been attached and, in the words of section 5, to distinguish the article manufactured and offered for sale. In these circumstances I fail to see how the application to register should be refused on the plain language of the sections of the Act....It may be registered for instance where it is as in this instance an uncommon name and its use has been so extensive that in fact it has become distinctive. Here the affidavits shew that the trade-mark has been in actual use and that such user has been sufficient to render it distinctive; food products in packages bearing as a conspicuous identifying feature the word "Horlick" have been sold in the United States and in Great Britain and the Colonies for over forty years, the approximate number of packages sold each year amount to 7,500,000 and the annual cost of advertising has been almost \$500,000.

[27] While *Bedessee* suggests that the finding in *Horlick's Trade Mark, Re* should not be considered binding as the Court there only heard from one of the parties, I disagree. In my view the decision in *Horlick's Trade Mark, Re* is binding and, in the absence of persuasive evidence to the contrary, *Bedessee* has not established that the registration for HORLICK'S was invalid in 1917.

(b) *1952 Registration for HORLICKS*

[28] The relevant legislation for the HORLICKS mark at the time was the *Unfair Competition Act*, SC 1932, c 38, which stated that a mark shall not be registrable if it, per paragraph 26(1)(c), “is not, to an English or French speaking person, clearly descriptive or misdescriptive of the character or quality of the wares in connection with which it is proposed to be used, or of the conditions of, or the persons employed in, their production, or of their place of origin”.

[29] Bedessee argues that the mark was not registrable in 1952 and it relies upon advertisements from the time which it submits describe HORLICKS generically and as a “tradition”. Bedessee also points to the fact that the apostrophe was dropped from the name as proof that it was not distinctive.

[30] Although the HORLICK’S mark with the apostrophe was dropped, the variant of a registered mark will constitute use of the registered mark, provided that the variant is not substantially different. The test is “...[W]hether the differences between these two 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” (*Canada (Registrar of Trade Marks) v Cie internationale pour l’informatique CII Honeywell Bull SA*, [1985] 1 FC 406 (FCA) at para 5).

[31] Here the removal of the apostrophe would be considered an unimportant difference to an unaware purchaser since the absence of the apostrophe would constitute a minor variant both in appearance and in pronunciation. Therefore, I conclude that the removal of the apostrophe would have been largely unnoticed by purchasers and that this alone does not impact the validity of the mark.

[32] Bedessee again produced advertisements purporting to demonstrate the generic nature of the marketing for HORLICKS at the relevant time. However, GSK also produced advertisements that it argues demonstrate that HORLICKS wares were distributed in keeping with its registration during the same period.

[33] In the face of evidence of competing advertisements, I am not convinced that Bedessee's evidence meets the burden to establish that the HORLICKS marks were not registrable at the date of registration.

(3) Are the trade-marks distinctive pursuant to paragraph 18(1)(b)?

[34] Bedessee argues that GSK's trade-marks were not distinctive at the time of this proceeding on November 14, 2017, as the marks were not distinguishable from associated products. Its argument is essentially that the HORLICKS mark is no longer associated with the wares described in the original registrations and, as a result of the introduction of other related products, and various transfers of interest, the HORLICKS marks are no longer distinctive.

[35] The term "distinctive" is defined in section 2 of the *Act* as, "in relation to a trade-mark, means a trade-mark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or is adapted so to distinguish them."

[36] Distinctiveness is a question of fact and the three conditions that must be established are:

(1) the mark and wares must be associated; (2) the mark's owner must use this association in manufacturing and selling its wares; and (3) the association must enable the mark's owner to distinguish its wares from those of others (*Bodum USA Inc v Meyer Housewares Canada Inc*, 2012 FC 1450 at para 117, aff'd 2013 FCA 240).

[37] An argument raised by Bedessee under this ground is that the manufacturing source of HORLICKS products has changed over the years and, therefore, the reputation associated with HORLICKS has lost its distinctiveness. Bedessee points to advertisements showing different sized bottles of HORLICKS products. Bedessee also relies upon Mr. Judge's lack of direct knowledge on where the HORLICKS products sold in Canada were manufactured.

[38] Bedessee relies upon *Heintzman v 751056 Ontario Ltd*, [1990] 38 FTR 210 [*Heintzman*] to argue that a trade-mark can lose its distinctiveness when wares sold in association with a trade-mark have a reputation as being from a particular source, but then the wares are actually sourced from elsewhere without notice that the source of the goods has changed.

[39] In *Heintzman*, however, there was evidence of a change in manufacturing resulting in an inferior product without notice to the public. There is no such evidence here. GSK argues that there is no evidence of public deception or confusion with respect to the HORLICKS marks as there is no evidence of any difference in quality between products marketed by GSK and those of any of its predecessors in title. Furthermore, there is no evidence of other entities marketing products under the same mark in the marketplace.

[40] Bedessee argues that the numerous transfers of interest and address changes in relation to the registered owner of the HORLICKS trade-marks has impacted the quality of the wares. GSK argues that it acquired the HORLICKS marks in Canada through a valid process of succession similar to the case of *Consorzio Del Prosciutto Di Parma v Maple Leaf Meats Inc*, [2001] 2 FC 536 and, as such, the trade-mark was never separated from its goodwill and has not lost its distinctiveness. GSK maintains that the HORLICKS mark and its wares are associated with the sale of malted milk beverages and related products, and the association of the mark and its wares is distinctive from other products on the market.

[41] While Bedessee relies upon the various changes in ownership of the marks, it has not produced evidence that the distinctiveness of the HORLICKS marks was lost as a result of these various transactions. Therefore, Bedessee has not established that the trade-marks were separated from their goodwill and it has thereby failed to show that the trade-marks lost their distinctiveness through succession of ownership. Without other evidence, the assignment of the trade-marks does not lessen GSK's rights.

[42] Accordingly, the Applicant has not met its burden to demonstrate that the HORLICKS marks are not distinctive under paragraph 18(1)(b) of the *Act*.

(4) Have the trade-marks been abandoned within the meaning of paragraph 18(1)(c)?

[43] Bedessee argues that the HORLICKS trade-marks have been abandoned by GSK as of the date of the filing of this Application, being November 14, 2017. As the party alleging there has been abandonment, the burden of proof is on Bedessee (*Cross Canada Auto Body Supply (Windsor) Ltd v Hyundai Auto Canada*, 2007 FC 580 at para 47).

[44] There are two elements to an abandonment allegation, and both must be established. First, that the trade-mark is no longer in use and, second, that there was an intention to abandon the trade-mark (*Promafil Canada Ltée v Munsingwear Inc*, [1992] 44 CPR (3d) 59 (FCA) at 5; see also *Iwasaki Electric Co Ltd v Hortilux Schreder BV*, 2012 FCA 321 at para 21).

(a) *Is the HORLICKS trade-mark no longer in use?*

[45] Bedessee relies upon the evidence of its private investigators to demonstrate that HORLICKS products are not available in Canada and, therefore, the trade-marks are no longer in use.

[46] The Affidavit of Mr. Williams says he attended Grace Foods in Richmond Hill, Ontario on July 31, 2017, but did not observe any evidence of HORLICKS products on display. He was advised that Grace Foods stopped carrying HORLICKS sometime in 2016.

[47] The Affidavit of Mr. Stephan states at paragraph 4 that he attended several grocery stores in the Greater Toronto Area but did not find any products identified as HORLICKS. On August 2, 2017, he contacted Loblaws customer relations in Brampton, Ontario to inquire as to whether it carried the HORLICKS product. Mr. Stephan was advised that HORLICKS was not listed by product name or under any of its three universal product codes, which meant the product could not be ordered and was not carried by any of the other store locations.

[48] Mr. Stephan further states in his Affidavit that, on August 3, 2017, he conducted Internet searches for “Horlicks Ltd.” and found several news releases dated November 22, 2006; July 19, 2017; and July 20, 2017, stating that GSK intended to divest Horlicks Ltd. and close the plant in Brentford, UK. The news release also indicated that the company would keep its operations in India. When conducting searches using the Wayback Machine to review archived versions of the Grace Foods website, the website as it would have appeared on the dates June 28, 2016 and July 21, 2017 did not display HORLICKS products.

[49] GSK relies upon the evidence of Mr. Judge, the Director of Sales for GSK Canada. For the purpose of cross-examination on his Affidavit, Mr. Judge was asked to produce shipping invoices from 2017-2018 for HORLICKS products purchased and imported into Canada by GSK, but he was unable to locate such documents.

[50] GSK did produce evidence of products bearing the HORLICKS trade-mark that were obtained by their private investigators after the commencement of this Application as proof that HORLICKS products have continued to be sold and shipped into Canada by third-party retailers and distributors. Online retailers also ship HORLICKS products to consumers in Canada. Although these products are not directly imported by GSK Canada, they display the HORLICKS mark and are available for purchase in stores and restaurants in Canada.

[51] GSK states that its HORLICKS sales in Canada were almost \$600,000 in 2014.

According to GSK, in 2015, it conducted an internal conformance review of the HORLICKS products in the Canadian market and it was determined that two ingredients did not fully comply with the standards set out in Canada's *Food and Drug Regulations*, CRC, c 870. As reformulation would require significant efforts, GSK Canada decided to gradually reduce the amount of new HORLICKS products in circulation until a solution is found.

[52] GSK contends that, despite the reduction in circulation of HORLICKS in Canada, demand for the product is met by customers obtaining the product by other means, such as from third-party retailers who import the product or by ordering the product from on-line retailers. According to GSK, these products are labelled as genuine HORLICKS products.

[53] Bedessee argues that this type of sale is only evidence of "grey goods" or second-hand sales and are not sales in the normal course of trade as required by the *Act*. Bedessee relies upon *Blake, Cassels & Graydon v Mappin & Webb Ltd*, [1999] TMOB No 111 (Trade-marks Opposition Board) where the Board found that the sale of wares from shops located in London, UK to visiting Canadians, who then transported the goods back to Canada, did not constitute use of the subject trade-mark in Canada within the meaning of the *Act*.

[54] However, this case can be distinguished on the basis that there was no transfer of property or possession of wares in the normal course of trade in Canada since the entire commercial transaction occurred outside of Canada. Whereas here, HORLICKS products were imported and distributed for the purpose of resale to consumers within Canada.

[55] The Court in *Manhattan Industries Inc v Princeton Manufacturing Ltd*, [1971] 4 CPR (2d) 6 (FC) at 16-17 stated as follows regarding the normal course of trade:

I think that those words must surely mean that s. 4 contemplates the normal course of trade as beginning with the manufacturer, ending with the consumer and with a wholesaler and retailer or one of them as intermediary. When the applicant sold to the retailer and the retailer so[d *sic*] to the public, the public came to associate applicant's mark with the HARNESS HOUSE belt; s. 4 contemplates that the use between the retailer and the public enures to the benefit of the manufacturer and its use in Canada. In other words — if any part of the chain takes place in Canada, this is "use" in Canada within the meaning of s. 4. If this interpretation is correct, then the sale by the retailers in Toronto and Montreal to the public of HARNESS HOUSE wares marked with applicant's trade mark is a "use" in Canada and it matters not whether property or possession passed to the retailer in the United States.

[56] Based upon the evidence tendered by GSK, I am satisfied that there has been “use” of the HORLICKS marks in Canada. I would also note that the test is not the volume of sales of trade-marked products that determines use, as even the smallest use of the trade-mark will be sufficient to answer a non-use allegation. Furthermore, the non-use of a trade-mark does not in itself prove abandonment as there must also be an intention to abandon (*Omega Engineering Inc v Omega SA*) 2006 FC 1472 at 42).

[57] Although GSK acknowledges that sales have diminished, there is still evidence of sales of HORLICKS marked products in 2016 and 2017. The fact that the products were not directly imported by GSK is not determinative. What is determinative is that the products reached the end consumer bearing the HORLICKS mark.

[58] Finally, in my view, Bedessee's arguments relating to the HORLICKS marks not being used in the normal course of trade because they are not in compliance with bilingual labelling regulations is irrelevant to the issue of trade-mark use for Canadian consumers. If the validity of a trade-mark was contingent upon compliance with other regulatory regimes, the *Act* would explicitly state this. As the *Act* does not have this condition, it cannot be used as a collateral ground to otherwise attack the validity of a trade-mark.

[59] On the evidence, Bedessee has failed to establish that the HORLICKS marks are no longer in use.

(b) *Was there an intention to abandon the Horlicks trade-mark?*

[60] Bedessee argues that it has evidence that GSK intended to abandon the HORLICKS trade-mark in Canada. In his Affidavit at paragraph 8, Mr. Bedessee states that he telephoned GSK Canada customer service on June 22, 2017 and spoke to a representative by the name of Ben. When Mr. Bedessee inquired about HORLICKS products, the representative told Mr. Bedessee that HORLICKS had been discontinued due to marketing reasons "a few years ago". When asked if there would be any chance of bringing the products back, the representative replied that, "when a product is discontinued and there is no more inventory, it means its [sic] terminal." Bedessee relies upon the telephone discussion with Ben and the lack of HORLICKS products at Loblaws and Grace Foods to argue that GSK intended to abandon HORLICKS in Canada.

[61] This is in contrast with the evidence of Mr. Judge who states that GSK never intended to abandon the HORLICKS mark.

[62] I do not accept that this telephone discussion with “Ben” is proof that GSK intended to abandon the HORLICKS marks. In the absence of sworn evidence from Ben, what he said during a telephone discussion cannot be offered for its truth as this is inadmissible hearsay evidence (see *Pfizer Canada Inc v Teva Canada Limited*, 2016 FCA 161 at para 89; see also *R v Khelawon*, 2006 SCC 57 at paras 35 to 36). Hearsay evidence cannot support the abandonment claim made by Bedessee.

[63] Further, hearsay evidence cannot support a finding of an adverse inference against GSK. In the circumstances, the burden of proof remains on Bedessee and GSK has no obligation to produce evidence. Bedessee has the onus to establish abandonment on a balance of probabilities and cannot rely upon GSK’s lack of rebuttal evidence to meet its onus.

[64] Accordingly, Bedessee has failed to demonstrate abandonment pursuant to paragraph 18(1)(c) of the *Act*.

VI. Conclusion

[65] In conclusion, this Application is dismissed as the Applicant has not met its burden of proof in demonstrating with reliable evidence the necessary arguments to establish its expungement claim.

VII. Costs

[66] The Respondent is entitled to its costs.

JUDGMENT IN T-1746-17

THIS COURT'S JUDGMENT is that:

1. This application is dismissed; and
2. The Respondent is entitled to costs.

"Ann Marie McDonald"

Judge

“Annex”

Relevant Provisions of the *Trade-marks Act*, RSC, 1985, c T-13

Definitions

2 In this Act,

certification mark means a mark that is used for the purpose of distinguishing or so as to distinguish goods or services that are of a defined standard with respect to

- (a) the character or quality of the goods or services,
- (b) the working conditions under which the goods have been produced or the services performed,
- (c) the class of persons by whom the goods have been produced or the services performed, or
- (d) the area within which the goods have been produced or the services performed,

from goods or services that are not of that defined standard; (*marque de certification*)

confusing, when applied as an adjective to a trade-mark or trade-name, means, except in sections 11.13 and 11.21, a trade-mark or trade-name the use of which would cause confusion in the manner and circumstances described in section 6;

...

distinctive, in relation to a trade-mark, means a trade-mark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or is adapted so to distinguish them;

...

owner, in relation to a certification mark, means the person by whom the defined standard has been established;

...

person includes any lawful trade union and any lawful association engaged in trade or business or the promotion thereof, and the administrative authority of any country, state, province, municipality or other organized administrative area;

person interested includes any person who is affected or reasonably apprehends that he may be affected by any entry in the register, or by any act or omission or contemplated act or omission under or contrary to this Act, and includes the Attorney General of Canada;

...

proposed trade-mark means a mark that is proposed to be used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others;

...

trade-mark means

- (a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,
- (b) a certification mark,
- (c) a distinguishing guise, or
- (d) a proposed trade-mark;

...

use, in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with goods or services;

When deemed to be used

4 (1) A trade-mark 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.

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(3) A trade-mark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.

When mark or name confusing

6 (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

(2) The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

(3) The use of a trade-mark causes confusion with a trade-name if the use of both the trade-mark and trade-name in the same area would be likely to lead to the inference that the goods or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

(4) The use of a trade-name causes confusion with a trade-mark if the use of both the trade-name and trade-mark in the same area would be likely to lead to the inference that the goods or services associated with the business carried on under the trade-name and those associated with the trade-mark are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the goods, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

Registration of marks used or made known in Canada

16 (1) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with goods or services is entitled, subject to section 38, to secure its registration in respect of those goods or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with

- (a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;
- (b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or
- (c) a trade-name that had been previously used in Canada by any other person.

(2) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that the applicant or the applicant's predecessor in title has duly registered in or for the country of origin of the applicant and has used in association with goods or services is entitled, subject to section 38, to secure its registration in respect of the goods or services in association with which it is registered in that country and has been used, unless at the date of filing of the application in accordance with section 30 it was confusing with

- (a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;
- (b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or
- (c) a trade-name that had been previously used in Canada by any other person.

(3) Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the goods or services specified in the application, unless at the date of filing of the application it was confusing with

- (a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;
- (b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or
- (c) a trade-name that had been previously used in Canada by any other person.

(4) The right of an applicant to secure registration of a registrable trade-mark is not affected by the previous filing of an application for registration of a confusing trade-mark by another person, unless the application for registration of the confusing trade-mark was pending at the date of advertisement of the applicant's application in accordance with section 37.

(5) The right of an applicant to secure registration of a registrable trade-mark is not affected by the previous use or making known of a confusing trade-mark or trade-name by another person, if the confusing trade-mark or trade-name was abandoned at the date of advertisement of the applicant's application in accordance with section 37.

Effect of registration in relation to previous use, etc.

17 (1) No application for registration of a trade-mark that has been advertised in accordance with section 37 shall be refused and no registration of a trade-mark shall be expunged or amended or held invalid on the ground of any previous use or making known of a confusing trade-mark or trade-name by a person other than the applicant for that registration or his predecessor in title, except at the instance of that other person or his successor in title, and the burden lies on that other person or his successor to establish that he had not abandoned the confusing trade-mark or trade-name at the date of advertisement of the applicant's application.

(2) In proceedings commenced after the expiration of five years from the date of registration of a trade-mark or from July 1, 1954, whichever is the later, no registration shall be expunged or amended or held invalid on the ground of the previous use or making known referred to in subsection (1), unless it is established that the person who adopted the registered trade-mark in Canada did so with knowledge of that previous use or making known.

When registration in valid

18 (1) The registration of a trade-mark is invalid if

- (a) the trade-mark was not registrable at the date of registration;
- (b) the trade-mark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced;
- (c) the trade-mark has been abandoned;
- (d) subject to section 17, the applicant for registration was not the person entitled to secure the registration; or
- (e) the application for registration was filed in bad faith.

(2) No registration of a trade-mark that had been so used in Canada by the registrant or his predecessor in title as to have become distinctive at the date of registration shall be held invalid merely on the ground that evidence of the distinctiveness was not submitted to the competent authority or tribunal before the grant of the registration.

Exclusive jurisdiction of Federal Court

57 (1) The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

(2) No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.

How proceedings instituted

58 An application under section 57 shall be made either by the filing of an originating notice of motion, by counter-claim in an action for the infringement of the trade-mark, or by statement of claim in an action claiming additional relief under this Act.

Registrar to transmit documents

60 (1) Subject to subsection (2), when any appeal or application has been made to the Federal Court under any of the provisions of this Act, the Registrar shall, at the request of any of the parties to the proceedings and on the payment of the prescribed fee, transmit to the Court all documents on file in the Registrar's office relating to the matters in question in those proceedings, or copies of those documents certified by the Registrar.

(2) The transmission of documents on which entries in the register required to be kept under paragraph 26(1)(b) are based is subject to the provisions of subsection 50(6) of the *Trade-marks Act*, as it read immediately before section 69 of the *Intellectual Property Law Improvement Act* came into force.

FEDERAL COURT
SOLICITORS OF RECORD

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CONSUMER HEALTHCARE (UK) IP LIMITED

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APPEARANCES:

Dale E. Schlosser
Kristine Zilic

FOR THE APPLICANT

Kathleen Lemieux
Chantal Saunders

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Sprigings Intellectual Property Law
Barristers and Solicitors
Toronto, Ontario

FOR THE APPLICANT

Borden Ladner Gervais LLP
Barristers and Solicitors
Ottawa, Ontario

FOR THE RESPONDENT