



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2024 TMOB 007

**Date of Decision:** 2024-01-17

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

**Requesting Party:** Wilson Lue LLP

**Registered Owner:** Bhang Corporation

**Registration:** TMA1,052,625 for BHANG

### **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. TMA1,052,625 for the trademark BHANG (the Mark), owned by Bhang Corporation (the Owner).

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

### **THE RECORD**

[3] At the request of Wilson Lue LLP (the Requesting Party), the Registrar of Trademarks issued a notice to the Owner under section 45 of the Act on October 17, 2022. 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 October 17, 2019, to October 17, 2022.

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

(1) Chocolate candy; chocolate confections; chewing gum.

(2) Electronic cigarettes; electronic cigarette refill cartridges sold empty; cartridges sold filled with propylene glycol for electronic cigarettes; cartridges sold filled with vegetable glycerin for electronic cigarettes.

[5] 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.

[6] It is well accepted 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.

[7] In response to the Registrar's notice, the Owner furnished the affidavit of J. Graham Simmonds, Director and Chief Executive Officer of the Owner, sworn on May 16, 2023. Both parties submitted written representations; no oral hearing was held.

## **EVIDENCE**

[8] Mr. Simmonds explains that the Owner is an intellectual property holding company that has licensed its rights to the Mark to INDIVA Limited (Indiva), and

explains the manner in which the Owner controlled the character and quality of goods associated with the Mark throughout the relevant period. He explains that the Owner was developed by a professional chef and chocolatier to produce cannabis-infused chocolate bars as well as “a premium collection of vapes, gums and mouth sprays”. He states that products bearing the Mark are manufactured by Indiva and sold through third party cannabis retailers and online through the Ontario Cannabis Store.

[9] As Schedules B through K, the Owner attaches images of its chocolate products and their packaging by way of its website, third party websites, photographs of retail locations, and the like. As will be discussed in greater detail below, the exhibited images are undated with the exception of Schedule B, which shows a copyright notice dated 2023, and Schedule G, which Mr. Simmonds describes as “sample images of consumer handout cards that are provided to end consumers at retail store locations at the point of sale of the products”, and which displays a date of August 13, 2020. Furthermore, a screenshot from the Owner’s Instagram account attached as Schedule H includes a picture showing the year 2023. Mr. Simmonds does not explicitly state that these images are representative of how the Mark was displayed during the relevant period.

[10] As Schedule L, Mr. Simmonds attaches copies of purchase orders from a third-party retailer based in Ontario which sells the Owner’s goods to end consumers. The purchase orders are dated in August and September 2020 and show sales of “Bhang – THC Milk Chocolate Bar”. As Schedule M, Mr. Simmonds attaches sample royalty reports issued by Indiva to the Owner, showing the Owner’s products sold in Canada. The reports are dated between January 2020 and September 2022 and show sales of “Bhang Ice Milk Chocolate”, “Packaged Bhang TCH Chocolate Dark”, “Packaged Bhang TCH Chocolate Milk”, “Bhang Caramel 1:1 Chocolate Packaged”, “CBD Milk Chocolate”, “Packaged Bhang Toffee and Salt Milk Chocolate”, “Packaged Bhang THC Cookies and Cream White Chocolate”, “Packaged Bhang THC Caramel Mocha Milk Chocolate”, and similar chocolate goods. Mr. Simmonds states that these exhibits are “sample evidence of sales of the [Owner]’s products bearing the Trademark through its distribution chain to the end consumer”, and in the case of Schedule M, confirms that

products were sold across Canada and that “[i]n each instance of sale, the Trademark is displayed”.

### **ANALYSIS**

[11] At the outset, I note that section 50(1) of the Act requires the owner of a trademark to control, either directly or indirectly, the character or quality of the goods or services sold under that trademark. There are three main methods by which a trademark owner can demonstrate the requisite control pursuant to section 50(1) of the Act: first, by clearly attesting to the fact that it exerts the requisite control; second, by providing evidence demonstrating that it exerts the requisite control; or third, by providing a copy of the licence agreement that provides for the requisite control [*Empresa Cubana Del Tabaco v Shapiro Cohen*, 2011 FC 102 at para 84]. I concur with the Owner that Mr. Simmonds has clearly attested to the fact that the Owner exerts the requisite control, and that any use of the Mark by Indiva would enure to the Owner.

[12] The Requesting Party submits that the Owner has not shown use of each of the goods, that its evidence is ambiguous as to which goods are being depicted, and that it does not show how the Mark was displayed during the relevant period. Each issue will be discussed in turn.

[13] The Requesting Party submits, and I agree, that the evidence does not show any transfers of the goods “chewing gum” or “Electronic cigarettes; electronic cigarette refill cartridges sold empty; cartridges sold filled with propylene glycol for electronic cigarettes; cartridges sold filled with vegetable glycerin for electronic cigarettes”. While Mr. Simmonds refers to “vapes, gums and mouth sprays” at the beginning of his affidavit, there is no evidence that such goods were transferred in Canada in the normal course of trade by the Owner or Indiva during the relevant period. As there is no evidence of special circumstances which would excuse non-use, I am not satisfied that the Owner has shown use of the Mark in association with these goods within the meaning of sections 4(1) and 45 of the Act. The registration will be amended accordingly.

[14] As for the goods “chocolate candy” and “chocolate confections”, the Requesting Party notes that Mr. Simmonds largely refers to the Owner’s “product” and does not explain how the chocolate goods shown in the exhibits would be encompassed by either of these registered goods. In this respect, the Requesting Party notes that in *Gowling Lafleur Henderson LLP v Liwayway Marketing Corporation*, 2015 TMOB 195, the Board was unsatisfied that use in association with what the requesting party in that case described as a “chocolate-flavoured snack food product” would support the registration for “confectionery, namely, nuts, chocolate, gum, sugar”. However, it is trite law that each case turns on its own facts, and I am not of the view that the Board’s findings with respect to the evidence in that case are applicable in the present case.

[15] In this case, the purchase orders and royalty reports attached as Schedules L and M show that Indiva sold a range of chocolate products in Canada during the relevant period, many of which appear to correspond to the chocolate bar products shown in Schedules B, F, I, and K. Bearing in mind that the Registrar may take notice of dictionary definitions [see *Gervais v CIBC Mellon Global Securities Services Co* (2004), 34 CPR (4th) 571 (TMOB) at para 7; *Shapiro Cohen LLP v Proa*, 2017 TMOB 162 at para 44], I note that *The Canadian Oxford Dictionary* (2 ed) defines “confection” as “a sweet dessert or candy”. Although neither Mr. Simmonds nor the Owner in its written representations explicitly correlate any chocolate products with specific registered goods, it is clear, in my view, that the evidenced chocolate products could fall within the ambit of both “chocolate candy” and “chocolate confections”.

[16] The Requesting Party further submits that “the Owner cannot rely on the same evidence to demonstrate use in association with both sets of goods”, and that “at best, the Owner’s evidence would demonstrate use only in association with ‘chocolate confections’ or ‘chocolate candy’, but not with both”. However, while the Registrar has held that use of a trademark in association with a single item will not generally support use in association with multiple goods in a registration [see *John Labatt Ltd v Rainier Brewing Co* (1984), 80 CPR (2d) 228 (FCA); *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184], this is not the case here. Instead, the Owner has shown transfers of

several different chocolate products, any of which could support either “chocolate candy” or “chocolate confections”.

[17] With respect to the Schedule L purchase orders, the Requesting Party submits that since Indiva “is the *exclusive* Canadian licensee of the [Mark]”, it is “unclear whether the ‘product’ whose sales are purportedly reflected in the purchase orders emanate from the Owner (which would be inconsistent with the *exclusive* nature of the licence), the Owner’s licensee, or some unrelated third-party whose use cannot be said to enure to the benefit of the Owner” [emphasis in original]. However, these purchase orders are consistent with Mr. Simmonds’ explanation of the Owner’s course of trade in which its goods are manufactured and sold by Indiva and then sold to end consumers by third party cannabis retailers. 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 [*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)]. Mr. Simmonds confirms that Schedule L constitutes “sample evidence of sales of the [Owner]’s products bearing the Trademark through its distribution chain to the end consumer”; accordingly, I find that any use of the Mark associated with the transactions detailed in Schedules L and M enures to the Owner.

[18] Finally, the Requesting Party submits that the Owner’s evidence is ambiguous as to whether, or how, the Mark was displayed in association with the Owner’s goods during the relevant period. In this respect, the Requesting Party notes that Schedules C through F and I through K are undated, Schedules B and H show dates outside the relevant period, and the date shown in Schedule G is not explained by Mr. Simmonds. The Requesting Party submits that the affidavit “is completely silent on whether the alleged facts and attached schedules correspond to the Relevant Period”. With respect

to Mr. Simmonds' statement in his description of the Schedule M royalty reports that the Owner's product "has been sold across Canada [...] In each instance of sale, the Trademark is displayed", the Requesting Party appears to suggest that this assertion may not refer to the sales recorded in the royalty reports (which are discussed in the same paragraph immediately before and after this statement), but to other sales taking place outside the relevant period. Moreover, the Requesting Party submits that Mr. Simmonds does not explain or show how the Mark was displayed on the goods or their packaging, given that the evidence of display of the Mark is "undated, and thus irrelevant".

[19] In my view, the Requesting Party's dissection of the Owner's evidence amounts to an overly technical approach that is inconsistent with the purpose of section 45 proceedings [see *Dundee Corp v GAM Ltd*, 2014 TMOB 152 at para 21; *Reckitt Benckiser (Canada) Inc v Tritap Food Broker*, 2013 TMOB 65 at para 27]. While it is true that Mr. Simmonds does not explicitly confirm that Schedules B through H are representative of display of the Mark during the relevant period, he confirms that Schedules L and M reflect sales during the relevant period of goods "bearing the Mark". I am prepared to infer that those goods displayed the Mark on their packaging in a similar manner to the chocolate bar products shown in Schedules B, F, I, and K, bearing in mind that drawing an inference is a matter of reasonably probable, logical deductions from the evidence [*Sim & McBurney v En Vogue Sculptured Nail Systems Inc*, 2021 FC 172 at para 15]. In reaching this conclusion, I am assisted by other indicia which, although insufficient on their own to show use within the meaning of the Act, further suggest that the Mark was displayed in the course of transfer of the goods during the relevant period. These include the appearance of the Mark in the product descriptions in the reports attached as Schedules L and M, and Mr. Simmonds' statement that the consumer handout cards displaying the Mark shown in Schedule G, which displays a date within the relevant period, were provided to end customers at the point of sale of the Owner's goods.

[20] Ultimately, based on the Owner's evidence of sales of its various chocolate goods in Canada in the normal course of trade during the relevant period, Mr.

Simmonds' statement that such sales were of goods bearing the Mark, and the Owner's evidence of how the Mark is displayed on the packaging for its goods, I am prepared to find that the Owner has demonstrated use of the Mark in association with the goods "chocolate candy" and "chocolate confections" within the meaning of sections 4(1) and 45 of the Act.

**DISPOSITION**

[21] In view of all of the foregoing, 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 "chewing gum" from goods (1), and to delete the entirety of goods (2).

[22] The amended registration will be as follows:

Chocolate candy; chocolate confections

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



# Appearances and Agents of Record

**HEARING DATE:** No hearing held

## **AGENTS OF RECORD**

**For the Requesting Party:** Wilson Lue LLP

**For the Registered Owner:** Ashlee Froese (Froese Law)