

Cour fédérale



Federal Court

Date: 20240726

Docket: T-2001-21

Citation: 2024 FC 1178

Ottawa, Ontario, July 26, 2024

PRESENT: Mr. Justice Pentney

BETWEEN:

**BIOLOGISCHE HEILMITTEL HEEL
GmbH**

Applicant

and

BARRETTE LEGAL INC.

Respondent

JUDGMENT AND REASONS

[1] This is an appeal pursuant to section 56 of the *Trademarks Act*, RSC 1985, c T-13 [the *Act*], from the decision of a Hearing Officer of the Registrar of Trademarks expunging the Applicant's trademark registration.

[2] The Applicant has filed new evidence on the appeal, and argues that this further material answers the Hearing Officer's concerns. It therefore asks that its appeal be allowed and that its trademark registration be maintained. The Respondent challenges the new evidence, arguing that it is not sufficient to warrant setting aside the expungement of the trademark. The Respondent contends that the evidence does not demonstrate use of the Mark in association with the goods, or that such use can benefit the Applicant as owner of the Mark. The Respondent asks that the appeal be dismissed.

[3] For the reasons that follow, the appeal will be allowed, with costs. Viewing the evidence as a whole and recalling that the evidentiary burden on a trademark owner in a section 45 proceeding is light, I am satisfied that the evidence demonstrates use of the TRAUMEEL trademark in Canada during the relevant period, and that such use can enure to the benefit of Heel, as the registered owner of the Mark, because the sales were done in the ordinary course of trade.

I. **Background**

[4] The Applicant, Biologische Heilmittel Heel GmbH ("Heel", "the Applicant" or "the Owner") owns the Canadian Trademark for "TRAUMEEL" (Registration No: TMA383470) (the "Mark"), which is registered in association with the following goods (the "Goods"):

1. Pharmaceutical preparation for the treatment of sprains, dislocations, contusions, effusions of blood and effusions into a joint, fractures, commotio cerebri, post-operative and post-traumatic oedemas and swelling of the soft tissues, inflammatory degenerative

processes in organs and tissues, parodontitis, paradentosis and suppuration of the gingival pockets.

2. Veterinary preparations, namely homeopathic drugs useful in animals to relieve muscle and joint pain and to relieve pain, inflammation and bruising associated with injuries such as sprains, dislocations, contusions; sanitary preparations for medical purposes namely, ointments for applying and massaging, soothing and refreshing irritated skin, the treatment of slow-healing, contused, lacerated and defective wounds, congelation, skin burns, inflammations of the skin, improvement of skin appearance and that gives skin smoothness, softness and feeling of comfort.

[5] The TRAUMEEL Mark was also registered in association with certain services, but that aspect of the registration had been expunged by an earlier decision. Curiously, the Register was not updated following that decision, but the Hearing Officer corrected that mistake in the decision that is under appeal. No appeal is taken from that aspect of the decision. I note as well that there is no evidence (either before the Hearing Officer or this Court) regarding the use of the Mark in association with the goods listed as “veterinary preparations” (heading number 2 above), and the Applicant does not seek to maintain that element of its registration.

[6] On May 8, 2018, the Registrar issued a notice under section 45 of the *Act* at the request of the Respondent, Barrette Legal Inc. (“Barrette”), requiring Heel to furnish evidence demonstrating that the Mark was in use in Canada in association with the goods during the prior three-year period. The relevant period in this case is from May 8, 2015 to May 8, 2018.

[7] In response to the s. 45 notice, the Applicant filed the affidavit of Maria Dolores Pérez, dated November 23, 2018 (the “Pérez affidavit”). Ms. Pérez was the Applicant's Director of International Customer Care during the Relevant Period. She has worked for Heel for over 13 years. Ms. Pérez states that the Heel products are manufactured in Baden-Baden, Germany, and distributed by a “worldwide network of regional subsidiaries and local distribution products”. The TRAUMEEL brand is sold in a variety of ways in different countries.

[8] Attached as Exhibit A to the Pérez affidavit is a compilation of annual sales figures from 2015-2018 relating to the TRAUMEEL products. Exhibit B is a sample of invoices from 2015-2018 relating to TRAUMEEL products, while Exhibit C is a representative sample of product packaging/advertisements/publications showing how the Mark is used commercially.

[9] The Pérez affidavit then indicates that the Applicant has been selling TRAUMEEL products in Canada for over 20 years, first through distributors and then through the Applicant's subsidiary in Canada – which later became Heel Canada Inc.

[10] In or around 2010, Heel’s American subsidiary faced two class action law suits, resulting in an overhaul of their packaging and advertising. In 2014, the Applicant decided to discontinue direct sales in the U.S. and Canada, fearing further law suits. Heel Canada Inc. remained a corporate entity in good standing until 2018. The last official sales of TRAUMEEL products from Heel GmbH to Heel Canada Inc. took place in April 2014. Attached as Exhibit E to the Pérez affidavit is a spreadsheet showing these last shipments of TRAUMEEL to Canada.

[11] Nonetheless, Pérez contends the Applicant's products, including its TRAUMEEL line, remain readily available to Canadian consumers. She lists a number of European distributors that continue shipping TRAUMEEL products to consumers in Canada. Exhibit F to the affidavit provides statements from two of these European distributors regarding sale of such products to Canadian consumers. These products are also available to consumers on Amazon Canada and EBay Canada, as set out in Exhibits G and H.

[12] Amazon orders are filled by European distributors that sell the Applicant's products. Attached as Exhibit I to the Pérez affidavit is a printout from a distributor, Bulexpo Ltd., showing all of its TRAUMEEL product sales to Canadian purchasers from January 2017 to August 2018, as well as a detailed 90-day list from June through August 2018. Exhibit J to the Pérez affidavit is an invoice/shipping confirmation and photos of the product and packaging from a distributor relating to sales of TRAUMEEL product to a consumer in Canada. However, this sale was concluded in July 2018, just after the expiry of the relevant period. Pérez asserts that this sale would be representative of sales on the Amazon platform, which have been ongoing since at least sometime in 2015.

[13] Pérez notes that, despite withdrawing from direct sales in the U.S. and Canadian markets, the Applicant entered into negotiations with a company based in the United States (MediNatura) to sell its products, starting with sales of the TRAUMEEL injection solution. In 2017, this was extended to include TRAUMEEL tablets and ointments. Attached as Exhibit K to the Pérez affidavit is a printout of the MediNatura press release.

[14] Finally, despite withdrawing from direct sales in Canada, Pérez notes that the Applicant has maintained its Health Canada registrations (Exhibit L provides a printout of the Health Canada database for Natural Health Products showing Heel's active licenses).

II. The decision under appeal

[15] The Hearing Officer summarized the evidence submitted by the Applicant and its argument that this was sufficient to meet the s. 45 threshold for demonstrating use of its Mark. The Hearing Officer also noted the Respondent's objections to the evidence, including that part of the affidavit included hearsay evidence; that any use in association with the Goods by the Owner's distributors does not enure to the Owner; that the evidence is ambiguous as to which Trademark appears on the Goods sold by the distributor; that the Owner failed to correlate the Goods sold by the distributors with the registered Goods; that the Goods sold by the distributor do not constitute the Owner's normal course of trade; and that there are no special circumstances excusing any non-use of the Mark.

[16] The Hearing Officer agreed with several of the Respondent's objections. For example, the printouts of products sold on Amazon were from third parties and thus constituted hearsay. The Officer found that in light of the summary nature of s. 45 proceedings, concerns about hearsay evidence should go to weight rather than admissibility of the evidence, citing *1459243 Ontario Inc v Eva Gabor International*, 2011 FC 18. The Officer also found that an affiant's statements are to be accepted at face value and must be accorded substantial credibility in a s. 45 proceeding, citing *Oyen Wiggs Green & Mutala LLP v Atari Interactive, Inc*, 2018 TMOB 79 at para 25.

[17] The Officer was not satisfied that the evidence clearly showed that any products sold in Canada during the relevant period displayed the Mark or were otherwise associated with it. While the Applicant pointed to evidence showing samples of the packaging that displayed the TRAUMEEL Mark, the Hearing Officer noted that the Mark did not appear on every package that was in evidence. Furthermore, Pérez does not clearly state that Exhibit C packages are representative of the packages sent to Canadian consumers during the Relevant Period. They are not in French and English and do not correspond to the packages shown in the Exhibit J photographs of a representative sale. Based on this, the Hearing Officer found that the evidence fell short of demonstrating use as required under s. 45 of the *Act*.

[18] The Officer also found that the Owner failed to file sufficient evidence to demonstrate that the registered Goods were in fact transferred within Canada during the Relevant Period. Although invoices are not mandatory to successfully reply to a s. 45 notice, some evidence of transfer in Canada in the normal course of trade is necessary. This evidence can be in the form of invoices or sales reports, but also through clear sworn statements regarding volume of sales, dollar value of sales, or equivalent particulars, citing *1471706 Ontario Inc v Momo Design srl*, 2014 TMOB 79.

[19] Here, the Owner relied on the Amazon review (Exhibit H) and business report from the distributor (Exhibit I), as well as the Exhibit J “representative” sale made after the Relevant Period. On this point, the Hearing Officer states the following at paragraph 24 of the Decision:

It is questionable whether any such “indirect” sales should be considered as being “in the normal course of trade” within the meaning of section 4(1) of the *Act*. At best, these appear to be

token sales through a foreign distributor on *amazon.ca*. In any event, these exhibits are not sufficient to conclude that transfer of registered goods occurred in Canada during the relevant period, in the normal course of trade or otherwise

[20] The Hearing Officer gave little weight to Exhibits H and I, as neither demonstrate any sales of the registered Goods to Canadians during the Relevant Period. The Amazon reviews were also deemed unreliable as there are no dates of purchase of the products and it is unclear if the Mark appears on the goods reviewed. As for the “representative” sale, the goods depicted on the shipping confirmation do not match those on the goods received by the Canadian customer. The packaging is not in English or French, the Mark does not appear, and Pérez does not state which products were sold to that customer. Therefore, the Hearing Officer was unable to find evidence of transfers of the registered Goods in Canada during the Relevant Period.

[21] Therefore, the Officer was not satisfied that the Owner demonstrated use of the Mark within the meaning of ss. 4 and 45 of the *Act* in association with sale of the registered Goods in the ordinary course of trade.

[22] Finally, the Hearing Officer considered whether there were any special circumstances to excuse non-use of the Mark. In particular, whether the class action lawsuits against the Owner's subsidiary in the U.S. and the subsequent settlements could be relied on to explain the withdrawal of direct sales in Canada. Ultimately, the Hearing Officer found a lack of special circumstances, pursuant to *Canada (Registrar of Trade Marks) v Harris Knitting Mills Ltd*, [1985] FCJ No 226, (1985) 4 C.P.R. (3d) 488. The withdrawal from the Canadian market was not beyond the Owner's control – it was a business decision due to the nature of the settlements.

Pérez states that the Owner needed to modify the packaging/advertising in accordance with the settlements, but does not explain why the Owner chose not to do so. Furthermore, sales of the Owner's products resumed in the US but not in Canada. Based on this, the Hearing Officer concluded that the Owner failed to demonstrate special circumstances excusing non-use of the Mark in Canada during the Relevant Period within the meaning of subs. 45(3) of the *Act*.

[23] Therefore, the TMOB expunged the registration. The Applicant appeals this decision, and has filed new evidence as is permitted pursuant to subs. 56(5) of the *Act*.

III. **Issues and Standard of Review**

[24] The issues in this case are:

- a. Is the new evidence material, such that the Court should apply the correctness standard and undertake a de novo analysis of the evidence?
- b. Does the evidence, in its entirety, show use of the registered Mark in association with the Goods during the Relevant Period?

[25] The standard of review on an appeal from a Hearing Officer's decision where material new evidence is filed is correctness, as explained in *Clorox Company of Canada, Ltd v Chlorotec SEC*, 2020 FCA 76 at paragraph 21:

When the new evidence is found to be material—which has been interpreted to mean “sufficiently substantial and significant” (*Vivat Holdings Ltd. v. Levi Strauss & Co.*, 2005 FC 707 at para. 27, 276 F.T.R. 40) and of “probative value” (*Tradition Fine Foods Ltd. v. Groupe Tradition 'l Inc.*, 2006 FC 858 at para. 58, 51 C.P.R. (4th)

342)—subsection 56(5) of the Act states that the Federal Court “may exercise any discretion vested in the Registrar”. This is in the nature of an appeal *de novo* and calls for the correctness standard...

IV. **Analysis**

A. *The new evidence is material to the core questions in dispute, and therefore the correctness standard applies to the issues to which the evidence relates*

[26] The Applicant filed new evidence in support of this appeal – the affidavit of Yvan Bourgault, sworn on February 4, 2022 (the “Bourgault affidavit”), and the affidavit of Audrey McDonough, sworn on February 18, 2022 (the “McDonough affidavit”). Both affiants were cross-examined on their evidence.

[27] Bourgault is the co-owner of Naterro, a natural health products store located in Quebec, and was previously employed by the Applicant in a managerial position at the head office in Germany. He was also Chief Executive Officer of Heel Canada Inc. from October 1997 until August 2007. Bourgault attests to being very familiar with TRAUMEEL products, having sold them at the Naterro store since he began operating it in 2014. The products were available in three forms – a cream, gel, and oral tablet. Attached as Exhibit A to Bourgault's affidavit is a copy of a 2010 print advertisement for TRAUMEEL products.

[28] Bourgault states that they sold all of their existing TRAUMEEL inventory by 2015, but there was still high demand for the products. Therefore, Naterro purchased TRAUMEEL cream in small quantities from Internationale Apotheke, a pharmaceutical vendor in Germany. This

continued from 2015 to 2018. Attached as Exhibit B to Bourgault's affidavit is a point-of-sale report showing details of sales transactions for the TRAUMEEL cream, displaying the trademark in the following manner:



[29] In his affidavit, Bourgault also included a table summarizing the quantities of TRAUMEEL sold each year during the Relevant Period. Exhibit C to the Bourgault affidavit provides records from the store's information management system, showing the details of some sales transactions for TRAUMEEL cream from January 2017 to February 2019. Most of these sales were made in store, although some were conducted via telephone order or remote consultation and shipped to the customer. In those cases, a receipt accompanied the product in the shipping box, or was provided to customers who made purchases in store. Exhibit D to the Bourgault affidavit are photocopies of some of these receipts corresponding to TRAUMEEL cream sales from 2017-2019.

[30] Ms. McDonough is a store manager at NutriChem, a naturopathic clinic and pharmacy located in Ottawa. She has been employed with NutriChem since October 2019. McDonough attests to her familiarity with the Applicant's TRAUMEEL products through her role as store

manager, her past experience as a nutritionist, and her personal use of the products. Exhibit A to the McDonough affidavit is a screenshot of a Facebook post, dated October 28, 2014, containing a photo of a NutriChem store shelf showing different TRAUMEEL products available for purchase.

[31] From 2015 to 2018, McDonough states that NutriChem imported TRAUMEEL 100g cream and 2ml ampoules from Internationale Apotheke, a pharmacy located in Karlsruhe, Germany. She states that these products were then sold to customers in Canada; photographs of these products are included in her affidavit. Attached as Exhibit B to the McDonough affidavit are printouts of sales receipts from her Carling Avenue store location detailing in-store sales of TRAUMEEL products in 2017 and 2018. The August 1, 2020, date listed on the receipts refer to the receipt re-print dates, and she attests that these sales occurred during the relevant period.

[32] I find that the new evidence is “material” in that it strikes at the crux of this appeal – whether the Applicant has demonstrated proof of use of the Mark in association with the Goods, in Canada, during the relevant period. A related issue is whether such use occurred in the normal course of trade, and therefore enures to the benefit of the Applicant.

[33] I agree with the Applicant that the new affidavit evidence answers the concerns raised by the Hearing Officer in the decision under appeal – demonstrating that the Goods were sold by the distributors during the Relevant Period, displaying the TRAUMEEL Trademark, and showing that the Goods were transferred in Canada during the Relevant Period. I also note that the

Applicant filed point of sale receipts in response to the Hearing Officer's stated concerns. This evidence would have undoubtedly impacted the decision if placed before the decision-maker.

[34] I am not persuaded by the Respondent's challenges to the new evidence. Barrette submits that the new evidence is not reliable, significant or probative and that it would not have materially affected the Hearing Officer's decision. Some of the Respondent's objections are discussed in the next section. At this stage, it is sufficient to note that the argument that the normal course of trade was limited by the exclusive distribution agreement between Heel and Heel Canada Inc. does not undermine the affidavit evidence that Heel sold its products through European-based distributors after it withdrew from the Canadian market. That evidence was provided by Pérez, a senior representative of Heel who clearly described the evolution in the chain of distribution used by the company and how it operated during the relevant period.

[35] I am also not persuaded by the Respondent's efforts to undermine the credibility of the new evidence. The cross-examination of Bourgault and McDonough pointed out several limitations in their evidence, but I do not find it called into question the crux of the evidence that is most relevant to the question before me. Both affiants described how they obtained the products, and provided photographs showing the products as they were displayed and sold during the relevant period, as well as copies of invoices or receipts evidencing sales to end customers. In particular, I find the Bourgault evidence persuasive on these key matters. The questions raised about his professional standing may be pertinent considerations on some elements, but they are not sufficient to undermine the core of his evidence: that his company purchased Heel's TRAUMEEL products through a pharmacy in Germany, and then sold those products to

Canadian customers during the relevant period. His evidence on these points is generally corroborated by photographs of the product and copies of sales receipts. On these points, I am persuaded that the affiant's credibility was not shaken.

[36] In light of this, I find the new evidence to be material and that it would have affected the Hearing Officer's decision if it had been introduced at the first instance.

[37] Because the Applicant filed material new evidence and the correctness standard applies, the Court is to conduct a *de novo* analysis of the question of whether the Applicant has met the s. 45 test.

B. *The evidence, viewed in its entirety, demonstrates use of the registered Mark in association with the Goods during the relevant period.*

[38] The evidence in this case includes the Pérez affidavit and exhibits, as well as the additional affidavits and exhibits of Bourgault and McDonough filed on appeal. The question before the Court at this stage is whether this evidence, considered as a whole, meets the test for demonstrating use of the Mark under s. 45.

[39] Section 45 of the *Act* is a summary procedure by which trademarks that have fallen into disuse can be removed from the Register, so that they can be put to use in the market by others. A s. 45 notice requires an Owner to produce evidence showing "use" of the Mark within the relevant three-year period. Use is defined in subs. 4(1) of the *Act*:

When deemed to be used

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.

Quand une marque de commerce est réputée employée

4 (1) Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

[40] The Federal Court of Appeal summarized the relevant legal principles regarding the application of s. 45 in *Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134, [2021] 1 FCR 323 [*Hilton Worldwide*]:

[9] Section 45 of the Act provides a summary procedure for clearing the Register of Trademarks of registrations for marks that have fallen into disuse: *Sport Maska Inc. v Bauer Hockey Corp.*, 2016 FCA 44, [2016] 4 F.C.R. 3, at paragraph 55. The section 45 process has been described as one for removing “dead wood” from the Register: *Boutiques Progolff Inc. v. Canada (Registrar of Trade Marks)* (1993), 164 N.R. 264, 54 C.P.R. (3d) 451 (F.C.A.). It is not intended to resolve contentious issues between competing commercial interests. Such issues are resolved through expungement proceedings under section 57 of the Act: *Molson Cos. v. Moosehead Breweries Ltd.* (1985), 11 C.P.R. (3d) 208, at page 210, 63 N.R. 140 (F.C.A.), at page 141.

[10] The threshold for establishing “use” in a section 45 proceeding is quite low: *Woods Canada Ltd. v. Lang Michener*

(1996), 1996 CanLII 17297 (FC), 71 C.P.R. (3d) 477, [1996] F.C.J. No. 1701 (T.D.) [*Woods Canada Ltd.*]. Evidentiary overkill is, moreover, not required: *Union Electric Supply Co. v. Registrar of Trade Marks*, 1982 CanLII 5195 (FC), [1982] 2 F.C. 263, (1982), 63 C.P.R. (2d) 56 (T.D.). That said, sufficient facts must still be adduced to allow the Registrar of Trademarks (the Registrar) to find use of a trademark in association with each of the registered services during the relevant period.

[41] The Respondent's arguments about the credibility and probative value of the new evidence filed on appeal, as well as its submissions regarding the normal channels of trade, have already been discussed. In this section, I will discuss the other submissions put forward by the Respondent in support of its position that the appeal should be dismissed.

[42] Barrette submits that the Applicant's evidence of sales by unrelated third parties cannot enure to its benefit, because Heel has failed to demonstrate that it is the first link in the chain of distribution. The Pérez affidavit listed a number of alleged European distributors, but none of the affidavits indicate that the products sold by Bourgault or McDonough originated from these suppliers. Pérez refers to a company called "Weinbrenner-Apotheke" located in Karlsruhe, Germany. Both Bourgault and McDonough say they bought their TRAUMEEL products from a German third party named Internationale Apotheke, a pharmacy based in Karlsruhe, Germany. The Respondent submits that this does not show that the sales were made by a distributor authorized by Heel, and therefore the sales cannot enure to the benefit of Heel.

[43] For its part, the Applicant acknowledges that there is no evidence that directly indicates that the products acquired by Bourgault and McDonough were purchased from the distributor listed in the Pérez affidavit. However, given the similarity in the names used by the affiants for

this company, and the fact that it is located in Karlsruhe, Germany, it is a logical inference that it is the same enterprise. The Applicant asks me to draw this inference, and to find that the sales were therefore made through an authorized distributor and thus in the normal chain of distribution.

[44] As noted by my colleague Justice Janet Fuhrer in *Sim & McBurney v en Vogue Sculptured Nail Systems Inc*, 2021 FC 172 at paragraph 15, “[d]rawing an inference is a matter of reasonably probable, logical deductions from the evidence.... Further, the decision maker properly may draw inferences from proven facts considering the evidence as a whole...” (citations omitted). To a similar effect, Justice Simon Fothergill in *Sim & McBurney v Gordon*, 2020 FC 710 at paragraphs 19-21, found that reasonable inferences can be drawn if there is “sufficient evidence” to support such findings.

[45] In the case at bar, in light of the evidence as a whole, I am prepared to draw the inference that the Canadian companies represented by Bourgault and McDonough purchased authentic TRAUMEEL products that were produced by the Applicant. To the extent it is necessary for the purposes of this decision, I also infer from all of the evidence that these purchases were from an authorized distributor that is listed in the Pérez affidavit.

[46] My conclusion on this point is reinforced by the evidence of the products actually sold in the Canadian stores, which show the TRAUMEEL Mark prominently displayed on the packaging, with the word “Heel” displayed just below it with slightly smaller font. Both affiants described their familiarity with Heel’s products. I note in particular that Bourgault had been a

long-time employee of Heel and had run its Canadian subsidiary for many years. He was therefore quite familiar with its product line. Both affiants attest to purchasing the TRAUMEEL products from the same distributor located in the same German city. The name of the company they bought their products from (Internationale Apotheke) is not identical to the name referred to in the Pérez affidavit (Weinbrenner-Apotheke), but the companies are all located in the same German city, and the affiants stated that the products they obtained for sale in Canada were authentic TRAUMEEL products. Such products originate with Heel, and Pérez confirmed that it continued to sell its products to the Canadian market through authorized distributors.

[47] All of this evidence leads me to infer that Heel has demonstrated that it was the first link in the chain of distribution such that the sales of the TRAUMEEL products in Canada during the relevant period can enure to its benefit. Recalling that “evidentiary overkill” is not required in a s. 45 proceeding, I am satisfied that this evidence demonstrates use of the Mark in Canada during the relevant period, and that such use enures to the benefit of Heel. While it would have been preferable to have more direct evidence on this point, I am satisfied that there is sufficient evidence in the record to support the reasonable inference that the TRAUMEEL products sold by the companies represented by Bourgault and McDonough were purchased from a German distributor that had been authorized by Heel to market and sell its products in Canada.

[48] Another line of argument advanced by the Respondent relates to the failure to comply with various Canadian laws and regulations regarding language on packaging and other regulatory requirements. I will not discuss the details of the submissions advanced by the Respondent, because I find that all of these submissions involve issues that go beyond the limited

scope of a s. 45 proceeding. Whether the sales complied with other laws is beyond the scope of the inquiry here: *Bedessee Imports Ltd v GlaxoSmithKline Consumer Healthcare (UK) IP Limited*, 2019 FC 206 at para 58 (upheld on appeal: 2020 FCA 94).

[49] I reject the Respondent's arguments about whether the product packaging as displayed in the Bourgault and McDonough affidavits shows that any sales made were not "lawful" because they did not comply with other federal or provincial laws or regulations. Making such findings would take me well outside of the limited inquiry that is appropriate in a s. 45 proceeding. As has been repeated many times, s. 45 is intended to trim "deadwood" from the Register of Trademarks. It is not a vehicle to address contentious issues of trademark validity, nor is it meant to examine compliance with the panoply of other laws or regulations that might apply to the sale of products in the Canadian market.

V. Conclusion

[50] Based on the analysis set out above, the appeal will be allowed. The evidence, considered as a whole, demonstrates use of the Applicant's TRAUMEEL trademark in association with the transfer of goods labelled with its Mark during the relevant period. I am satisfied that such sales enure to the Applicant's benefit. That is all that is required to demonstrate use under s. 45.

[51] The Hearing Officer's decision expunging the Applicant's registration for TRAUMEEL (Reg. No. TMA383470) will be quashed and set aside. The Registrar shall be ordered to maintain the Applicant's trademark registration, but only in relation to the goods listed as a pharmaceutical preparation. The Applicant did not lead any evidence of use of its product in

relation to veterinary preparations, and did not request that the registration of its Mark in association with such goods be maintained. Therefore the Registrar will be directed to update the Register to maintain the registration only in relation to pharmaceutical preparations.

[52] Following the hearing, the parties came to an agreement that the successful party should be awarded costs in the all-inclusive amount of \$9,000. In exercise of my discretion under Rule 400 of the *Federal Courts Rules*, SOR-98/106, I find this to be a reasonable amount of costs in the circumstances of this case. The Respondent shall pay to the Applicant all-inclusive costs in the amount of \$9,000.

[53] Finally, the Court wishes to acknowledge the time it has taken to issue this decision, and to apologize to the parties for the delay.

JUDGMENT in T-2001-21

THIS COURT'S JUDGMENT is that:

1. The appeal is allowed.
2. The Hearing Officer's decision expunging the Applicant's registration for the TRAUMEEL trademark (Reg. No. TMA383470) is hereby quashed and set aside.
3. The Registrar of Trademarks shall maintain the Applicant's registration for TRAUMEEL (Reg. No. TMA383470) in association with the following goods:

Pharmaceutical preparation for the treatment of sprains, dislocations, contusions, effusions of blood and effusions into a joint, fractures, commotio cerebri, post-operative and post-traumatic oedemas and swelling of the soft tissues, inflammatory degenerative processes in organs and tissues, parodontitis, paradentosis and suppuration of the gingival pockets.
4. The Registrar of Trademarks shall not restore or maintain the Applicant's registration for TRAUMEEL (Reg. No. TMA383470) in relation to the goods listed as veterinary preparations.
5. The Respondent shall pay all-inclusive costs to the Applicant in the amount of \$9,000.

"William F. Pentney"

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-2001-21
STYLE OF CAUSE: BIOLOGISCHE HEILMITTEL HEEL GmbH v
BARRETTE LEGAL INC.
PLACE OF HEARING: OTTAWA, ONTARIO
DATE OF HEARING: JUNE 27, 2023
**REASONS FOR JUDGMENT
AND JUDGMENT:** PENTNEY J.
DATED: JULY 26, 2024

APPEARANCES:

Mark L. Robbins

FOR THE APPLICANT

Bruno Barrette

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Bereskin & Parr LLP
Toronto, Ontario

FOR THE APPLICANT

Barrette Legal Inc.
Montreal, Quebec

FOR THE RESPONDENT