SECTION 45 PROCEEDINGS
TRADE-MARK: VERAMIL
REGISTRATION NO.: 311,443

On April 17, 1996, at the request of Novopharm Limited, the Registrar forwarded a Section 45 notice to Monsanto Canada, Inc., the registered owner of the above-referenced trade-mark registration.

The trade-mark VERAMIL is registered for the following wares: "Coronary dilating agent".

In response to the Registrar's notice, the registrant furnished the affidavit of Paul D. Farr, Distribution Manager of the Searle Canada division of Monsanto Canada, Inc. Both parties filed a written submission and were represented at an oral hearing.

The requesting party's main argument concerning the evidence is that any use of the trade-mark VERAMIL is not use in the normal course of trade. It submits that one of the indicia that suggests that it is not use in the normal course of trade is that the product monograph submitted in evidence is for products identified as ISOPTIN or ISOPTIN SR and not VERAMIL and that, consequently, the name VERAMIL has not been approved under the Food and Drugs Act and regulations for use with the wares. It adds that this suggests that any use of VERAMIL cannot be commercial usage; it adds that another indicia, is that the registrant has not even stated that the use was in the normal course of trade; the words it has used are "in the ordinary course of its business" .

As for the shipping orders attached as exhibits, it submits that none refer to the trade-mark VERAMIL but that they refer to several products including several ISOPTIN products. Another indicia is that the registrant has not provided any evidence in the form of price lists or purchase orders which would show that it offers a product under the trade-mark VERAMIL. It also submits that the Farr affidavit is in respect of the 80mg tablets and that as stated in paragraph 6 of the affidavit, not all of the tablets are sold in cardboard sleeves being stamped with the trade-mark and furthermore, the wares in cardboard sleeves with the trade-mark stamped thereon are only

sold to a segment of the market, i.e., wholesalers and larger pharmacies and there is no evidence that when the wares reach the end users (hospitals, pharmacists, patients, etc.) the trade-mark VERAMIL is associated with the wares.

The requesting party then submits that when all of this is taken into consideration, then just a mere stamping of the trade-mark VERAMIL on cardboard sleeves is not a *bona fide* use of the trade-mark in the normal course of trade.

On the other hand, the registrant submits that the evidence shows use of the trade-mark in the normal course of trade and pursuant to Section 4(1) of the Trade-marks Act. Counsel for the registrant relies on a Section 45 decision I rendered in March 1993, regarding the present trade-mark and which was in respect of Section 45 proceedings instituted at the request of the same requesting party. The decision was to maintain the trade-mark. She submits that since that decision there has been no change in the case law concerning "use" and considering that the evidence filed previously is almost identical to the evidence furnished by Mr. Farr, and considering that the issues raised by the requesting party are the same, she submits that there is no basis upon which these arguments can now be accepted.

Having considered all submissions of the parties and having reviewed the evidence, I conclude that the evidence contains sufficient facts to permit me to conclude that the trade-mark VERAMIL was in use in Canada in association with the registered wares during the relevant three-year period.

The affiant, Mr. Farr, in paragraph 2 states that the registrant markets pharmaceutical preparations throughout Canada and that one of the pharmaceutical preparations is a coronary dilating agent (the registered wares). He then refers to the 80mg formulation as "Searle tablets" in bottles of250 tablets and that during the period from April 1991 to April 1995, approximately fifty percent of "Searle tablets" were sold in bottles of 250 tablets and in excess of seventy-five percent were sold in cardboard sleeves stamped with the trade-mark as shown by Exhibit C, i.e., an imprint of the stamp. He provides sales figures for the period January 1994 to December 1994

and for the period January 1995 to March 1995 which represent sales of the wares sold in cardboard sleeves bearing the trade-mark VERAMIL. He has attached copies of shipping orders, and he indicates that the "Searle tablets" that were sold in cardboard sleeves stamped with the trade-mark VERAMIL are listed thereon as "Isoptin 80mg tabs".

Notwithstanding the able arguments of the requesting party, I am of the view that the evidence shows use of the trade-mark VERAMIL in the normal course of trade in association with "coronary dilating agent" (the registered wares) during the relevant period.

I agree with the requesting party that the product monograph attached as Exhibit A is for "ISOPTIN" and that nowhere is the trade-mark VERAMIL mentioned. However, as I stated in my decision of March 29, 1993, the fact that VERAMIL may not have received approval under the Food and Drugs Act and regulations is not a relevant consideration in a Section 45 proceeding. I find the case *Lewis Thomson* & *Sons Ltd.* v. *Rogers, Bereskin* & *Parr, 21* C.P.R.(3d) 483 (F.C.T.D.) to be authority in this regard.

I also agree with the requesting party that only a portion of the 80mg "SEARLE tablets" are sold in sleeves stamped with the trade-mark, and that such are only shipped to wholesalers and larger pharmacies and that there is no evidence of an association between the mark and the wares when the wares are sold to the end users. However, as properly argued by the registrant, when the wares in cardboard sleeves stamped with the trade-mark are sold to wholesalers and larger pharmacies, which are the registrant's customers, such use is in compliance with the Trade-marks Act. As stated in *Lin Trading Co. Ltd.* v. *CBM Kabushiki Kaisha also trading as Japan CBM Corp. et al.*, 21 C.P.R.(3d) 417 at page 421:

> "I simply cannot agree with the appellant's position that sales "in the ordinary course of trade" can exist only if shown to have occurred along the entire chain referred to by Mr. Justice Heald, ending with an ultimate consumer. As I have already said, the *Manhattan Industries* case does not appear to lay down any such requirement.

The requesting party relies on the case *Ciba-Geigy Canada Ltd.* v. *Apotex Inc., Ciba-Geigy Canada Ltd.* v. *Novopharm Ltd.,* 44 C.P.R.(3d) 289, in stating that the "final consumer" of the product must be taken into account in determining whether there was use of the trade-mark in the

normal course of trade. However, as properly pointed by the registrant, that case was a "passing-off" action, and therefore it is irrelevant to the issue to be decided in the Section 45 proceeding.

The registrant in this case, has described its normal course of trade with respect to the trade-mark and the wares and, in my view, there is nothing in the Trade-marks Act which prohibits the registrant from marketing the registered wares as it has chosen to do. As stated in *Phillip Morris Inc.* v. *Imperial Tobacco* Ltd., 17 C.P.R.(3d) 237, sales to wholesalers are sales in the normal course of trade. Furthermore, the fact that the registrant only sells to a segment of the market does not prevent the sales from being sales in the normal course of trade. There is no clear evidence indicating that the sales in cardboard sleeves stamped with the trade-mark were not sales in the normal course of trade. Furthermore, as stated in Institut *National des Appellations d'Origine des Vins et Eaux-de-Vie* v. *Registrar of Trade Marks,* 71 C.P.R.(2d) 1 (F.C.T.D.), it is not up to the Court or Registrar to establish standards as to which is the normal course of trade.

It is clear in this case that some of the wares "coronary dilating agents" when sold to wholesalers and larger pharmacies, are sold in cardboard sleeves having the trade-mark VERAMIL stamped thereon. Concerning the fact that the registrant's name does not appear on the cardboard sleeve, such is irrelevant as the Trade-marks Act does not require the name of the registrant to appear in association with the trade-mark. The fact that the bottles for the tablets may bear the trade-mark of another entity may affect the distinctiveness of the registrant's mark, however, distinctiveness is not an issue to be considered in the present proceeding.

Concerning the fact that price lists listing the trade-mark have not been furnished is not determinative of the issue. As stated in *Lewis Thomson, supra,* there is no particular type of evidence that must be filed in response to a Section 45 notice. In my view, as long as the registrant has provided sufficient facts concerning the use of the trade-mark, and as long as the use appears to be *bona fide,* that is all that is required. Concerning the shipping order documents submitted as exhibits, as stated in the Farr affidavit, the product identified as "Isoptin 80mg tabs" was sold in cardboard sleeves having the trade-mark stamped thereon. In my view, such use of the trade-mark appears to comply with Section 4(1) of the Trade-marks Act.

Consequently, in view of the evidence furnished, I conclude that it appears that the trade-mark was in use in the normal course of trade in association with the registered wares during the relevant period. In the circumstances, I conclude that the trade-mark registration ought to be maintained on the register.

Registration No. 311,443 will be maintained in compliance with the provisions of Section 45(5) of the Trade-marks Act.

DATED AT HULL, QUEBEC, THIS 8TH DAY OF JULY 1997.

D. Savard
Senior Hearing Officer
Section 45 Division