



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

Citation: 2011 TMOB 212
Date of Decision: 2011-11-07

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by The Dial Corporation against registration
No. TMA649,355 for the trade-mark TROPICAL
BREEZE in the name of Church & Dwight Co., Inc.**

[1] At the request of The Dial Corporation, the Registrar of Trade-marks issued a notice under s. 45 of the *Trade-marks Act* R.S.C. 1985, c. T-13 (the Act) on July 3, 2009 to Church & Dwight Co., Inc. (the Registrant), the registered owner of registration No. TMA649,355 for the trade-mark TROPICAL BREEZE (the Mark).

[2] The Mark is registered for use in association with “laundry detergent”.

[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 and 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 between July 3, 2006 and July 3, 2009 (the Relevant Period).

[4] The relevant definition of “use” in this case is set out in s. 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 Registrant filed the affidavit of David J. Schuman, Associate General Counsel and Trademark Counsel for the Registrant, sworn on January 21, 2010. Only the Registrant filed written representations; an oral hearing was not requested.

[6] In his affidavit, Mr. Schuman states that as an in-house Trademark Counsel for the Registrant, he has been responsible for management and administration of the global corporate trade-mark portfolio for the Registrant and its wholly owned and affiliated companies. He states that the Registrant is involved in manufacturing and selling household and industrial cleaners and detergents, personal care products, hygiene products, deodorizers and pet care products. He also states that as early as September 2, 2005, the Registrant and/or its licensees had started using the Mark in Canada in association with laundry detergents.

[7] More particularly, Mr. Schuman states that between the period of July 3, 2006 to July 3, 2009, Church & Dwight Canada Corp. (the Subsidiary), a subsidiary and authorized licensee of the Registrant, sold over \$500,000 (CAD) of laundry detergent bearing the Mark in Canada. The Registrant also spent over \$16,000,000 (CAD) in advertising its laundry detergent products including those associated with the Mark.

[8] Mr. Schuman has provided copies of seven invoices showing sales in Canada in 2008 as Exhibit A. I note that these invoices show the sale of liquid laundry detergent identified as "Trop. Br" to various retailers across Canada in Wetaskiwin, Brampton, Ottawa and Toronto. Mr. Schuman has also provided, as Exhibit B, a list reflecting Canadian sales of the laundry detergent bearing the Mark between January 18, 2008 and December 8, 2008.

[9] I note that the Registrant has not provided details of the license agreement with its Subsidiary. In this regard s. 50 of the Act provides as follows:

50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same

effect as such a use, advertisement or display of the trade-mark in that country by the owner.

[10] It is possible to infer a license from the facts provided in the affidavit even when direct evidence is not provided regarding control over the wares bearing the Mark [see *Taylor v. Matthew McAvan Enterprises Ltd.* (2004), 38 C.P.R. (4th) 284 (T.M.O.B.)]. Since Mr. Schuman has stated that the wares are manufactured by the Registrant and distributed by the Subsidiary, I am prepared to accept that the Registrant, as the manufacturer, has control over the quality and character of the distributed wares.

[11] In any event, however, I do not consider the absence of licensing details to be fatal, since it is well established that sales by intermediaries, such as distributors, can be considered sales of the registrant, provided that the wares associated with the trade-mark originate with the registrant [*Manhattan Industries Inc. v. Princeton Manufacturing Ltd.* (1971), 4 C.P.R. (2d) 6 (F.C.T.D.); *Osler, Hoskin & Harcourt v. Canada (Registrar of Trade Marks)* (1997), 77 C.P.R. (3d) 475 (F.C.T.D.)]. Specifically, I refer to *Osler, Hoskin & Harcourt, supra*, where Justice Richard held that use of a mark by a distributor was deemed use by the registrant such that the registrant did not have to rely on s. 50(1) of the Act in a situation where the product was manufactured, packaged and labeled by the registrant (paragraph 29). Justice Richard also stated (in paragraph 30):

In the case of a trade-mark owner, who is a foreign manufacturer of a product, and, who applies a trade-mark to that product or its packaging, that use in Canada of the trade-mark as a result of sales in Canada of the product is deemed use by the trade-mark owner, so as long as the owner has initiated the first link in the chain of transactions leading to sales in Canada.

[12] The facts of the present case are similar to those in *Osler, Hoskin & Harcourt, supra*, as the Registrant is a foreign manufacturer of laundry detergent and the Subsidiary appears only to be involved in selling the detergent in Canada. The Registrant has initiated the first link in the chain of transactions leading to sales in Canada by manufacturing the products and selling them through the Subsidiary.

[13] Having considered the evidence, I am satisfied that the Registrant's normal course of trade is to sell laundry detergent to retailers across Canada through its Subsidiary and that there were sales of the laundry detergent during the Relevant Period.

[14] With respect to the manner in which the Mark was associated with the wares at the time of transfer, Mr. Schuman states that laundry detergent is sold in individual plastic or cardboard containers that prominently depict the Mark. By way of example and marked as Exhibit C, he provided representative samples of packaging of the laundry detergent as it was sold in 2008. I note that the Mark is clearly shown on the bottles. Based on this Exhibit and Mr. Schuman's statements, I am satisfied that the Mark was clearly shown on the packaging of laundry detergents sold by the Registrant during the Relevant Period.

[15] In view of the above, I conclude that the Registrant has shown evidence of use of the Mark in association with "laundry detergent" as required by s. 4(1) of the Act during the Relevant Period.

[16] Accordingly, 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. Heidi Sprung
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office