



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 240

Date of Decision: 2021-10-29

IN THE MATTER OF A SECTION 45 PROCEEDING

Barrette Legal Inc.

Requesting Party

and

Biologische Heilmittel Heel GmbH

Registered Owner

TMA383,470 for TRAUMEEL

Registration

INTRODUCTION

[1] This is a decision involving a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act), with respect to registration No. TMA383,470 for the trademark TRAUMEEL (the Mark).

[2] For the reasons that follow, I conclude that the registration ought to be expunged.

PROCEEDING

[3] At the request of Barrette Legal Inc. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on May 8, 2018, to Biologische Heilmittel Heel GmbH (the Owner), the registered owner of the Mark.

[4] The database indicates that the Mark is registered for use in association with the following goods and services:

Goods

(1) Pharmaceutical preparation for the treatment of sprains, dislocations, contusions, effusions of blood and effusions into a joint, fractures, commotio cerebri, post-operative and post-traumatic oedemas and swelling of the soft tissues, inflammatory degenerative processes in organs and tissues, parodontitis, paradentosis and suppuration of the gingival pockets.

(2) Veterinary preparations, namely homeopathic drugs useful in animals to relieve muscle and joint pain and to relieve pain, inflammation and bruising associated with injuries such as sprains, dislocations, contusions; sanitary preparations for medical purposes namely, ointments for applying and massaging, soothing and refreshing irritated skin, the treatment of slow-healing, contused, lacerated and defective wounds, congelation, skin burns, inflammations of the skin, improvement of skin appearance and that gives skin smoothness, softness and feeling of comfort.

Services

(1) Medical services namely the provision of homeopathic drugs.

(2) Publishing a website about homeopathic drugs and their uses.

(3) Veterinary services.

[5] A previous section 45 notice was sent to the Owner on April 21, 2015. As a result, on June 17, 2017, a decision was rendered by the Registrar expunging, *inter alia*, all of the services. Notwithstanding that decision, I note that the database had not been updated to fully reflect the decision from 2017 and that the services were still listed as part of the registration when the subject notice was issued in May 2018. For purposes of this decision, I will not consider the services as part of the extant registration, and I confirm that the registration will be updated to properly reflect the 2017 decision. In any case, I note that the Owner did not file evidence of use in this proceeding regarding any of those expunged services.

[6] The notice required the Owner to show whether the trademark was used in Canada, in association with the registered goods and services, 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 May 8, 2015, to May 8, 2018.

[7] The relevant definition of use in the present case 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.

[...]

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

[8] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing “deadwood” from the register. As such, the evidentiary threshold that the registered owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448] and “evidentiary overkill” is not required [see *Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD) at para 3]. Nevertheless, sufficient facts must still be provided to allow the Registrar to conclude that the trademark was used in association with the registered goods.

[9] In response to the Registrar’s notice, the Owner furnished the affidavit of Maria Dolores Pérez, sworn on November 23, 2018.

[10] Both parties submitted written representations and attended a hearing.

EVIDENCE

[11] Ms. Pérez is a director with the Owner, a manufacturer and distributor of natural medicines. She states that the Owner manufactures almost all of its products in Baden-Baden, Germany and that these goods are then distributed worldwide through regional subsidiaries and local distribution partners.

[12] In Canada, the products were sold by different distributors until the Owner created a subsidiary in 1994, Heel Homeotherapy Canada, which eventually became Heel Canada Inc. Due

to two class action lawsuits in the United States that resulted in settlements, the Owner decided to withdraw direct sales in Canada in 2014. The last sales to Heel Canada took place in April 2014, which in turn sold products to purchasers in Canada until August 2014.

[13] While there are no distributors in Canada, Ms. Pérez states that “many European distributors continue shipping TRAUMEEL marked products to consumers in Canada”. She adds that “European distributors that sell Heel products offer TRAUMEEL marked products to consumers on Amazon Canada [...] and Ebay Canada.”

[14] In the last part of Ms. Pérez’s affidavit titled *OUR PLANS TO RE-ENTER THE CANADIAN MARKET*, she states that in 2017, the Owner concluded an agreement with its distributor in the United States, MediNatura Inc. With this new agreement, Ms. Pérez explains that the Owner expects additional distribution of “TRAUMEEL tablets and ointments” to “commence in Canada shortly.” As such, Ms. Pérez indicates that the Owner kept all of its Health Canada registrations.

[15] In support, the following relevant exhibits are attached to Ms. Pérez’s affidavit:

- Exhibit C consists of product packaging, advertisements, and publications. With respect to the advertisements and publications, although there are some in English, Ms. Pérez does not attest to their distribution or circulation during the relevant period. With respect to the packages shown, I note that these are not in English or French. The Mark and the name of the Owner appear on them. However, Ms. Pérez does not specify which registered goods are represented in this exhibit.
- Exhibit E consists of a spreadsheet showing shipments of different products such as “TRAUMEEL AD US VET 50 AMP ELA” and “TRAUMEEL S 50 TAB CA” in Canada from the Owner to its subsidiary Heel Canada Inc. between February 26, 2013, and April 23, 2014.
- Exhibit F is described by Ms. Pérez as “statements from [...] Metropolitan Pharmacy and Bulexpo Ltd. regarding sales of TRAUMEEL branded products to Canadian customers.” I note that this exhibit consists of two documents titled *Affidavit*. In the first, there is no

name, nor address, and the space where the affiant should indicate the number of customers in Canada is left blank. In the second, the affiant declared having delivered products to an address in Bulgaria.

- Exhibit G consists of printouts from an *Amazon.ca* search for “traumeel”. I note that this search was conducted on November 14, 2018, and there are 23 results. For each result, the name, a photograph of the product or the package and a price are listed. On these 23 products, 17 contain “traumeel” as part of the name and, for seven of these, the Mark appears on the photograph next to the product. The photographs next to the name of the other products show other brands.
- Exhibit H consists of printouts of reviews from *Amazon.ca* for products, namely, ointment, tablets and oral drops, bearing the Mark, and profile pages from the reviewers. I note that multiple reviewers are from Canada and there is a reference to *Verified Purchase*, next to most of the reviews. However, I note that the date of purchase is not mentioned.
- Exhibit I consists of a two-page printout titled *Business Report Bulexpo Ltd.* Ms. Pérez states that this printout shows the sales made by the Owner’s distributor Bulexpo Ltd., from January 2017 to August 2018, of certain registered goods to Canadian purchasers. I note that, on the first page, there are nine different products listed and for each product a number of units ordered and a price in Canadian dollars. However, there are no dates or confirmations of shipping. The second page indicates that different products were sold and shipped to Canada, such as “Traumeel S Ointment 100g”, “Traumeel tablets-2 pack”, and “Traumeel S – Anti-Inflammatory Pain Relief Analgesic – Homeopathic Ointment – 100 g”. However, the purchase dates are from May 27, 2018, to August 12, 2018, and therefore after the relevant period.
- Exhibit J consists of an invoice and shipping confirmation of a Canadian customer purchasing “Traumeel S – 50 g Anti-Inflammatory Pain Relief Analgesic – Homeopathic Ointment ” and “Traumeel S Ointment 100g”. On this confirmation, there is a photograph of each of the ordered products and the Mark appears on both products and their packaging. There are also photographs of the packages and products received by the

customer. In these photographs, I note that the Mark does not appear on the goods or packaging received by the customer. Ms. Pérez states that “the sale was concluded in July 2018 but would be representative of *Amazon.ca* sales which have been ongoing since at least as early as 2015.”

- Exhibit L consists of a printout from Health Canada showing the Owner’s registrations for six different products branded “Traumeel S”.

ANALYSIS

[16] The Requesting Party raises the following issues:

- Part of the affidavit and some of the exhibits represent hearsay evidence;
- Any use in association with goods by the Owner’s distributors does not enure to the Owner;
- The evidence is ambiguous as to which trademark appears on the goods sold by the distributor;
- The Owner did not correlate the goods sold by the distributors with the registered goods;
- The goods sold by the distributor does not constitute the Owner’s normal course of trade;
- There are no special circumstances excusing any non-use of the Mark.

Admissibility of the affidavit and exhibits

[17] I agree with the Requesting Party that multiple exhibits attached to the affidavit are not from the Owner, but from third parties, such as the Exhibit G printouts of products sold through *Amazon.ca*, the Exhibit H printouts of *Amazon.ca* reviews, and the Exhibit I printout from a distributor regarding sales of goods. Certainly, the reliance on searches of and printouts from *amazon.ca* as evidence of transfers in Canada is questionable at best. However, the summary nature of section 45 proceedings is such that concerns regarding hearsay should generally only go to the weight of the evidence, rather than its admissibility [see *Eva Gabor International Ltd v 1459243 Ontario Inc*, 2011 FC 18]. An affiant’s statements are to be accepted at face value and must be accorded substantial credibility in a section 45 proceeding [*Oyen Wiggs Green & Mutala LLP v Atari Interactive Inc*, 2018 TMOB 79 at para 25]. Therefore, any concerns about the

reliability of Ms. Pérez's statements and exhibits will be assessed below in terms of weight rather than admissibility.

Association of the Mark with the goods

[18] The Requesting Party alleges that the evidence is “contradicting regarding what trademark is subject of the alleged sales in exhibit G and H”. In particular, the Requesting Party notes some of the reviews contained in Exhibit H, such as “It was once sold in Canada, but now we have to get it from Bulgaria, so the label is different”, “a little surprised the language on the carton was Polish”, and “I ordered traumeceel in the original not in a name brand tpaymnns”. For this last review, the reviewer included a photograph as part of the review and the Mark does not appear on the product received. The Requesting Party also notes that the Mark does not appear on the Exhibit J photographs of the packaging received by a Canadian customer.

[19] In its representations, the Owner refers to the Exhibit C sample of packaging, submitting that while two trademarks appear on some of the packages, the Mark does appear on every package. In this respect, the Owner notes that Ms. Pérez states in her affidavit that the Owner's distributors ship “TARUMEEL marked products to consumers in Canada.”

[20] However, Ms. Pérez does not clearly state that the Exhibit C packages are representative of the packages sent to Canadian customers during the relevant period. The Exhibit C packages are not in French or English and do not correspond to the packages shown in the Exhibit J photographs of a “representative” sale. Moreover, I agree with the Requesting Party's submissions regarding the contradictory evidence found in Exhibit H reviews. Therefore, I am not satisfied that the evidence clearly shows that any products sold by the Owner's distributor during the relevant period displayed the Mark or were otherwise associated with the Mark..

Transfer of the goods in Canada during the relevant period

[21] Even if I were to accept that the products sold by the Owner's distributor would have been associated with the Mark, the Owner did not file sufficient evidence to demonstrate that the registered goods were in fact transferred in Canada during the relevant period.

[22] Although invoices are not mandatory in order to satisfactorily reply to a section 45 notice [*Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)], some evidence of transfer in the normal course of trade in Canada is necessary [*John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA)]. Such evidence can be in the form of documentation like invoices or sales reports, but can also be through clear sworn statements regarding volumes of sales, dollar value of sales, or equivalent factual particulars [see, for example, *1471706 Ontario Inc v Momo Design srl*, 2014 TMOB 79].

[23] In this case, the Owner relies on the *Amazon.ca* reviews (at Exhibit H), submitting that at least 23 Canadian customers purchased TRAUMEEL-branded ointments, at least 2 Canadian customers purchased TRAUMEEL-branded tablets, and at least 3 Canadian customers purchased TRAUMEEL-branded oral drops. The Owner also relies on the Exhibit I business report from the distributor, and the Exhibit J “representative” sale made after the relevant period.

[24] It is questionable whether any such “indirect” sales should be considered as being “in the normal course of trade” within the meaning of section 4(1) of the Act. At best, these appear to be token sales through a foreign distributor on *amazon.ca*. In any event, these exhibits are not sufficient to conclude that transfer of registered goods occurred in Canada during the relevant period, in the normal course of trade or otherwise. First, I give little weight to the Exhibit H reviews and the Exhibit I business report. Even if I were to accept the report as a business record rather than hearsay, it does not demonstrate any sales of registered goods to Canadian during the relevant period. Moreover, the *Amazon.ca* reviews are not reliable as there are no dates of purchase of the products, and it is not clear if the Mark appeared on goods reviewed. As for the Exhibit J “representative” sale, the goods depicted on the shipping confirmation, bearing the Mark, are not the ones that appear on the photographs of the goods received by the Canadian customer. The packaging is not in English or French, the Mark does not appear and Ms. Pérez does not state which products were sold to that customer. Therefore, I cannot conclude that there is evidence of transfers of the registered goods in Canada during the relevant period.

[25] In view of the foregoing, I am not satisfied that the Owner has demonstrated use of the Mark within the meaning of sections 4 and 45 of the Act in association with the registered goods.

Therefore, the issue is whether, pursuant to section 45(3) of the Act, special circumstances existed to excuse non-use of the Mark.

Special circumstances

[26] 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 (Registrar of Trade Marks) v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488 (FCA) (*Harris Knitting*)]. 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) (*John Labatt*)].

[27] 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 trade-mark 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, supra*]. 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].

[28] In her affidavit, Ms. Pérez refers to the two class action lawsuits against Heel Inc., the Owner's subsidiary in the United States, and the subsequent settlements to explain the withdrawal of direct sales in Canada. She indicates that these created a financial burden to the subsidiaries and that a "complete overhaul" of the packaging and advertising was necessary to comply with the settlements.

[29] There is no evidence to suggest that the Owner's decision to withdraw from the Canadian market was anything but a business decision, due to the settlements. In the absence of further details regarding these lawsuits and settlements, I am unable to conclude that the circumstances described in Ms. Pérez's affidavit are so "unusual, uncommon or exceptional" that they meet the standard of special circumstances as articulated in *John Labatt*.

[30] In any event, even if I were to accept that the withdrawal from direct sales in Canada due to lawsuits could be considered “unusual, uncommon or exceptional” circumstances, I am not satisfied that they excuse the period of non-use in this case. In this respect, I am not satisfied that the Owner has satisfied the criteria set out in *Harris Knitting*, especially the second criterion.

[31] The withdrawal from the Canadian market was not beyond the Owner’s control; rather, it appears to have been a business decision due to the nature of the settlements. Ms. Pérez states that the Owner needed to modify the packaging and advertising in accordance with the settlements. However she did not explain why the Owner chose not to do so. Moreover, the evidence indicates that the Owner prioritized other markets over the Canadian market, as sales of the Owner’s products resumed in the United States but not in Canada.

[32] Accordingly, I am not satisfied that the Owner has demonstrated special circumstances excusing non-use of the Mark during the relevant period within the meaning of section 45(3) of the Act.

DISPOSITION

[33] 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 expunged.

Ann-Laure Brouillette
Hearing Officer
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE August 18, 2021

APPEARANCES

Nicola M. Hunt	For the Registered Owner
Bruno Barrette	For the Requesting Party

AGENTS OF RECORD

Nicola M. Hunt	For the Registered Owner
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