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C I P O

LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 153

Date of Decision: 2022-08-09

IN THE MATTER OF A SECTION 45 PROCEEDING

**Guangzhou Wanglaoji Grand Health
Co., Ltd.**

Requesting Party

and

Multi Access Limited

Registered Owner

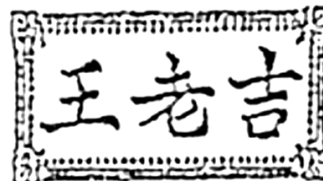
**TMA892,774 for Chinese Character
Design**

Registration

INTRODUCTION

[1] This decision involves a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA892,774 for the trademark Chinese Character Design (the Mark), reproduced below:

王老吉



[2] The Mark is registered for use in association with a variety of medicinal, food, and beverage goods, as listed in Schedule A. The English translation of these Chinese characters

(repeated twice) is OLD MAN NAMED WANG GIVES YOU LUCK and the Mandarin transliteration of the Chinese characters (which is repeated twice) is WANG LAO JI.

PROCEEDINGS

[3] At the request of Guangzhou Wanglaoji Grand Health Co., Ltd. (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on October 30, 2019, to Multi Access Limited (the Owner), the registered owner of the Mark.

[4] The notice required the Owner to show whether the Mark was used in Canada, in association with each of the registered goods, at any time within the three-year period immediately preceding the date of the notice and, if not, the date when the Mark was last in use and the reason for the absence of such use since that date. The relevant period for showing use is October 30, 2016, to October 30, 2019.

[5] The relevant definition of use in this case is set out in section 4(1) 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.

[6] In the absence of use, pursuant to section 45(3) of the Act, the registration is liable to be expunged, unless the absence of use is due to special circumstances that excuse the absence of use.

[7] In response to the Registrar's notice, the Owner furnished an affidavit of Chan Hung To, sworn on May 27, 2020.

[8] Both parties submitted written representations and were represented at a hearing. The hearing was held jointly with respect to the summary cancellation proceeding for registrations No. TMA410,076 for the trademark CHARACTERS-CHINESE DESIGN, No. TMA927,934 for the trademark WONG LO KAT Vertical Chinese Characters Design, No. TMA910,422 for the trademark Red, Black and Brown Colour Arrangement Design, No. TMA910,437 for the trademark Colour Arrangement and Chinese Characters Design, No. TMA879,263 for the

trademark WANG JAO LI, No. TMA879,265 for the trademark WONG LO KAT, and No. TMA879,259 for the trademark Chinese Character Design. Separate decisions will be issued with respect to these proceedings.

EVIDENCE

[9] Mr. Chan is the Director of the Owner. He gives an overview of the history of the Owner's products, stating that they were first sold in the 19th century as an effective prevention against and a remedy to different illnesses, such as influenza. He states that, during the relevant period, the Owner's tea and herbal tea were considered an effective prevention against influenza [para 6].

[10] He explains that the Owner has licensed JDB Hangzhou Limited (the Licensee) to "oversee the production of the [Owner]'s Tea and Herbal Tea bearing the [Mark]", stating that the Owner maintains "direct or indirect control over the character and quality of the Tea and Herbal Tea bearing the [Mark]" [para 12].

[11] According to Mr. Chan, during the relevant period, the Owner's teas and herbal teas were produced in Malaysia, and then exported from Malaysia to Canada by Wing Tung Drinks (Malaysia) SDN BHD [Wing Tung], which sold and shipped these products to the Owner's Canadian distributor, Every Green International Inc. (Every Green) [paras 13-14]. Attached to his affidavit are representative invoices issued by Wing Tung to Every Green for "the purchase and sale in Canada of the [Owner]'s Tea and Herbal Tea bearing the [Mark] during the Relevant Period" [para 16, Exhibit C]. The products sold on these invoices are described as "Wong Lo Kat Herbal Drink". Also attached to his affidavit as part of Exhibit C are representative bills of lading issued by Wing Tung to Every Green for "the shipment to Canada of the [Owner]'s Tea and Herbal Tea bearing the [Mark] during the Relevant Period" [para 16].

[12] Mr. Chan attests that the Owner's tea and herbal tea are sold in Canada in packaging displaying the Mark. Attached to his affidavit as Exhibit B are "representative images of the [Owner]'s Tea and Herbal Tea, which were exported to, and distributed and sold in Canada [...] during the relevant period" [para 15]. The images depict what appears to be two versions of a can of "herbal tea" from various angles. The label on the first version indicates that the product is

manufactured by “Pokka Ace (M) Sdn. Bhd.” and that manufacturing is supervised by the Licensee. It also identifies Every Green as the *Exclusive Distributor of Canada* and that “Herbal drink not for medical purposes”. The second version does not indicate which entity manufactured the product, but indicates it was supervised by “Hung To (Holdings)”. Both versions are reproduced below:



[13] Attached to Mr. Chan’s affidavit as Exhibit D is a table providing yearly breakdowns of quantities and dollar values of the Owner’s “Wong Lo Kat Herbal Tea” imported, then distributed and sold in Canada between 2009 and 2019. Mr. Chan confirms that the products depicted in the Exhibit B images are representative of the products sold in Canada, as shown in the table [para 17].

ANALYSIS AND REASONS FOR DECISION

Hearsay

[14] The Requesting Party objects to portions of Mr. Chan's affidavit as constituting hearsay. In particular, the Requesting Party submits that the Exhibit C invoices and bills of lading are issued by the Licensee, which do not have a corporate relationship with the Owner. It cites *Brick Brewing Co v Lakeport Brewing Corp* (2003), 35 CPR (4th) 70 (TMOB), for the proposition that business records of third-party companies constitute inadmissible hearsay.

[15] The Owner submits that it is reasonable to infer that a witness who has full knowledge of all areas of the Owner's operations, such as Mr. Chan, the Owner's director, would be knowledgeable of the activities of parties in its chain of distribution. It adds that the information contained in the Chan affidavit is known to Mr. Chan personally or contained in business records of the Owner and, because the Owner monitors the activities of its exporters and distributors, that it is reasonable to conclude that invoices and bills of lading would be maintained in those records.

[16] I agree with the Owner that Mr. Chan, by virtue of his position, would be knowledgeable of the activities of parties in the Owner's chain of distribution. In view of this and the supporting statements in his affidavit, I accept that the entirety of the affidavit is admissible.

Use by the Owner

[17] The Requesting Party submits that the Owner has not established licensed use of the Mark in accordance with section 50 of the Act. It submits that the evidence suggests that at least five entities have a role in the manufacture, export, and distribution of the goods and, except for the Licensee, the Owner has not provided evidence that these entities have been licensed to use the Mark.

[18] The Owner submits that there is no obligation to "license" each member of its supply chain, as long as the Owner initiated the first link in the chain of transactions. Given that Mr. Chan establishes that the Owner exerts the necessary control over the Licensee and that the

Owner is the first link in the chain of manufacture, export, and distribution to Canada, the Owner submits that any transfer by its Licensee or distributor enures to the benefit of the Owner.

[19] It is well established that a trademark owner's ordinary course of trade will often involve distributors, wholesalers and/or retailers, and that distribution and sale of the owner's goods through such entities can constitute trademark use that enures to the owner's benefit [see *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6 (FCTD); *Lin Trading Co v CBM Kabushiki Kaisha* (1988), 21 CPR (3d) 417 (FCA)].

[20] Moreover, Mr. Chan states that the Owner exerted the requisite control and that is sufficient to establish that any use of the Mark by the Licensee enures to the benefit of the Owner [per *Empresa Cubana Del Tobacco Trading v Shapiro Cohen*, 2011 FC 102 at para 84]. As noted by the Owner, it does not have to demonstrate a licence granted to all of the entities involved, as the Owner initiated the first link in the chain of distribution by way of its Licensee.

Normal Course of Trade

[21] The Requesting Party also submits that the Owner failed to establish its normal course of trade. It submits that the evidence indicates that the production of the tea and herbal tea packaged in the second version of the packaging in the relevant period was supervised by Hung To (Holdings).

[22] In response, the Owner submits that the product labelling in Exhibit B and the invoices and bills of lading in Exhibit C support Mr. Chan's statements establishing that i) the Owner has a Licensee who supervised the production of the Owner's tea goods, and ii) Wing Tung exported such goods from Malaysia by selling them to the Owner's exclusive distributor in Canada, Every Green.

[23] In the present case, Mr. Chan described most of the chain of transactions, and his statements are consistent with the exhibits filed. There is no particular type of evidence that must be provided to show the normal course of trade in a section 45 proceeding and the evidence need not be perfect [see *Lewis Thomson & Son Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD)].

[24] As section 45 proceedings are meant to be simple, summary, and expeditious, it was not necessary for Mr. Chan to identify and explain every entity in the chain of distribution for the Owner's products; the facts provided in the affidavit and exhibits are sufficient to establish the Owner's normal course of trade.

Transfers in Canada

[25] The Requesting Party submits that the evidence does not establish the quantities of herbal tea distributed and sold to consumers in Canada beyond a bald assertion that Every Green distributes and sells "Tea and Herbal Tea" in Canada. Moreover, it adds that the Owner did not establish which version of the can as shown in Exhibit B is reflected in the Exhibit C invoices and bills of lading, as well as in the Exhibit D sales table.

[26] In response, the Owner submits that it filed representative invoices and bills of lading showing the transfer of the goods from the Owner's exporter to its Canadian distributor in Canada, and provided the quantities and values of herbal tea sold in Canada each year during the relevant period. It adds that any transfer in Canada, even to a distributor, would be sufficient to demonstrate a transfer pursuant to the Act.

[27] With respect to the issue of transfers generally, I accept that the Exhibit C invoices and bills of lading are sufficient to demonstrate transfers of the product described as Wong Lo Kat Herbal Tea in Canada, by the Owner, during the relevant period.

[28] As for which version of the can "packaging" was sold and reflected in the representative invoices and bills of lading, while the evidence could have been clearer, I accept Mr. Chan's statements at face value that the Exhibit B images are representative of the cans sold and transferred in Canada during the relevant period, such that both versions were the subject of transfers in Canada.

Display of the Mark

[29] Further to its argument that the evidence is ambiguous as to which version was transferred in Canada, the Requesting Party submits that the evidence does not show use of the Mark as registered. In particular, it submits that the stylization of some characters and the

addition of words, Chinese characters, and rectangles are not an acceptable variation of the Mark and that the TM and ® symbols suggest that they are two different trademarks arranged side-by-side and not two parts of a variant of the Mark.

[30] The Owner submits that the dominant features of the Mark have been maintained. In particular, it argues that the only addition is that of the words “WONG LO KAT”, which appear in a smaller font, and the stylized rectangle surrounding the characters. The dominant features, namely the Chinese characters, are maintained, therefore the trademark appearing in the Exhibit B images is an acceptable variation of the Mark.

[31] Design trademarks, by definition, are characterized by a “specificity” beyond that of word marks [*Trademark Tools Inc v Miller Thomson LLP*, 2017 FCA 98 at para 6]; nevertheless, where a trademark in use differs from the trademark as registered, the question to be asked is whether the trademark was used in such a way that it did not lose its identity and remained recognizable, in spite of the differences between the form in which it was registered and the form in which it was used [*Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA)]. The use of a trademark in combination with additional words or features constitutes use of the registered trademark if the public, as a matter of first impression, would perceive the trademark per se as being used. [*Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB)], and there is nothing in the Act that precludes a trademark owner from using more than one trademark at the same time in association with the same goods [*AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD)].

[32] I agree with the Owner that the dominant features of the Mark, being the Chinese characters and the border are retained in the trademark as used, albeit in a different configuration and stylization and with an additional border. I consider the first TM symbol is not determinative, but rather merely an indication that the first half of the Mark is also itself considered a trademark. As such, the identity of the Mark is preserved and the deviation would not, in my opinion, mislead an unaware purchaser.

[33] In view of the foregoing, I am satisfied that the trademark appearing in the Exhibit B images is an acceptable deviation of the Mark.

Use in association with the registered goods

[34] Finally, the Requesting Party submits that the evidence is directed to, at most, the goods “herbal tea” in goods (2), but not “tea” and “herbal tea for food purposes”.

[35] In turn, the Owner submits that use of “Herbal Drink” and “Herbal Tea” on invoices and packaging, supported by the sworn statements of Mr. Chan describing the Owner’s sales of its “Tea and Herbal Tea” in Canada, are sufficient to show use of the Mark in association with both “tea” and “herbal tea”.

[36] Given that the products depicted throughout the Exhibits are described as “herbal tea” and “herbal drink”, and taking into account all of the above, I am satisfied that the Owner has demonstrated use of the Mark only in association with “herbal tea” within the meaning of sections 4 and 45 of the Act. As there is no evidence of special circumstances before me, the registration will be amended accordingly.

DISPOSITION

[37] 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 amended to delete all of the registered goods, except “herbal tea” from goods (2).

[38] The statement of goods will now read as follows: Herbal tea.

Ann-Laure Brouillette
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

(1) Chinese medicines and herbs for medicinal use, namely for the treatment of fever, influenza, coughs, colds, pain, namely back pain, joint pain, muscle pain, pain from burns, neuropathic pain, tiredness, abnormal heartbeat, sleep hyperhidrosis, insomnia, loss of balance, high blood pressure, headaches, throat infections, ear infections, urinary tract infections, allergies, indigestion, heartburn, alcohol use disorders, anxiety, bone and skeletal diseases and disorders, blood diseases and disorders, cancer, cardiovascular diseases, central nervous system diseases and disorders, namely central nervous system infections, brain diseases, central nervous system movement disorders, ocular motility disorders, spinal cord diseases, encephalitis, epilepsy, cerebral palsy and Parkinson's disease, diabetes, diabetic neuropathy, endocrine diseases and disorders, namely osteoporosis, polycystic ovary syndrome, hyperthyroidism, hypothyroidism, gigantism, acromegaly, growth hormone deficiency, Cushing's syndrome, Addison's disease and menopause, gastrointestinal diseases and disorders, inflammation and inflammatory diseases, namely inflammatory bowel diseases, inflammatory connective tissue diseases, inflammatory pelvic diseases, liver diseases and disorders, kidney diseases and disorders, neurodegenerative diseases and disorders, namely multiple sclerosis, dementia, autistic spectrum disorders and Alzheimer's disease, neurological diseases and disorders, namely brain injury, spinal cord injury, seizure disorders and Huntington's disease, obesity, ophthalmic conditions and diseases, namely detached retina, dry eye syndrome, photophobia, styes, conjunctivitis, diabetic retinopathy, glaucoma, macular degeneration and cataracts, peripheral nervous system diseases and disorders, namely muscle weakness, paralysis, sensory dysfunction, Guillaine barré syndrome, leprosy, reproductive system diseases and disorders, sexual dysfunction, urological disorders, sleep disorders, migraines, metabolic diseases and disorders, namely growth and thyroid disorders, mood disorders, depression, vascular disorders, skin disorders, rheumatic disorders, namely ankylosing spondylitis, tendinitis, capsulitis, osteoarthritis, rheumatic fever and rheumatoid arthritis, arthritis, respiratory conditions, namely asthma, whooping cough, bronchitis, emphysema, croup, mountain sickness, pleuracy, sarcoidosis, tuberculosis, sinusitis, hayfever, sleep apnea, snoring, laryngitis, pneumonia, autoimmune deficiencies, and for assistance of smoking cessation and promoting weight loss.

(2) Tea; herbal tea; herbal tea for food purposes; tea cakes; tea essences; tea extracts; tea substitutes; tea flavouring; tea-based breads; tea-based cakes; tea-based pastries; tea-based biscuits; tea-based confectionery; coffee, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, namely, maize, rice, wheat, sorghum, barley, millet and oats, bread, pastry and confectionery, namely caramels, fondants, fruit jellies, liquorice, non-medicated lozenges, pastilles, peppermints, sour candies; hard candies; pralines, coated nuts, non-medicated fruit drops, lollipops, marshmallows, sherbets, truffles, chocolates, chocolate bars, candy bars, gumballs, jelly beans, candy canes, rock candy, fudge, toffees, mint for confectionery; ices; honey, treacle; yeast, baking-powder; cooking salt; rock salt; salt for food; mustard; vinegar, condiments, namely chutney, ketchup, mayonnaise, relish, salad dressing, sweet pickle, horseradish, mint sauce, tartare sauce, Thousand Island dressing, salad cream; spices; ice.

(3) Beverages, namely, milk, fruit juice, soft drinks, energy drinks, coffee, non-alcoholic beers and wines, tea, mineral water, aerated water, beer, ginger beer, aperitifs [non-alcoholic],

carbonated beverages [non-alcoholic], ginger ale, grape must, must, extract of hops for making beer, liqueurs, barley waters, non-alcoholic fruit drinks made from concentrate, non-alcoholic cordials, malt beer, malt wort, sarsaparilla, not for medical purposes, seltzer water, soda water, tonic water, vegetable juices; preparations for making beverages, namely, fruit juice, soft drinks, energy drinks, coffee, non-alcoholic beers and wines, tea, mineral water, aerated water, beer, ginger beer, aperitifs [non-alcoholic], carbonated beverages [non-alcoholic], ginger ale, grape must, must, extract of hops for making beer, liqueurs, barley waters, non-alcoholic fruit drinks made from concentrate, non-alcoholic cordials, malt beer, malt wort, sarsaparilla, not for medical purposes, seltzer water, soda water, tonic water, vegetable juices.

(4) Alcoholic beverages, namely, wine, champagne, perry, port, sherry, cider, bitters, gin, rum, vodka, whisky, brandy, liqueurs, cocktails, aperitifs, rice wines, sake.

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

HEARING DATE: April 13, 2022

APPEARANCES

Noelle Engle-Hardy	For the Registered Owner
Andy Chow	For the Requesting Party

AGENTS OF RECORD

Smart & Biggar LLP	For the Registered Owner
MLT Aikins LLP	For the Requesting Party