



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2010 TMOB 123
Date of Decision: 2010-08-10

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Fasken Martineau DuMoulin LLP against
registration No. TMA492,013 for the trade-mark SNORE
STOP in the name of Green Pharmaceuticals, Inc.**

[1] At the request of Fasken Martineau DuMoulin LLP (the Requesting Party), the Registrar of Trade-marks forwarded a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on November 6, 2007 to Nature's Pharmacy, Inc. dba The Green Pharmacy (Nature's Pharmacy), the registered owner of the above-referenced trade-mark registration at that time.

[2] The trade-mark SNORE STOP (the Mark) is registered for use in association with "homeopathic formulations for the relief of the symptoms of snoring" (the registered wares).

[3] Section 45 of the Act requires the registered owner to show whether the trade-mark has been used in Canada in association with each of the wares or services specified in the registration at any time within the three year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use is any time between November 6, 2004 and November 6, 2007 (the Relevant Period).

[4] "Use" in association with wares is set out in s. 4(1) and (3) of the Act:

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the

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

[...]

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

In this case, s. 4(1) applies.

[5] In response to the Registrar's notice, the Registrant furnished the affidavit of Christian de Rivel together with Exhibits "A" through "G", as well as that of Dr. Kenneth Rifkin together with Exhibits "H" through "M". Mr. de Rivel states that he is the Vice-President of Sales & Marketing, and Dr. Rifkin states that he is the President, both of Green Pharmaceuticals, Inc. (the Registrant), the current owner of the subject registration by way of assignment. Both parties filed written submissions and were represented at an oral hearing.

[6] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of a s. 45 proceeding [*Plough (Canada) Ltd v. Aerosol Fillers Inc.* (1980), 53 C.P.R. (2d) 62 (F.C.A.)] (*Aerosol Fillers*). Moreover, in the case of wares, it is not the Registrar's or the Court's function to find and set standards of the normal course of trade [*Philip Morris Inc. v. Imperial Tobacco Ltd. et al.* (1987), 17 C.P.R. (3d) 237 (F.C.A.)]. Although the threshold for establishing use in these proceedings is quite low [*Woods Canada Ltd. v. Lang Michener* (1996), 71 C.P.R. (3d) 477 (F.C.T.D.)], and evidentiary overkill is not required [*Union Electric Supply Co. Ltd. v. Registrar of Trade Marks* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the wares or services specified in the registration during the relevant period. In addition, the entire burden is with the registrant [*88766 Inc. v. George Weston Ltd.* (1987), 15 C.P.R. (3d) 260 (F.C.T.D.)] and any ambiguities in the evidence are to be interpreted against the registrant [*Aerosol Fillers, supra*].

[7] At the outset of the decision, I will address the issue surrounding the date of the assignment of the Mark, starting with a review of the evidence filed by the Registrant regarding the transfer of the Mark. Following the issuance of the present s. 45 notice to Nature's Pharmacy on November 6, 2007, the Registrant filed the affidavit of Mr. de Rivel on February 5, 2008. In

the said affidavit, Mr. de Rivel states that the Registrant is the owner of the Mark by way of assignment. In support, a copy of the assignment document executed on December 28, 2007 was attached as Exhibit "A". I note that the one-page document is entitled "Trademark Assignment" and contains three paragraphs. The first paragraph provides that Nature's Pharmacy, now inactive, is the owner of record of the Mark; the second one expresses the Registrant's desire to acquire all of the right, title and interest in and to the Mark together with the goodwill of the business associated with the Mark. An extract of the third paragraph is reproduced below:

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Kenneth Rifkin, on behalf of NATURE'S PHARMACY, INC. dba THE GREEN PHARMACY does hereby sell, assign, transfer and set over to the said GREEN PHARMACEUTICALS, INC. the entire right, title and interest in and to said trade mark, the aforesaid Registration of said trade mark [...].

The document concludes with "Executed this 28 day of December, 2007", signed by Kenneth Rifkin, President of Nature's Pharmacy.

[8] Following a request for a retroactive extension of time which was granted, the Registrant produced the affidavit of Dr. Rifkin on November 7, 2008, the signatory of the assignment document mentioned above. Dr. Rifkin sets out the chain of title from Nature's Pharmacy to the Registrant as follows. Nature's Pharmacy was incorporated as an Oregon corporation in March 1996; it changed its name to The Green Pharmacy, Inc. (The Green Pharmacy) in February 1997. On March 13, 2000, The Green Pharmacy was voluntarily dissolved and by mutual oral agreement, the assets of the company, including the subject trade-mark registration, were transferred to four individual shareholders. On that same day, the Registrant was incorporated and the four shareholders assigned their respective assets to the new company in exchange for its shares. Thus, Dr. Rifkin explains that by virtue of these transactions, the Registrant became the legal owner of the subject registration as of March 13, 2000. In support of his statements, the affiant produces a copy of the articles of incorporation of Nature's Pharmacy filed on March 7, 1996 (Exhibit "H"), the articles of name change filed on February 13, 1997 (Exhibit "J"), the certification of dissolution of The Green Pharmacy filed on March 13, 2000 (Exhibit "K"), a copy of the articles of incorporation of the Registrant filed on March 13, 2000 (Exhibit "L"), and copies of assignment documents from the four shareholders to the Registrant all dated March 13, 2000 (Exhibit "M"). Finally, Dr. Rifkin asserts in paragraph 13 of his affidavit that in signing the

assignment document produced in Mr. de Rivel's affidavit, it was his intent "merely to confirm the assignment of the trademark SNORE STOP to Green Pharmaceuticals Inc. which took place on March 13, 2000 by virtue of the transactions recited".

[9] I note that the Canadian Intellectual Property Office recorded the Registrant as the owner of the registration on March 28, 2008, following an assignment of December 28, 2007 from Nature's Pharmacy, presumably in reference to the same transaction discussed in Mr. de Rivel's affidavit. It also recorded on December 20, 2008 and January 15, 2009 the series of transactions mentioned in Dr. Rifkin's affidavit.

[10] The Requesting Party submits that the two affidavits filed by the Registrant provide contradictory information regarding the date of the assignment of the Mark. In particular, it argues that Mr. de Rivel's affidavit confirms Nature's Pharmacy's ownership of the Mark at the time that the s. 45 Notice was issued and that the Registrant only became the owner of the Mark on December 28, 2007 while Dr. Rifkin's affidavit claims that the Registrant has been the owner since March 13, 2000. Citing *Aerosol Fillers*, it contends that the evidence is, at best, ambiguous and should be interpreted against the interest of the Registrant. In response, the Registrant submits that "the fact that the assignment document was not executed until December 28, 2007 does not constitute evidence that the assignment in fact occurred on December 28, 2007". Instead, it argues that when all the surrounding circumstances are taken into consideration, including the "actual actions and intentions of the parties involved in the transfer" as well as the relationship between the parties, the document merely confirms the prior assignment of the Mark to the Registrant on March 13, 2000. During the oral hearing, the Registrant also contended that Dr. Rifkin simply tried to show, through the assignment document, that at the date of its execution, the Registrant was the owner of the Mark, and that this did not however alter the fact that the assignment occurred more than seven years earlier. It argued that the fact that the parties involved in the assignment failed to report the transfer to the Trade-marks Office at that time was a technical oversight that should not result in the expungement of the Mark.

[11] The courts have previously held that an assignment does not necessarily need to be recorded by the Trade-marks Office or documented in writing to be valid; a transfer can be inferred from the facts of the case even if the parties have not executed a formal transfer in

writing [see *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1985), 7 C.P.R. (3d) 254 (F.C.T.D.) aff'd 17 C.P.R. (3d) 289 (F.C.A.); *Sim & McBurney v. Buttino Investments Inc.* (1996) 66 C.P.R. (3d) 77 (F.C.T.D.) aff'd (1997) 76 C.P.R. (3d) 482 (F.C.A.); and *White Consolidated Industries Inc. v. Beam of Canada Inc.* (1991) 39 C.P.R. (3d) 94 (F.C.T.D.)]. In the present case, there are two seemingly contradictory pieces of evidence that could put into question the identity of the actual owner of the Mark during the Relevant Period. On one hand, I am presented with an assignment document signed by Dr. Rifkin less than two months after the issuance of the s. 45 notice, as the President of an entity that changed its name more than ten years ago and been dissolved more than seven years ago, with no reference to any other effective date or any indication of a prior transaction; on the other hand, I have the same person's sworn statements corroborated by a series of documents evidencing the transactions leading up to the assignment of the Mark to the Registrant on March 13, 2000 in chronological order. This includes the assignment documents from the four shareholders of The Green Pharmacy to the Registrant within the appropriate timeframe, together with an explanation of Dr. Rifkin's intent behind the assignment document created on December 28, 2007.

[12] Having considered the evidence in its entirety and bearing in mind that the purpose of s. 45 proceeding is to provide a summary and expeditious administrative procedure to clear the register of trade-marks that are no longer in use in Canada, I am prepared to accept that the assignment took place on March 13, 2000 and that the Registrant was the owner of the Mark during the Relevant Period. I reach this conclusion, despite the apparent contradiction in the content of the equally valid assignment documents presented by Mr. de Rivel and Dr. Rifkin. When all the surrounding circumstances are taken into consideration, including Dr. Rifkin's remaining evidence regarding the history of the companies involved, the events that led to the assignment of the Mark, the close nexus that existed between the two companies and their shareholders, and the accompanying documentary evidence confirming such facts, despite the wording used in the document of December 28, 2007, I am prepared to infer that the intention to assign and the actual assignment took place at an earlier date, namely on March 13, 2000.

[13] I would point out that the facts of this case are clearly distinguishable from those of *Star-Kist Foods Inc. v. Canada (Registrar of Trade Marks)* (1988), 20 C.P.R. (3d) 46 (F.C.A.). In the cited case, the Court dealt with a document that purported to assign a trade-mark retroactively;

the parties did not claim nor was there any evidence of a prior transaction that had taken place at an earlier date. In that case the Court established that the document was not a valid confirmation of an earlier assignment but that it was in fact an assignment of the trade-mark as of the date of the document. In contrast, in the present case, there is a considerable amount of evidence supporting an earlier date of assignment that appears entirely reasonable and logical given the details provided of the corporate evolution of the two companies held by the same individuals ten years ago; this is so despite one seemingly inconsistent document that appears to have been drafted in haste in an attempt to reflect the current ownership of the Mark on the register.

[14] In view of the above, taking into account the explanation provided by Dr. Rifkin regarding the reason behind the signing of the document on December 28, 2007 and the indisputable evidence of transfer dated March 13, 2000, I am satisfied that any ambiguity has been explained. As a result, I am prepared to conclude that the Registrant was in fact the owner of the Mark during the Relevant Period.

[15] With respect to the manner in which the Mark was associated with the registered wares, Mr. de Rivel produces sample packaging of three products (tablets, extinguishers and nasal sprays) for the relief of the symptoms of snoring, sold in association with the Mark in Canada, as Exhibits “B”, “C” and “D”. I note that the Mark, shown in red, is featured prominently on all three boxes followed by the symbol ®; the words “NE RONFLEZ PLUS ©”, also in red, appear below the Mark. Additional reading matter including the expressions “Homeopathic” and “100% Natural” appear on the sample packaging as well.

[16] The Requesting Party submits that the Registrant failed to show use of the Mark as registered because the trade-mark used on the packaging of the products is SNORESTOP NE RONFLEZ PLUS and not SNORE STOP. I respectfully disagree. In my view, the expression “SNORESTOP”, with the symbol ®, would be perceived as use of the Mark *per se*. Furthermore, I am of the opinion that the words “NE RONFLEZ PLUS”, shown in a smaller font below the Mark, would also be perceived as a separate trade-mark although I note that the Registrant appeared to have identified the latter with a copyright symbol. In any case, nothing prevents the use of two registered trade-marks at the same time [see *A.W. Allen Ltd. v. Warner-Lambert Canada Inc.* (1985), 6 C.P.R. (3d) 270 (F.C.T.D.)]. Thus, I am satisfied that the Mark was

affixed to the packaging of the registered wares at the time of transfer during the Relevant Period.

[17] With respect to the Registrant's normal course of trade and evidence of sales during the Relevant Period, Mr. de Rivel provides that the registered wares have been sold in various retail stores in Canada for the past five years with an estimated retail sales volume of over US \$2.5 million. In support, a list of the retail stores in which the products were sold from 2006 to 2007 is attached as Exhibit "G". Moreover, the affiant states that the products have been distributed by the Registrant's exclusive distributor Nutravite Pharmaceuticals, Inc. (Nutravite) in Canada since 2003. In support, a copy of a renewable one-year supply agreement between the Registrant and Nutravite dated November 2002 is attached as Exhibit "E"; the Registrant's annual sales reports documenting its sales to Nutravite from 2003 to 2007 are attached as Exhibit "F". The supply agreement discusses the distribution and marketing of "SnoreStop" products by Nutravite in Canada in custom made bilingual packaging, which is consistent with what can be observed on the three sample packaging in Exhibits "B", "C" and "D": the mention of "Nutravite" and the notation "Made in USA for Green Pharmaceuticals, [...] Distributed exclusively in Canada by Nutravite Pharmaceuticals [...]".

[18] The Requesting Party argues that none of the above-mentioned documents evidence sale of the registered wares bearing the Mark by the Registrant to Nutravite in Canada. In particular, it contends that the supply agreement does not evidence use of the Mark with the registered wares and that the annual sales reports as well as the list of retail stores are "global figures not related to the Trade-mark". In addition, the Requesting Party takes issue with the mention of "Nutravite" in the sample packaging because "the message given to the public is that Nutravite is the owner of the mark".

[19] It should be remembered that exhibits must be read in conjunction with the information provided in the affidavit as a whole, not as stand alone documents. To this end, Mr. de Rivel presented sample packaging of three products bearing the Mark, he went on to explain that these products have been distributed in Canada by Nutravite during the Relevant Period and provided a supply agreement, a list of retail stores that sold the three products in question, and sales figures within that period of time to support his assertions. The supply agreement and the list of retailers

do not purport to show how the Mark appears on the products nor do they evidence sales of the registered wares during the Relevant Period, they simply lend support to Mr. de Rivel's statements pertaining to the normal course of trade of the registered wares in Canada at the time. In terms of the sales figures, although the Requesting Party appears to be suggesting that the Registrant should have provided representative invoices to evidence its sales to Nutravite, it is well established that there is no one particular type of evidence required to show use of a trademark and that invoices are generally not necessary to establish sales in these proceedings [*Lewis Thomson & Sons Ltd. v. Rogers, Bereskin & Parr* (1988), 21 C.P.R. (3d) 483 (F.C.T.D.)]. Finally, whether the mention of Nutravite on the packaging affects the distinctiveness of the Mark is not an issue that is to be considered in a s. 45 proceeding [see *Johnston Avisar v. Aastra Technologies Ltd.* (2004) 36 C.P.R. (4th) 477 (T.M.O.B.)]; in any event, I note that Nutravite has been clearly identified as a distributor on the sample packaging.

[20] Altogether, I am satisfied that the evidence shows sales of the registered wares bearing the Mark in the normal course of trade in Canada within the Relevant Period.

[21] In view of the foregoing, I am satisfied that there was use of the Mark within the meaning of s. 45 and 4(1) of the Act on "homeopathic formulations for the relief of the symptoms of snoring" during the Relevant Period. Accordingly, and pursuant to the authority delegated to me under s. 63(3) of the Act, the registration will be maintained in compliance with the provisions of s. 45 of the Act.

P. Fung
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office