



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2022 TMOB 207

**Date of Decision:** 2022-10-26

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

**Requesting Party:** Bedessee Imports Ltd.

**Registered Owner:** Procter & Gamble Health Limited

**Registration:** UCA9007 for SEVENSEAS

### **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. UCA9007 for the trademark SEVENSEAS (the Mark), owned by Procter & Gamble Health Limited (the Owner).

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

### **THE PROCEEDING**

[3] At the request of Bedessee Imports Ltd. (the Requesting Party), the Registrar of Trademarks issued a notice to the Owner under section 45 of the Act on August 5, 2020.

[4] The notice required the Owner to show whether the Mark had 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 August 5, 2017, to August 5, 2020.

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

Fish oils for use as a dietary supplement.

[6] 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.

[7] It is well established that 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)]. However, 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)].

[8] In response to the Registrar's notice, the Owner furnished the affidavit of David Walker, Brand Director, Innovation, Personal Health Care (PHC) Third Pillar at the Procter & Gamble Company of Cincinnati, Ohio (P&G), sworn on March 11, 2021 (the Walker Affidavit), and the affidavit of James Meadway, a private investigator, sworn on March 10, 2021 (the Meadway Affidavit). Both the Requesting Party and the Owner submitted written representations and were represented at an oral hearing.

## **THE EVIDENCE**

[9] In his affidavit, Mr. Walker explains that the Mark was originally owned by British Cod Liver Oil Producers (Hull) Limited, and subsequently Seven Seas Limited, before being assigned to Merck Consumer Healthcare Limited (Merck Healthcare), a subsidiary of Merck KGaA, in 2008. On December 1, 2018, P&G agreed to purchase Merck KGaA's consumer health unit, including Merck Healthcare, as part of a US \$4.2 billion deal which was completed in 2019. As part of this transaction, P&G acquired Seven Seas Limited, by that time a subsidiary of Merck Healthcare; in turn, the latter was renamed as Procter & Gamble Health Limited (*i.e.*, the Owner). Mr. Walker further states that Seven Seas Limited remains a subsidiary of the Owner and an indirect subsidiary of P&G.

[10] Mr. Walker states that executives at P&G had expressed interest in developing the Seven Seas brand in markets including Canada since at least 2018. However, he states that several factors beyond the control of P&G and the Owner have delayed plans to launch direct sales of Seven Seas nutritional supplements into Canada, including the complexity of integrating the former Merck KGaA consumer health unit and disruptions caused by the COVID-19 pandemic. He states that the acquisition of the consumer health unit was exceptionally complex, involving a diverse supply chain and over 6,000 companies. In particular, he states that P&G received incomplete records along with Merck Healthcare, with which it had no previous affiliation, and that there was a complete change in control and operations of the Owner as a result of P&G's acquisition of Merck Healthcare in 2019. As a result, Mr. Walker states that despite having made reasonable inquiries, he is unaware of when Merck Healthcare last directly sold Seven Seas fish oil, cod liver oil, or dietary supplements in the Canadian market prior to the acquisition except as described in his affidavit.

[11] Further, Mr. Walker states that the integration of Merck Healthcare and its subsidiary, Seven Seas Limited, was further complicated by developments prior to the acquisition, namely, a 2010 fire that caused major damage to Seven Seas Limited's factory in Hull, United Kingdom, leading to a decision to close the factory by 2015. As a result, Seven Seas Limited purchased product manufactured by third parties. Mr.

Walker states that after acquiring Merck Healthcare, P&G took steps to maintain the Mark, including packaging fish oil manufactured by another subsidiary in association with the Mark. However, such plans were put on hold by the COVID-19 pandemic, during which P&G diverted its resources to “secur[ing] supply chains for immediately relevant products such as its VICKS line of medical and pharmaceutical preparations.” However, he states that P&G is on track to launch sales of Seven Seas fish oil through *amazon.ca* by March or April 2021; as Exhibit J to his affidavit, he attaches sample packaging for this product displaying “SEVEN SEAS”.

[12] In addition, Mr. Walker states that Seven Seas fish oil sold by the Owner in the United Kingdom has been available in Canada through online and brick-and-mortar retailers as recently as March 2020. In support, he refers to the Meadway Affidavit, in which Mr. Meadway attests as follows:

- a. that he was instructed by the Owner to conduct a marketplace investigation regarding cod liver oil and similar products sold in association with the Mark;
- b. that on March 3, 2020, he visited a website of the Requesting Party listing several products in association with a SEVEN SEAS logo;
- c. that on March 9, 2020, he visited Skyland Food Mart, Top Food Supermarket, and New Ocean Supermarket in Scarborough, Ontario, and observed Seven Seas cod liver oil on display, and purchased quantities of such products, photographed them, and noted their LOT numbers and that they included the statement “Made for Seven Seas Ltd.”; and
- d. that on March 9, 2020, he visited Batala Supermarket and India Town Food & Spices in Scarborough, Ontario, and was informed by staff members that they had sold out of Seven Seas cod liver oil, and in the case of the latter retailer, that the retailer was expecting additional supply of Seven Seas cod liver oil the following week.

[13] As Exhibits A through C to his affidavit, Mr. Meadway attaches photographs of the goods in question and invoices for his purchases. I note that the packaging on the

goods displays the words “SEVEN SEAS”, with the word “SEVEN” placed above the word “SEAS”, and the LOT numbers noted by Mr. Meadway.

[14] Mr. Walker states that he was informed by Alberto Scarmagnan, Senior Brand Director, Global Vitamins at P&G, who oversees operations at Seven Seas Limited and the Owner, that the lot numbers on the packaging shown in the Meadway Affidavit correspond to manufacturing dates within or shortly before the relevant period. He states that these products correspond to “Fish oils for use as a dietary supplement” as listed in the registration.

[15] Finally, Mr. Walker states that as recently as March 3, 2021, Seven Seas fish oil sold by the Owner in the UK has been available to customers in Canada through *amazon.ca*; as Exhibit L, he attaches a screenshot from *amazon.ca* showing Seven Seas cod liver oil for sale. He notes that reviews on this page dated February 6, 2017, and September 12, 2019, are identified as “Verified Purchase”, which he states he understands to mean that the reviewers actually purchased the products being reviewed.

### **REASONS FOR DECISION**

[16] The Requesting Party submits that the use of the Mark in association with the goods noted in the Meadway Affidavit do not amount to use of the Mark by the Owner or a licensee under the control of the Owner, that the display of the Mark shown in the goods noted in the Meadway Affidavit do not amount to display of the Mark as registered, and that there are no special circumstances excusing non-use. For the reasons set out below, I am satisfied that the Owner has demonstrated use of the Mark.

#### ***Use of the Mark by the Owner***

[17] The Requesting Party submits that the Owner has not provided evidence to show it transferred the goods during the relevant period, or that it directly or indirectly controlled the character or quality of the goods identified in the Meadway Affidavit, such that that any use of the Mark in association with these goods would therefore not enure to the Owner. The Requesting Party notes that the packaging on these goods includes

the phrase “Made for Seven Seas Ltd”, and submits that Mr. Walker has not provided clear sworn statements, a licence agreement, or other evidence explicitly showing that the Owner exerted control over the character and quality of the goods of Seven Seas Ltd. within the meaning of section 50 of the Act.

[18] In response, the Owner submits that the Owner was the source of the goods identified and purchased by Mr. Meadway in March 2020, that Mr. Scarmagnan had oversight of operations at both the Owner and Seven Seas Ltd., and – if the Registrar does not find that the Owner was the source of the goods – that the notice on the packaging reading “Seven Seas® is a registered Trade Mark of Merck Consumer Healthcare Ltd.” is sufficient to demonstrate control under licence pursuant to section 50(2) of the Act.

[19] I concur with the Owner that the evidence establishes that it was the source of the goods in this case. The Owner’s evidence demonstrates that these goods were manufactured during or shortly before the relevant period, sold by the Owner (under its current name or as Merck Healthcare) in the United Kingdom, and were then sold to the public at retail stores in Canada during the relevant period. In this respect, I note that Mr. Meadway confirms in his affidavit that staff members at the Batala Supermarket and India Town Food & Spices informed him that they had sold out of the Seven Seas goods and/or were expecting resupply; while these statements are hearsay, it is well established that, given the summary nature of section 45 proceedings, “concerns with respect to the hearsay nature of evidence can go to weight, rather than admissibility” [*Eva Gabor International Ltd v 1459243 Ontario Inc*, 2011 FC 18 at para 18]. In this case, between these statements and Mr. Meadway’s purchases of Seven Seas goods, I am satisfied that the Owner’s evidence shows transfers of the goods in the normal course of trade. Indeed, the very fact that the Seven Seas goods were available in Canadian supermarkets after having been manufactured in the United Kingdom suggests that such goods were purchased by the supermarkets from suppliers in the Owner’s chain of distribution.

[20] It is well established that a trademark owner's ordinary course of trade will often involve a chain of transactions occurring between the manufacturer and the ultimate consumer, potentially involving various 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 without the need for a licence, so long as the owner has initiated the first link in the chain of transactions [see, for example, *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); *Osler, Hoskin & Harcourt v Canada (Registrar of Trade Marks)* (1997), 77 CPR (3d) 475 (FCTD)].

[21] While the Requesting Party cited *Thor Tech, Inc v Hyundai Auto Canada Corp*, 2020 TMOB 101 at para 19 for the principle that "a registered owner cannot show use of its trademark by a 'stranger' to maintain its registration in a section 45 proceeding", I note that that case involved third party resales of used vehicles which had already reached the end consumer in the chain of distribution; by contrast, in the present case, the unopened goods purchased by Mr. Meadway had not yet reached an end consumer in the chain of distribution. Further, Mr. Meadway's evidence indicates that multiple grocery stores appeared to regularly stock and sell the products in question, unlike the evidence in *Thor Tech* showing single-vehicle sales between third parties. As a result, Mr. Meadway's evidence suggests that sales by the Canadian supermarkets were in the Owner's normal course of trade, notwithstanding Mr. Walker's lack of information regarding the precise details of the chain of distribution.

[22] In view of this principle, and contrary to the Requesting Party's submissions, I am not of the view that the appearance of the words "Made for Seven Seas Ltd." is fatal to the Owner's contention that it is the source of the goods shown in the Meadway Affidavit. I note that there is no requirement for the Owner to be identified on the packaging of its goods. As noted by the Federal Court in *Michaels v Unitop Spolka Z Organizowana Odpowiedzialnoscia*, 2020 FC 937 at para 13:

The Hearing Officer found, and I agree, that in the context of summary Section 45 proceedings, it does not matter who the public would perceive as the owner of the SESAME SNAPS Marks (citing *Swabey Ogilvy Renault v Golden Brand Clothing (Canada) Ltd / Vêtements Golden Brand (Canada) Ltée* (2002), 10 CPR (4th) 274

(FCTD) [*Golden Brand*]: *David Michaels v Agros Trading Confectionery Spolka Akcyjna*, 2018 TMOB 157 at para 21. I note that the *Golden Brand* Section 45 decision, maintaining the registered trademark in that case, was upheld on appeal notwithstanding “an unclear or uncertain message to the public” regarding the identity of the distributor (a related company), versus the owner, on garment labels: *Golden Brand*, above at paras 12-15.

[23] However, even if I were to conclude that Seven Seas Limited was the source of the goods in this proceeding, I would conclude that there is sufficient evidence to demonstrate that such use was under licence by the Owner and that the Owner exercised the requisite control pursuant to section 50 of the Act. In this respect, while the mere fact that a registrant and a licensee are related companies is insufficient to establish that control under licence pursuant to section 50 exists [see *MCI Communications Corp v MCI Multinet Communications Inc* (1995), 61 CPR (3d) 245 (TMOB) and *Dynatech Automation Systems Inc v Dynatech Corp* (1995), 64 CPR (3d) 101 (TMOB)], an inference may be drawn that such control exists where an individual is a director or an officer of both the registrant and the licensee [see *Petro-Canada v 2946661 Canada Inc* (1998), 83 CPR (3d) 129 (FCTD); *Lindy v Canada (Registrar of Trade Marks)*, [1999] FCJ No 682 (FCA)]. In this case, given that Mr. Walker indicates that the same individual, Alberto Scarmagnan, serves as Senior Brand Director, Global Vitamins and oversees operations at both the Owner and Seven Seas Limited, I would be prepared infer that the requisite control exists.

[24] Finally, even if I were not prepared to draw such an inference, section 50(2) of the Act provides that where public notice is given (i) that the use of a trademark is licensed and (ii) of the owner’s identity, then controlled licensing in the manner described in section 50(1) of the Act shall be presumed unless the contrary is proven. In this case, the packaging includes the statement “Seven Seas® is a registered Trade Mark of Merck Consumer Healthcare Ltd.” While this statement does not explicitly refer to the existence of a licence, the Owner correctly notes that the Registrar has found that public notice pursuant to section 50(2) is given where a trademark’s owner is identified on a product or packaging, even in the absence of a statement regarding use under licence.



[25] For instance, in *Dura Undercushions Ltd v BASF Corporation* (1997), 83 CPR (3d) 88, involving the trademark DURAPLUSH owned by BASF Corporation, the notice “THIS CARPET CUSHION IS MADE WITH BASF CORPORATION DURAPLUSH CARPET CUSHION TECHNOLOGY” appeared on the goods in question. Despite the absence of any reference to licencing, the board member held as follows [at para 12]:

I agree with the opponent that there is no explicit evidence showing that BASF directly or indirectly controls the character or quality of carpet underlay produced by its licensee Woodbridge. However, in my view, the above-noted acknowledgement on carpet underlay would be understood to mean that Woodbridge was using the mark DURAPLUSH with permission from BASF. In other words, I am satisfied that the acknowledgement shows “use” of DURAPLUSH as a mark pursuant subsection 4(1) and meets the notice requirements of subsection 50(2).

[26] Similarly, in *Crossworld Software Inc, Re* (2001), 17 CPR (4th) 395, the trademark “CROSSWORLD” appeared on the packaging for computer software accompanied by the “TM” symbol, while the trademark’s owner was identified elsewhere on the packaging alongside the © symbol. Despite the absence of any reference to the trademark being licenced, or even owned, by Crossworld Software Inc., the hearing officer found as follows [at para 15]:

I consider that the consumer of this product, upon seeing the reference to the trade-name CrossWorld in the paragraph appearing in the top right corner of the packaging, along with the copyright notation that refers to CrossWorld Software Inc., would perceive that the owner of the mark is CrossWorld Software Inc. I also consider that the message conveyed by the notation set out above, although not as clear as it could be, is sufficient to give public notice of the fact that use of the mark in association with this ware is licensed use. Having regard to the fact that Section 45 proceedings are intended to be summary proceedings intended to clear deadwood from the trade-mark register, I would be prepared to conclude that the use is deemed use by the registrant pursuant to s.50(2) of the Act.

[27] Similarly, despite the absence of any language relating to licencing on the packaging of the goods shown in the Meadway Affidavit, I concur with the Owner that the statement “Seven Seas® is a registered Trade Mark of Merck Consumer Healthcare Ltd.” is nevertheless enough to constitute public notice within the meaning of section 50(2).

### ***Deviation from the Mark as Registered***

[28] The Requesting Party submits that the formulation of the Mark shown in the Meadway Affidavit, with the word “SEVEN” above and/or separate from the word “SEAS”, causes the Mark to lose its identity, citing *Borden Ladner Gervais LLP v Joshua Perets*, 2019 TMOB 11, *Frady Yacoub v E-source, Inc*, 2020 TMOB 11, and *Sim & McBurney v AR Global Vision Ltd*, 2011 TMOB 165. In response, the Owner submits that the addition of a space between SEVEN and SEAS does not change the distinctive or dominant characters of the Mark.

[29] It is well established that a registration for a word mark can be supported by use of that mark in any stylized form and in any colour [see *Stikeman, Elliott v Wm Wrigley Jr Co* (2001), 14 CPR (4th) 393 (TMOB)]. The question to be asked is whether the trademark was displayed 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)]. I note that in the *E-source* and *AR Global Vision* cases cited by the Requesting Party, the Registrar found that a word mark did not lose its identity despite being visually separated in two parts, while in the *Joshua Perets* case, the trademark in question was the number “1964” which had been divided into the numbers “19” and “64” separated by a large dog silhouette and therefore had “not retained its dominant features as a unitary number”.

[30] By contrast, in this case, given that the packaging displays a stylized form of the word mark “SEVENSEAS” with no additional textual or design material, I am satisfied that the placement of “SEVEN” directly above “SEAS” is a minor variation which does not cause the Mark to lose its identity.

[31] Accordingly, I am satisfied that the Owner’s evidence demonstrates transfers in the normal course of trade in Canada during the relevant period of the goods “Fish oils for use as a dietary supplement” in association with the Mark. I am therefore satisfied that the Owner has used the Mark within the meaning of sections 4 and 45 of the Act.

**DISPOSITION**

[32] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be maintained in compliance with the provisions of section 45 of the Act.

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G.M. Melchin  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

**HEARING DATE:** 2022-08-31

## **APPEARANCES**

**For the Requesting Party:** Dale Schlosser

**For the Registered Owner:** Thomas Kurys

## **AGENTS OF RECORD**

**For the Requesting Party:** Sprigings Intellectual Property Law

**For the Registered Owner:** Wilson Lue LLP