



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADEMARKS

**Citation: 2020 TMOB 16**

**Date of Decision: 2020-02-13**

**IN THE MATTER OF A SECTION 45 PROCEEDING**

**McCarthy Tetrault LLP**

**Requesting Party**

**and**

**Biosential Inc.**

**Registered Owner**

**TMA731,986 for ZZZ BAR**

**Registration**

INTRODUCTION

[1] At the request of McCarthy Tetrault LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on February 8, 2017, to Biosential Inc. (the Owner), the registered owner of registration No. TMA731,986 for the trademark ZZZ BAR (the Mark).

[2] The Mark is registered for use in association with the following goods:

Food bars, namely, seed and grain based food bars.

[3] The notice required the Owner to show whether the trademark has been used in Canada in association with each of the goods 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 February 8, 2014 to February 8, 2017.

[4] The relevant definition of use for goods is set out in section 4 of the Act as follows:

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.

[5] It is well established that bare statements that a trademark is in use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with each of the goods specified in the registration during the relevant period [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[6] In response to the Registrar's notice, the Owner furnished the affidavit of Dr. Craig Hudson, sworn on September 6, 2017. Both parties filed written representations and were represented at an oral hearing.

[7] As a preliminary matter, I note that in its written representations, the Owner includes and refers to a number of facts not in evidence relating to Dr. Hudson and to his relationship with the Owner. However, pursuant to section 45 of the Act, I can only consider evidence submitted in the form of an affidavit or statutory declaration; accordingly, I have disregarded these references [*Ridout & Maybee LLP v Encore Marketing International Inc* (2009), 72 CPR (4th) 204 (TMOB)].

#### THE OWNER'S EVIDENCE

[8] In his affidavit, Dr. Hudson states that he is a clinical psychiatrist licensed by the Ontario College of Physicians and Surgeons (OCPS), and the CEO and co-founder of the Owner along with his wife Susan Hudson. He states that the Owner's first product was called Zenbev drink mix, which is an organic, powdered beverage mix that includes the chemical tryptophan. He

explains that the ZZZ BAR product evolved from research involving tryptophan, and that the Owner first developed marketing material for the product in 2002. As Exhibit A, he attaches a research paper on using tryptophan to treat insomnia based on research involving prototype bars, published in 2005. The Mark does not appear in the paper.

[9] Dr. Hudson states that because the Zenbev drink product was easier to produce, the Owner focused its efforts on commercializing the Zenbev product, with the intention to return to the ZZZ BAR product once the Zenbev product was established. However, in late 2014, Dr. Hudson was instructed by the OCPS to refrain from promoting the sale of any products. As Exhibit C, he attaches a copy of the OCPS order, dated December 8, 2014, which states that “the Committee has determined that the appropriate disposition is to require Dr. Hudson to attend at the College to be cautioned in person with respect to breach of the Advertising Regulation”, at which time “Committee members will provide directions to him about the steps the Committee believes he must take in order to avoid future difficulties.” I note that the Exhibit C document indicates that the complaint leading to the OCPS order was received by the OCPS in June 2014, and that the OCPS first contacted Dr. Hudson regarding issues relating to the Advertising Regulation on October 14, 2014.

[10] Dr. Hudson states that in the absence of his promotion and marketing efforts, the sales of Zenbev products “fell off”, impacting the Owner’s operating revenues. He states that he filed a “Constitutional Challenge” to the Health Professions Appeal and Review Board in response to the OCPS order, and attaches a copy of the Notice of Constitutional Question as Exhibit D. Dr. Hudson states that the challenge was heard on November 15, 2016, and that a decision on the matter was pending at the time of the affidavit. He further states that “[a]lthough work on the commercialization and marketing of the ZZZ BAR product also slowed in July, 2014,” he has been preparing to further develop and to sell the products on a commercial scale after the constitutional challenge is resolved. He explains that he has been in contact with a number of manufacturers in Canada and the United States to arrange for commercial production of the product.

[11] Dr. Hudson further states that at the current time, the Owner has a product called ZZZ BAR available for sale, “albeit quietly”, on its website. He explains that “[s]ales have been made

in Canada but we are not able to promote the product in any big way.” As Exhibit E, he attaches an undated screen capture for *zenbev.com* which shows a product called zzzBar available for sale. As Exhibit F, he attaches copies of transaction records for “representative sales of ZZZ BAR products”, including a sale on March 15, 2017, to a customer in Denmark, and another on June 29, 2017, for a sale to a Canadian customer. Dr. Hudson acknowledges that these sales took place after the relevant period but states that “they show that our commercial efforts relating to the ZZZ BAR product are ongoing.” In total, he states that the Owner has sold approximately 17 such products since their introduction on the Owner’s website, generating revenue of approximately \$230. Finally, he explains that as soon as a decision is reached on the constitutional challenge, he intends to sell the ZZZ BAR product more widely and to promote their sale.

#### ANALYSIS

[12] The Requesting Party raises two main issues with the Owner’s evidence: first, that it does not show use of the Mark during the relevant period, and second, that it does not establish special circumstances excusing non-use of the Mark. As the Owner concedes in its written representations that the Mark was not used in association with the registered goods during the relevant period, the issue in this case is whether special circumstances existed to excuse non-use of the Mark during the relevant period, pursuant to section 45(3) of the Act.

[13] To determine whether special circumstances have been demonstrated, the Registrar must first determine why the trademark was not used during the relevant period. Second, the Registrar must determine whether those reasons for non-use constitute special circumstances [*Canada (Registraire des marques de commerce) c Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA)]. Special circumstances are circumstances or reasons that are unusual, uncommon, or exceptional [*John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115 (FCTD) [*Cotton Club*]].

[14] If the Registrar determines that the reasons for non-use constitute special circumstances, the Registrar must still decide whether such circumstances excuse the period of non-use. This determination involves the consideration of three criteria: (1) the length of time during which the trademark has not been in use; (2) whether the reasons for non-use were beyond the control of

the registered owner; and (3) whether there exists a serious intention to shortly resume use [per *Harris Knitting*]. All three criteria are relevant, but satisfying the second criterion is essential for a finding of special circumstances excusing non-use [per *Scott Paper Ltd v Smart & Biggar*, 2008 FCA 129].

[15] The Owner submits that the reason for non-use of the Mark was the OCPS order directing Dr. Hudson to stop endorsing products and to ensure that his name and/or background are not being used to promote any such products. In its written representations, the Owner states that given Dr. Hudson's position as CEO of the Owner, the OCPS order is in practical effect a prohibition on the Owner marketing the registered goods. The Owner submits that these circumstances fall within the ambit of uncommon, unusual, or exceptional circumstances.

[16] The Requesting Party submits that the OCPS order is not the reason for the absence of use, noting that the order issued nearly a year into the relevant period and that the Owner sold the registered goods after the relevant period but before a decision on the constitutionality of the order had been reached. Further, the Requesting Party submits that the order only prohibited Dr. Hudson from promoting the product in his personal capacity and did not prevent the Owner from selling the registered goods, and observes that Dr. Hudson states that prior to the order, the Owner had opted to focus on the development and commercialization of the Zenbev drink product rather than the registered goods.

[17] Based on the totality of the evidence, it appears that the Owner made a deliberate business decision not to use the Mark. While I appreciate that the OCPS order (once it issued) would have been a factor in this business decision, and that the order could amount to an unusual, uncommon, or exceptional situation if it had been the sole factor preventing the Owner from selling its goods for the entirety of the relevant period [following *Marks & Clerk v SC Prodal 94 SRL*, 2006 FC 520, and *Przedsiębiorstwo Polmos Białystok Spółka Akcyjna v Underberg AG*, 2013 TMOB 133, both involving efforts to comply with regulatory standards], the Owner's contention that the order was the reason it did not use the Mark during the relevant period is contradicted by its own evidence in three respects.

[18] First, as noted above, Dr. Hudson states in his affidavit that the Owner initially opted to focus on the Zenbev drink product because it was easier to produce.

[19] Second, Dr. Hudson states that “work on the commercialization and marketing of the ZZZ BAR product... slowed in July, 2014,” whereas the OCPS did not contact him regarding the Advertising Regulation until October 2014 and did not issue its order until December 2014. This further indicates that even before the OCPS raised any issue regarding Dr. Hudson’s promotional activities, the Owner had already made the decision not to prioritize bringing the ZZZ BAR product to market.

[20] Third, the Owner’s evidence shows that it sold the registered goods in association with the Mark while the order was still in effect. This supports the conclusion that the Owner could have sold the ZZZ BAR product during the relevant period, but opted not to do so. If Dr. Hudson was of the view that the Owner selling the ZZZ BAR product during the relevant period would have put him in violation of the OCPS order, it is not clear why this would not also be the case after the relevant period but before a decision was reached in his constitutional challenge.

[21] Accordingly, it appears that the absence of use of the Mark during the relevant period was due to a voluntary business decision on the part of the Owner, which cannot be considered so unusual, uncommon or exceptional that it amounts to special circumstances. While the OCPS order undoubtedly became a factor in this decision when it issued in late 2014, the order on its own cannot constitute special circumstances as it only applies to part of the relevant period. Special circumstances must apply to the entire relevant period [see, for example, *Oyen Wiggs Green & Mutala LLP v Rath*, 2010 TMOB 34 at para 12; *PM-DSC Toronto Inc v PM-International AG*, 2013 TMOB 15 at para 15; *Norton Rose Fulbright Canada LLP v Solomon Kennedy trading as Luv Life Productions*, 2019 TMOB 22 at para 35; *Supreme Brands LLC v Joy Group OY*, 2019 TMOB 45 at para 31].

[22] Accordingly, I cannot conclude that the reasons for non-use of the Mark in Canada during the relevant period constitute special circumstances. However, even if I were to find that the Owner’s stated reason for non-use constituted special circumstances, it still would not excuse non-use of the Mark. In this respect, I note the lengthy period of eight years of non-use and the fact that the OCPS order did not actually prevent the Owner from selling goods in association with the Mark while the order was still in effect, suggesting that the absence of use was not beyond the Owner’s control.

DISPOSITION

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

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G.M. Melchin  
Hearing Officer  
Trademarks Opposition Board  
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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**HEARING DATE** 2019-12-11

**APPEARANCES**

Edward Kang For the Registered Owner

Michael O'Neil For the Requesting Party

**AGENTS OF RECORD**

Rowand LLP For the Registered Owner

Gowling WLG (Canada) LLP For the Requesting Party