Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 096

Date of Decision: 2023-06-05

IN THE MATTER OF A SECTION 45 PROCEEDING

Requesting Party: Parlee McLaws LLP

Registered Owner: Apollo HealthCare Corp.

Registration: TMA778,457 for AURORA

INTRODUCTION

[1] This is a summary expungement proceeding under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) with respect to registration No. TMA778,457 for the trademark AURORA (the Mark) registered for use in association with the following goods (the Goods):

> Non-medicated personal care products, namely, shampoos and hair conditioners, skin moisturizers, human body conditioning and skin treatment lotions, human body conditioning and skin treatment creams, shaving lotions and creams, petroleum jelly for cosmetic purposes, liquid soaps, hand sanitizers, body washing soaps, non-medicated skin care preparations, cosmetic sun protection creams and lotions, sun creams and lotions (with or without SPF); all purpose cleaners.

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

THE PROCEEDING

[3] At the request of Parlee McLaws LLP (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the Act on March 8, 2021 to the registered owner of the Mark at the time, Rwachsberg Holdings Inc. (Rwachsberg).

[4] The notice required Rwachsberg to show whether the Mark was used in Canada in association with each of the Goods 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 March 8, 2018 to March 8, 2021 (the Relevant Period). In the absence of use, the registration is liable to be expunged, unless the absence of use is due to special circumstances.

[5] 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 Owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448] and evidentiary overkill is not required [*Union Electric Supply Co v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD)]. Nevertheless, sufficient facts must still be provided to allow the Registrar to conclude that the Mark was used in association with the Goods.

[6] Subsequent to the issuance of the notice, changes in title were recorded against the registration such that the registration now stands in the name of Apollo Healthcare Corp. (the Owner).

[7] In response to the notice, the Owner furnished the Affidavit of Richard Wachsberg, the Co-Chief Executive of the Owner, sworn on October 6, 2021.

[8] Both parties submitted written representations and both attended a hearing**.**

THE EVIDENCE

[9] Mr. Wachsberg states that Rwachsberg assigned the Mark to Apollo Health and Beauty Care Inc. on January 13, 2017. On April 16, 2020, Apollo Health and Beauty Care Inc. merged with Acasta Enterprises Inc., which then changed its name to Apollo Healthcare Corp (*i.e*. the Owner) on August 12, 2020.

[10] Mr. Wachsberg describes the Owner as a manufacturer of private label personal care products with a manufacturing facility in Toronto. Products sold by the Owner are "made to order" – the Owner "does not package, label and ship a product unless specifically ordered by a customer" (para 6). He states that "[for] the product line in association with which the AURORA trademark is used, the typical period between order placement, fulfillment, and shipment / export is, and was during the Relevant Period, approximately 12 – 13 weeks" (para 7).

[11] Mr. Wachsberg states that the Owner's trademarks, including the Mark, "are, and were before, during, and after the Relevant Period, affixed to the manufactured products before they are, and were, exported from Canada" (para 9). In particular, he states that the Owner's "AURORA-branded non-medicated personal care products are, and were before, during and after the Relevant Period, manufactured, packaged, and labeled in Canada for sale and export to the United States" (para 10) to retailers based in the United States.

[12] In his Affidavit, Mr. Wachsberg provides an image of a placard which he states was placed on skids of packaged non-medicated personal care products manufactured by the Owner for export from Canada during the Relevant Period. The Mark is one of more than ninety brands listed on the placard. Mr. Wachsberg states that, during each year of the Relevant Period, over 75,000 skids of non-medicated personal care products displaying the placard were exported from Canada. I note that no information is provided as to which of the Goods, if any, were included in the shipments. At the hearing, the Owner conceded that it was not relying on these shipments to show use of the Mark under section 4(3) of the Act.

[13] Mr. Wachsberg goes on to state that, during the Relevant Period, sales of AURORA branded non-medicated personal care products generated in excess of USD $47,000. He provides a chart in his Affidavit which breaks down the sales as follows:

(a) 2017 - sales of mouthwash ($54,000), foaming hand soap ($1,170) and body wash ($1,770);

(b) 2018 (subsequent to March 8) - sales of mouthwash ($33,100);

(c) 2019 - sales of mouthwash ($14,200);

(d) 2020 - no sales;

(e) 2021 (before March 8) - no sales; and,

(f) 2021 (after March 8) - sales of body wash ($890) and sales of lotion ($290).

[14] Mr. Wachsberg states that the sales after March 8, 2021 represent sales that occurred in May 2021 based on orders that would have been placed before March 2021.

[15] Finally, Mr. Wachsberg provides images of product packaging and labels for mouthwash, foaming hand soap, body wash and lotion (*i.e.* the goods for which sales information has been provided) each of which displays the Mark. He states that the images are representative of the product packaging and labels used “before, during and after the Relevant Period” on product exported to the United States.

REASONS FOR DECISION

Chain of Title

[16] In its written submissions, the Requesting Party took issue with the chain of title set forth in the Wachsberg Affidavit, noting that it was not in accordance with the chain of title recorded against the registration. It is worth noting that the change of name to Apollo Healthcare Corp. was recorded by the Registrar on the day the Requesting Party filed its written submissions, namely December 8, 2021. At the hearing, the Owner no longer took issue with the ownership of the Mark.

[17] In any event, the Registrar has a discretion to review the state of the register [*True Software Scandinavia AB v Ontech Technologies Inc,* 2018 TMOB 40] and I have done so to confirm that the changes of title recorded against the registration are consistent with the evidence of Mr. Wachsberg. Accordingly, I am satisfied that Apollo Healthcare Corp. is the owner of the Mark.

Goods

[18] The Owner does not assert use of the Mark in Canada under section 4(1) of the Act. Rather, it asserts use of the Mark in Canada under section 4(3) of the Act which provides as follows:

> 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.

[19] The Owner relies on the export of mouthwash during the Relevant Period and the export of body wash and lotion after the Relevant Period to show use of the Mark pursuant to section 4(3) of the Act.

[20] Dealing first with the sales of mouthwash during the Relevant Period, the Owner submitted at the hearing that, while mouthwash is not included in the Goods, a bridge could be built between mouthwash and the registered goods “all purpose cleaners” because mouthwash is a product used to clean a part of the body. On that basis, the Owner submits that the display of the Mark on mouthwash constitutes use of the Mark in association with “all purpose cleaners”.

[21] Similarly, the Owner submitted in its written submissions that a bridge could be built between mouthwash and the registered goods “liquid soaps” and “body washing soaps” because mouthwash is a product used to wash a part of the body. On that basis, the Owner submits that the display of the Mark on mouthwash constitutes use of the Mark in association with “liquid soaps” and “body washing soaps”.

[22] In response, the Requesting Party provided the following Merriam-Webster dictionary definitions for mouthwash and for soap:

> Mouthwash: “a usually antiseptic liquid preparation for cleaning the mouth and teeth or freshening the breath”.
>
> Soap: “a cleansing and emulsifying agent made usually by action of alkali on fat or fatty acids and consisting essentially of sodium or potassium salts of such acids”

[23] Based on the dictionary definitions and on common sense, I am satisfied that a mouthwash is not an all purpose cleaner, nor is it a soap. Therefore, any display of the Mark on mouthwash does not constitute use of the Mark on “all purpose cleaners”, “liquid soaps” or “body washing soaps”.

[24] As for the evidenced sales of bodywash and lotion in May 2021, the Owner argues that, because the orders would have been placed before March 8, 2021, I should still consider the sales to constitute use even though the bodywash and lotion were not exported until after March 8, 2021.

[25] The Owner submits that evidence of the Owner’s activities after the Relevant Period can support a conclusion of “use in the normal course of trade” by showing continuity of use. Further, the Owner argues that I should not treat the end date of the Relevant Period as a “guillotine” as that would be to ignore commercial realities.

[26] In support of its position, the Owner relies on four cases which held that use in the normal course of trade is not limited to use prior to the date of the notice [*John Labatt Ltd v Rainer Brewing Co.* (1984), 80 CPR (2d) 228 (FCA), *Philip Morris Inc. v Imperial Tobacco Ltd* (1987), 17 CPR (3d) 237 (FCA), *Molson Cos v Moosehead Breweries Ltd* (1990), 32 CPR (3d) 363 (FC), and *Boutiques Progolf Inc. v Marks & Clerk* (1993), 54 CPR (3d) 451 (FCA)].

[27] The cases relied upon by the Owner were decided under the precursor to the current section 45 which required a registered owner to file evidence to show “whether the trade-mark is in use in Canada” [emphasis added]. However, the current wording of section 45 requires the Owner to provide evidence to show “whether the trademark was in use in Canada at any time during the three-year period immediately preceding the date of the notice” [emphasis added]. The distinction is key and the case law under the current wording of section 45 confirms that there must be use of the Mark within the

Relevant Period [see *Estee Lauder Cosmetics Ltd. v Loveless*, 2017 FC 927 where the Federal Court held that a substantial order placed and confirmed prior to the date of the notice did not constitute use because there was no evidence that the property in the goods was transferred within the relevant period].

[28] While *Estee Lauder* dealt with use under section 4(1) of the Act, the same logic applies to section 4(3) – the owner must show that there was an export of the Goods within the Relevant Period.

[29] Mr. Wachsberg's evidence is clear. He states that orders were placed before March 8, 2021 but that the goods, namely body wash ($890) and lotion ($290), were not exported until May 2021. Given that the export falls outside the Relevant Period, it does not constitute use of the Mark in Canada for the purposes of this proceeding.

[30] Accordingly, I am not satisfied that the Owner has established use of the Mark in association with the Goods, within the meaning of sections 4 and 45 of the Act. As there is no evidence of special circumstances to justify non-use, the registration will be expunged.

DISPOSITION

[31] 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.

Robert A. MacDonald
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-05-11

APPEARANCES

For the Requesting Party: Rhiannon Adams

For the Registered Owner: Adam Bobker

AGENTS OF RECORD

For the Requesting Party: Parlee McLaws LLP

For the Registered Owner: Bereskin & Parr LLP