



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

Citation: 2014 TMOB 191
Date of Decision: 2014-09-07

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Keyser Mason Ball, LLP against
registration No. TMA393,144 for the trade-mark
VISIBLE YOUTH in the name of Enhance Skin Products
Inc.**

[1] At the request of Keyser Mason Ball, LLP (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on December 18, 2012 to Enhance Skin Products Inc. (the Owner), the registered owner of registration No. TMA393,144 for the trade-mark VISIBLE YOUTH (the Mark).

[2] The Mark is registered for use in association with the following wares:
Cosmetic and pharmaceutical substances namely, skin care products based on preparations including hyaluronic acid namely a liquid which when rubbed into the skin is beneficial to the treatment of wrinkles.

[3] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares specified in the registration at any time within the three year period immediately preceding the date of the notice and, if no such use has occurred, to identify the date when the trade-mark was last in use and the reason for the absence of use since that date. In this case, the relevant period for showing use is between December 18, 2009 and December 18, 2012.

[4] The relevant definition of “use” in association with wares is set out in section 4(1) 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.

[5] In response to the Registrar's notice, the Owner filed the affidavit of Dr. Samuel Asculai, Chairman and Chief Scientific Officer of the Owner, sworn on March 14, 2013. Both parties filed written representations and attended an oral hearing.

[6] In his affidavit, Dr. Asculai attests that the Owner is a Nevada corporation – with executive offices in Toronto, Ontario – that develops, markets, and sells skincare cosmetics. He states that the skincare products “promoted, offered for sale, and sold in Canada ... as at December 18, 2012” under the Mark were as follows: revitalizing skin formula, cleanser, eye zone gel, moisturizer, healing complex, and healing complex plus 3% lidocaine. He attests that each of these VISIBLE YOUTH skincare products contain hyaluronic acid, a liquid “which when rubbed into the skin is beneficial to the treatment of wrinkles.”

[7] Dr. Asculai attaches 35 exhibits to his affidavit, many of which are irrelevant as they do not relate to the Canadian marketplace or are merely promotional materials that do not show use in association with wares pursuant to section 4(1) of the Act. I will therefore focus on the portions of the affidavit and exhibits that are relevant to showing use of the Mark during the relevant period within the meaning of section 4(1).

[8] Dr. Asculai explains that the VISIBLE YOUTH skincare products were offered for sale in Canada on the Owner's website *www.visibleyouth.com*, at the Owner's offices in Toronto, through Canadian distributors, and promoted through the giving away of samples to customers, potential customers, distributors, and doctors.

[9] Dr. Asculai describes his marketing efforts and his provision of product samples at length, listing the names of several individuals that were given samples of the Owner's VISIBLE YOUTH products in 2011 and 2012. He explains that, in the cosmetics business, product samples are given to doctors, including dermatologists, and potential customers and distributors to develop markets. He further attests to having given away approximately two hundred

VISIBLE YOUTH product samples in Canada and many hundreds more in the United States during the relevant period.

[10] The Requesting Party notes that despite the alleged “millions of dollars” expended by the Owner in the development, manufacture, and marketing of the VISIBLE YOUTH products after the Owner’s acquisition of the Mark in 2007, it provides little evidence of subsequent sales. Indeed, Dr. Asculai attests to difficulties in selling the Owner’s VISIBLE YOUTH skincare products due to the worldwide financial recession and changing market conditions that occurred during the relevant period. According to Dr. Asculai, adverse market conditions prompted the Owner to develop a new pricing policy for its products, although it is not clear from the affidavit when this occurred. Even at reduced pricing, Dr. Asculai attests that the Owner’s products were not inexpensive skincare products, ranging in price from \$14.95 to \$135.00.

[11] Nonetheless, the Owner did furnish some evidence of sales during the relevant period at Exhibits 17 and 18 of Dr. Asculai’s affidavit. Exhibit 17 consists of an invoice from the Owner to its distributor Nutratec Life Sciences, Inc. of Scarborough, Ontario, for VISIBLE YOUTH skin formula, eye zone gel, moisturizer, and cleanser products. Although two of these products are invoiced as samples, 60 units of “Revitalizing Skin Formula” and 12 units of “Eye Zone Gel” are invoiced for \$1,470.00 and \$251.40 respectively. The invoice indicates payment was made on October 6, 2010.

[12] Similarly, Exhibit 18 consists of a purchase order from an Ontario distributor, Ronco, dated January 14, 2011 for 144 packages/boxes of cleanser, revitalizing lotion, eye zone gel, and moisturizer, totalling \$1281.60. Dr. Asculai attests that the wares were shipped and delivered to Ronco by the Owner.

Use of the Mark as registered

[13] With respect to the manner of display of the Mark on the wares during the relevant period, Dr. Asculai attaches Exhibits 4(A-E), 5(A-E) and 6(A-F) to his affidavit, consisting of product packaging, specification sheets placed in product boxes and photographs of the wares. He also provides advertising extracts (Exhibit 7) and printouts from the Owner’s website

(Exhibit 8) that depict the products. The sample packaging depicted in Exhibit 4D is reproduced in part below:



[14] The Requesting Party submits that there is no display of the Mark as registered, “being VISIBLE YOUTH as a simple word mark without any design features.” It submits that “VISIBLE YOUTH is consistently embedded within a logo and also as part of the product name,” explaining that VISIBLE YOUTH is “sandwiched” between an image and two horizontal lines with the following three lines of text: VISIBLE YOUTH / HYALURONAN / It’s the Molecule!

[15] Notwithstanding the Requesting Party’s submissions, it is well-established that two trade-marks may be used at the same time on packaging so long as they are not combined in a way to render the individual marks indistinguishable [see *AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD) at 272; and *Philip Morris Products SA v Marlboro Canada Ltd* (2010), 90 CPR (4th) 1 (FC) at paragraph 217]. In this case, the Mark is clearly visible on all of the packaging, specification sheets, and photographs of the products appearing in the exhibits. Indeed, the Mark is typically in the largest font on the product packaging and on first impression it appears to be the primary trade-mark on the products. The Mark is consistently followed by the trademark symbol (TM), as are the human form design mark and the other word marks appearing on the packaging. As such, it is clear that the Mark is being used as a separate trade-mark apart from the other trade-marks displayed on the packaging.

Use of the Mark in association with the wares

[16] The Requesting Party submits that the Owner did not produce “clear or compelling” evidence of Canadian business activity. It submits that the Owner’s evidence consists primarily

of information on promotional activities and marketing of the products and that there have not been any commercial sales of products bearing the Mark. Furthermore, it submits that the provision of samples would not constitute use of the Mark in the normal course of trade of cosmetic products.

[17] In response, the Owner submits that use of a trade-mark pursuant to section 4(1) may occur from the giving of free samples of products to wholesalers and retail customers. It submits that the giving of samples and “zero cost sales” of the cosmetic products bearing the Mark resulted in the transfer of the property and possession of the wares bearing the Mark in the normal course of trade.

[18] Generally, the free distribution of samples bearing a trade-mark is not use of that trade-mark in the normal course of trade except in certain circumstances [see, for example, *ConAgra Foods, Inc v Fetherstonhaugh & Co* (2002), 23 CPR (4th) 49 (FCTD), where the distribution of free samples was considered a regular step in the normal course of trade in the industry where the owner of the trade-mark was seeking to develop a market]. Jurisprudence supports the view that the free distribution of a product might constitute “use” under section 4(1) of the Act if it is done in anticipation of securing sales of the product [see *88766 Canada Inc v Spinnakers Brew Pub, Inc* (2005), 48 CPR (4th) 70 (TMOB)].

[19] In any event, as noted above, Dr. Asculai attests to securing sales of VISIBLE YOUTH skincare products to Canadian distributors during the relevant period and attaches the aforementioned Exhibits 17 and 18. The Requesting Party challenges the relevancy of Exhibit 18 as it does not identify the Owner or the Mark. However, Dr. Asculai attests to the document’s relevancy, confirming that the 144 packages/boxes of its VISIBLE YOUTH products listed were shipped and delivered to Ronco by the Owner.

[20] The Requesting Party further submits that the invoices are insufficient in demonstrating sales in the normal course of trade, citing information in its written representations from “publicly-available financial filings” of the Owner. In the Requesting Party’s view, this information, if admitted into evidence, would cast doubt on whether the Owner is a functioning commercial enterprise. However, no inferences can be drawn from the Requesting Party’s

references to this information as section 45 of the Act does not permit the Registrar to consider evidence submitted by a requesting party.

[21] Lastly, the Requesting Party submits that the “millions of dollars” expended by the Owner on product development and the subsequent absence of significant commercial sales are inconsistent with the normal course of trade in the cosmetics industry. The Requesting Party explains that the sale of cosmetics typically involves large sales volumes and the creation of multiple verifiable documents evidencing sales, such as transaction logs from online sales accounts and courier receipts.

[22] However, a particular volume of sales as suggested by the Requesting Party is not required in these proceedings in order to show “use” of a trade-mark. While the Federal Court has stated that “sales that have been found to be ‘token’ sales, sales to related companies, free delivery of samples, and *pro-forma* transfers, do not meet the requirements of ‘in the normal course of trade’”, it also stated that “the Act does not impose any requirements concerning the length or extent of use of the trade-marks” [*JC Penney Co v Gaberdine Clothing Co* (2001), 16 CPR (4th) 151 (FCTD) at paragraph 92]. Indeed, evidence of a single sale in the normal course of trade may suffice to show use of a trade-mark in association with wares. In *Philip Morris Inc v Imperial Tobacco Ltd* (1987), 13 CPR (3d) 289 (FCTD), the Federal Court stated that “evidence of a single sale, whether wholesale or retail, in the normal course of trade may well suffice so long as it follows the pattern of a genuine commercial transaction and is not seen as being deliberately manufactured or contrived to protect the registration of the trade mark” [at 293].

[23] Further, in *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD), the Federal Court explained that “section 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” [at paragraph 39]. In the same paragraph, the Court held that “use between the retailer and the public enures to the benefit of the manufacturer and its use in Canada ...if any part of the chain takes place in Canada, this is “use” in Canada within the meaning of section 4.”

[24] In this case, as seen in Exhibits 17 and 18, the volume of products sold and the total prices invoiced are not insubstantial. Nothing in the exhibits would suggest that the sales were contrived, token, or *pro forma* transfers. While not made to a final consumer, the sale and delivery to a distributor in Canada represents a part of the chain of transactions contemplated by section 4 of the Act, as discussed in *Manhattan Industries*.

[25] Although the evidence in this case is neither perfect nor overwhelming, it is well established that the evidentiary threshold that the registered owner must meet is quite low [see *Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)]. In this case, in view of the evidence as a whole, I am satisfied that the owner has demonstrated use of the Mark in association with the registered wares in accordance with sections 4(1) and 45 of the Act.

Disposition

[26] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be maintained.

Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office