

Federal Court



Cour fédérale

Date: 20240607

Docket: T-2051-22

Citation: 2024 FC 872

Ottawa, Ontario, June 7, 2024

PRESENT: Madam Justice Pallotta

BETWEEN:

**GUANGZHOU WANGLAOJI GRAND
HEALTH CO., LTD.**

Applicant

and

MULTI ACCESS LIMITED

Respondent

JUDGMENT AND REASONS

I. Introduction

[1] The applicant, Guangzhou Wanglaoji Grand Health Co, Ltd (Wanglaoji), brings these consolidated applications pursuant to section 56 of the *Trademarks Act*, RSC 1985, c T-13 [TMA]. Wanglaoji appeals seven decisions of the Registrar of Trademarks (Registrar) in summary cancellation proceedings under section 45 of the *TMA*. Section 45 of the *TMA* provides for a summary procedure that allows the Registrar to expunge a registration for a

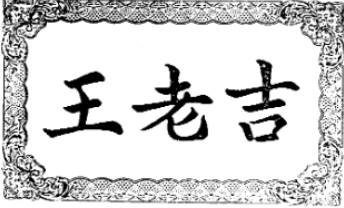
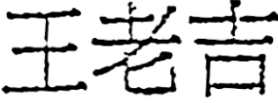

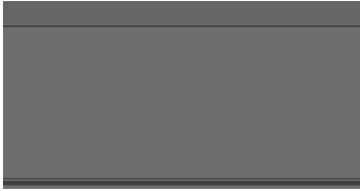
trademark that has fallen into disuse: *Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 9 [*Hilton Worldwide*].

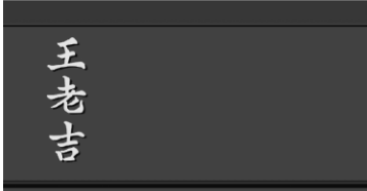

[2] On October 30, 2019, at Wanglaoji's request, the Registrar issued section 45 notices for eight trademark registrations that required the registered owner, Multi Access Limited (MAL), to show it had used the trademarks in Canada with the goods specified in the registrations during the three-year period preceding the notices. Both Wanglaoji and MAL participated in the proceedings before the Registrar, which were heard jointly.

[3] In seven decisions issued on the same day, the Registrar found that each of the registered trademarks had been used during the relevant period in association with some of the registered goods and maintained the registrations with amended statements of goods. Wanglaoji submits the Registrar erred. It asks the Court to set aside the decisions and direct the Registrar to expunge the eight trademark registrations.

II. **Background**

[4] The following table provides particulars for the trademark registrations at issue (collectively, Registrations):

Trademark Registration No., Registrar's Decision & Court File No.	Trademark & Description	Amended Statement of Goods
TMA410076 2022 TMOB 147 T-2054-22		Herbal products for food and medicinal purposes, namely herbal teas
	Characters - Chinese Design	
TMA879259 2022 TMOB 152 T-2052-22		Herbal tea
	Chinese Character Design	
TMA879263 2022 TMOB 150 T-2051-22	WANG LAO JI	Herbal tea
	Word Mark	
TMA879265 2022 TMOB 151 T-2055-22	WONG LO KAT	Herbal tea
	Word Mark	
TMA892774 2022 TMOB 153 T-2057-22		Herbal tea
	Chinese Character Design	
TMA910422 2022 TMOB 148 T-2053-22 (proceedings relate to TMA910422 and TMA910437)		Tea and herbal tea based food products, namely herbal tea for food purposes
	Red, Black and Brown Colour Arrangement Design	

Trademark Registration No., Registrar's Decision & Court File No.	Trademark & Description	Amended Statement of Goods
<p>TMA910437 2022 TMOB 148 T-2053-22 (proceedings relate to TMA910422 and TMA910437)</p>	<div data-bbox="581 415 945 604" style="text-align: center;">  </div> <p data-bbox="548 688 980 764" style="text-align: center;">Colour Arrangement and Chinese Characters Design</p>	<p>Tea and herbal tea based food products, namely herbal tea for food purposes</p>
<p>TMA927934 2022 TMOB 149 T-2056-22</p>	<div data-bbox="704 779 834 1050" style="text-align: center;">  </div> <p data-bbox="540 1083 989 1152" style="text-align: center;">WONG LO KAT Vertical Chinese Characters Design</p>	<p>Tea and herbal tea based food products, namely herbal tea for food purposes</p>

[5] To support use of each trademark, MAL relied on substantially similar affidavits by its director, Chan Hung To, sworn on May 27, 2020. The Registrar's decisions summarized Mr. Chan's affidavit evidence as follows:

- a) Mr. Chan explained that the tea products in question were first sold in the 19th century as an effective prevention against different illnesses, such as influenza;
- b) MAL licensed JDB Hangzhou Limited (JDB) to oversee production of tea and herbal tea, and MAL maintained direct or indirect control over the character and quality of the tea and herbal tea bearing the trademarks;

- c) during the relevant period, MAL's teas and herbal teas were produced in Malaysia then exported to Canada by Wing Tung Drinks (Malaysia) Sdn Bhd (Wing Tung), which sold and shipped the products to MAL's Canadian distributor, Every Green International Inc (Every Green);
- d) the affidavit attached representative invoices and bills of lading, issued by Wing Tung to Every Green, for the sale of "Wong Lo Kat Herbal Drink";
- e) Mr. Chan attested that MAL's tea and herbal tea were sold in Canada in cans displaying the trademarks;
- f) representative images of two versions of the cans were attached to Mr. Chan's affidavit:
 - i. version 1 cans state the product is manufactured by Pokka Ace (M) Sdn Bhd, manufacturing is supervised by JDB, and Every Green is the exclusive Canadian distributor; the cans also state that the drink is not for medical purposes;
 - ii. version 2 cans do not state who is responsible for manufacturing the product; they state that manufacturing is supervised by Hung To (Holdings) Co Ltd;
- g) Mr. Chan's affidavit attached a table with the yearly breakdown of quantities and dollar values of MAL's "Wong Lo Kat Herbal Tea" imported, distributed, and sold in Canada between 2009 and 2019.

[6] Wanglaoji challenged Mr. Chan's evidence of MAL's use of the trademarks in question. It argued that Mr. Chan's evidence of invoices from other corporate entities was inadmissible hearsay and the evidence did not demonstrate MAL's normal course of trade or that sales of product to customers in Canada enured to MAL's benefit. Wanglaoji also argued that: the trademarks registered as TMA879263, TMA910422, and TMA910437 were only on version 1 cans and any sales of version 2 cans would not have constituted use of those trademarks; the product sold in version 1 cans did not correspond to the registered goods for TMA410076 (herbal products for food and medicinal purposes, namely herbal teas) because version 1 cans state "[h]erbal drink not for medical use"; and there was no use of the trademark registered as TMA892774 because the trademark displayed on cans was not an acceptable variation of the registered mark due to the stylization of some characters, the addition of components like words, Chinese characters, and rectangles, and the use of both TM and ® symbols in a manner that suggested two different trademarks arranged side-by-side.

[7] The Registrar found:

- a) by virtue of his position, Mr. Chan would be knowledgeable about the activities of parties in MAL's chain of distribution and his affidavit was admissible in its entirety;
- b) regarding MAL's normal course of trade, it was not necessary for Mr. Chan to identify and explain every entity in the chain of distribution for MAL's products for the purposes of a section 45 proceeding; Mr. Chan described most of the chain of transactions in the manufacture, export, and distribution of the goods, his

statements were consistent with the exhibits filed, and the facts and exhibits in his affidavit were sufficient to establish MAL's normal course of trade;

- c) distribution and sale of a registered owner's goods through distributors, wholesalers, and retailers can constitute trademark use that enures to the owner's benefit (*Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6, [1971] FCJ No 1012 (FCTD); *Lin Trading Co v CBM Kabushiki Kaisha*, [1989] 1 FC 620, 21 CPR (3d) 417 (FCA)); Mr. Chan's statement that MAL exerted the requisite control was sufficient to establish that any trademark use by JDB enured to MAL's benefit (*Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102 at para 84 [*Empresa*]); MAL initiated the first link in the chain of distribution through its licensee JDB and did not have to demonstrate that it licensed all the entities involved;
- d) the invoices and bills of lading were sufficient to demonstrate sales of a product described as Wong Lo Kat Herbal Tea in Canada during the relevant period; although the evidence could have been clearer, the Registrar accepted Mr. Chan's statements that the images attached to his affidavit were representative of the cans transferred and sold in Canada during the relevant period, such that both version 1 and version 2 cans were sold in Canada;
- e) since both versions of cans were sold in Canada during the relevant period, it was irrelevant that the trademarks registered as TMA879263, TMA910422, and TMA910437 were not on version 2 cans;

- f) with respect to the trademark registered as TMA410076, given Mr. Chan's statement about how the products were considered to prevent illness and the nature of section 45 proceedings, the Registrar considered the herbal teas to fall within the scope of the registered goods "herbal products for food and medicinal purposes, namely herbal teas"; and
- g) the identity of the trademark registered as TMA892774 was preserved in the trademark as used and the deviation would not mislead an unaware purchaser.

[8] Consequently, the Registrar found that MAL had demonstrated use of the trademarks with the goods shown in the table above. The Registrar amended the Registrations to delete all other registered goods.

[9] In this proceeding, MAL filed an affidavit of Chan Hung To sworn December 2, 2022 (Second Chan Affidavit) pursuant to subsection 56(5) of the *TMA*. The Second Chan Affidavit states that additional inquiries were made as to the specific versions of packaging for MAL's products that were sold in Canada. It attaches images of the versions of packaging for tea products manufactured for export to Canada between 2014 and the end of 2019, including the version 1 cans shown in Mr. Chan's first affidavit. It also explains the versions of packaging corresponding to the invoices and bills of lading for products sold and shipped to Canada that were attached to Mr. Chan's first affidavit. Contrary to the first affidavit, the Second Chan Affidavit states that version 2 cans were not sold in Canada during the relevant period. The Second Chan Affidavit also states that, during the relevant period, MAL licensed Wing Tung to manufacture and export its tea products, it licensed JDB to oversee the production of its tea

products, and it directly or indirectly controlled the production and export of products bearing the trademarks and the character and quality of those products.

III. Issues and Standard of Review

[10] Wanglaoji frames the issues on appeal as:

- a) Has MAL established use of the trademarks in Canada by a licensee during the relevant period, such that the use ensures to MAL's benefit under section 50 of the *TMA*?
- b) Did the Registrar err in finding there was use of the trademark registered as TMA410076 in association with "herbal products for food and medicinal purposes, namely herbal tea" when MAL's packaging stated "Herbal drink not for medical use"?
- c) Did the Registrar err in finding that a combination of an unregistered trademark with the symbol TM and a registered trademark with the symbol [®] constituted an acceptable variation of the trademark registered as TMA892774?

[11] The applicable standard of review depends on the nature of the additional evidence filed in this proceeding. Where there is new evidence that would have affected the Registrar's decision materially, the Court undertakes a *de novo* review of issues that relate to such evidence: *Hilton Worldwide* at para 47; *Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 at para 21 [*Clorox*]; *Seara Alimentos Ltda v Amira Enterprises Inc*, 2019 FCA 63 at para 22 [*Seara*]; *Vass v Leef Inc*, 2022 FC 1192 at paras 24-25 [*Vass*]; see also *Sea Tow Services*

International, Inc v Trademark Factory International Inc, 2021 FC 550 at paras 15-17 [*Sea Tow Services*]. Otherwise, the Court reviews the Registrar’s decision according to the appellate standards of review set out in *Housen v Nikolaisen*, 2002 SCC 33; *Hilton Worldwide* at para 48; *Clorox* at paras 22-23; *Vass* at paras 22-24; *Sea Tow Services* at para 18.

[12] In assessing whether new evidence would have materially affected the Registrar’s decision, the Court considers whether the evidence is “sufficiently substantial and significant” and of probative value: *Clorox* at para 21, citing *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 at para 27 and *Tradition Fine Foods Ltd v Group Tradition’l Inc*, 2006 FC 858 at para 58. The test is not whether the new evidence would have changed the outcome: *Seara* at para 23; *Sea Tow Services* at para 16, citing *Scott Paper Limited v Georgia-Pacific Consumer Products LP*, 2010 FC 478 at para 49. New evidence may be material if it fills gaps or remedies a deficiency identified by the Registrar: *IPack BV v McInnes Cooper*, 2023 FC 243 at para 9. If new evidence merely supplements or confirms the Registrar’s findings, then it is not considered material: *Seara* at para 24.

[13] Wanglaoji submits the new evidence on appeal is material and warrants *de novo* review on the first issue. The new evidence: adds versions of packaging that were sold in Canada during the relevant period; states that MAL licensed JDB and Wing Tung when Mr. Chan’s first affidavit only mentioned a license with JDB; and states, contrary to the first affidavit, that version 2 cans were never sold in Canada.

[14] Wanglaoji contends that the Second Chan Affidavit together with Mr. Chan's cross-examination testimony demonstrate that his evidence is not credible or reliable and should be given no weight to support MAL's use of the trademarks during the relevant period. Relying on *Cosmetic Warriors Limited v Riches, McKenzie & Herbert LLP*, 2019 FCA 48 at paragraph 17 [*Cosmetic Warriors*], Wanglaoji also argues that the Registrar's findings of "use" as defined in the *TMA* constitute extricable questions of law that call for a correctness standard of review.

[15] Wanglaoji submits the second and third issues also involve questions of law that call for a correctness standard of review.

[16] MAL argues that the Court should not consider the first issue because Wanglaoji relies on grounds of appeal that were not raised in its notices of application. Alternatively, MAL submits the Court should decide the first issue based on appellate standards of review because the new evidence merely clarifies and confirms the Registrar's findings and is not material. In this regard, MAL contends that Wanglaoji has not identified an extricable question of law, its reliance on *Cosmetic Warriors* is misplaced, and the Registrar's findings of use are properly characterized as questions of mixed fact and law that should stand absent a palpable and overriding error. In the further alternative, MAL submits that, even on a *de novo* review based on the record in this proceeding, the Court ought to reach the same conclusion as the Registrar.

[17] MAL submits the standard of review for the second and third issues is palpable and overriding error.

[18] Wanglaoji contends it properly raised the grounds supporting the first issue and, in the alternative, it seeks leave to amend the notices of application. MAL submits it would be prejudiced by a late amendment and asks the Court to dismiss Wanglaoji's motion for leave to amend the notices of application.

[19] For the reasons below, I agree with MAL that the Court should not consider the first issue. Wanglaoji relies on grounds of appeal that were not pleaded and I agree with MAL that Wanglaoji should not be granted leave to add the grounds to their notices of application. My findings in this regard are dispositive of the first issue. It is not necessary to decide whether the new evidence would have materially affected the Registrar's findings or whether those findings should be set aside.

[20] There is no material new evidence that relates to the second and third issues. Accordingly, appellate standards of review apply to the Registrar's findings on these issues.

IV. Analysis

A. *Issue 1: Has MAL established use of the trademarks in Canada by a licensee during the relevant period, such that the use ensures to MAL's benefit under section 50 of the TMA?*

[21] The Federal Court of Appeal has set out three ways a registered trademark owner can demonstrate the requisite control to benefit from subsection 50(1) of the TMA. The owner can: (i) clearly swear to the fact that they exert the requisite control; (ii) provide evidence that demonstrates they exert the requisite control; or (iii) provide a copy of a license agreement that

explicitly provides for the requisite control: *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2020 FCA 120 at para 24, citing *Empresa* at para 84.

[22] Wanglaoji submits MAL provided no evidence to demonstrate the requisite control under the second or third *Empresa* options. MAL did not provide evidence demonstrating that it exerts the requisite control or evidence of a written license agreement that provides for the requisite control. Consequently, only the first option is in play.

[23] Wanglaoji argues that the first *Empresa* option is wrong in law—a trademark owner should not be permitted to benefit from licensed use of a trademark based on a bald and unsupported statement that they exercise the requisite control. Wanglaoji submits: (i) for another entity’s use to have the same effect as use by the trademark owner, section 50 of the *TMA* requires both a license and evidence of direct or indirect control of the character or quality of the goods or services under the terms of the license; (ii) the Federal Court of Appeal has never examined whether the first option of swearing that the owner exerts the requisite control is sound; the first option was not at issue in *Empresa* and it was not at issue in the case cited as authority for the first option, *Mantha & Associés/Associates v Central Transport Inc* (1995), 64 CPR (3d) 354, 59 ACWS (3d) 301 (FCA); and (iii) a trademark owner must *show* that it has used a trademark (*Aerosol Fillers Inc v Plough (Canada) Ltd*, [1980] 2 FC 338 at 343-344, 45 CPR (2d) 194) and should be required to meet the same standard on questions of control and licensed use. Just as bald assertions of use will not suffice, bald assertions of control should not suffice to demonstrate direct or indirect control of the character or quality of goods bearing the owner’s trademark.

[24] Alternatively, Wanglaoji submits the first option should be insufficient to demonstrate the requisite control to benefit from subsection 50(1) of the *TMA* when there are serious issues with the credibility or reliability of an affiant's evidence. It contends that Mr. Chan's evidence is not believable and falls far short of establishing that MAL had an oral license agreement in place and exercised the necessary control over the character and quality of its herbal teas under the license. Wanglaoji states that: MAL chose to provide evidence from Mr. Chan even though another person (Ms. Leung) was delegated to oversee production, inspection, and export of the product in question and MAL acknowledged that Ms. Leung's evidence would have been the "best evidence"; while Mr. Chan's first affidavit stated that JDB is licensed to oversee production of the herbal tea at issue, the Second Chan Affidavit adds that MAL licensed Wing Tung to manufacture and export its herbal tea without explaining why this was omitted from the first affidavit; Mr. Chan's cross-examination revealed that he did not know the basic terms of the purported licenses with JDB and Wing Tung; Mr. Chan appeared to believe that he exerted control through ownership of companies in the chain of distribution, but a corporate relationship is insufficient to establish licensed use that benefits from section 50 (*Clorox* at para 56). Wanglaoji urges the Court to conclude that a licensing agreement did not exist and that all eight Registrations should be expunged.

[25] MAL submits the Court should reject the first issue on the basis that Wanglaoji relies solely on arguments that it is not entitled to raise.

[26] MAL states the notices of application in these consolidated proceedings made the following specific allegations regarding licensed use under section 50 of the *TMA*: there were

ambiguities in Mr. Chan's evidence about whether the products in question were sold in version 1 or version 2 cans; the Registrar should have construed the ambiguities against MAL to attribute 100% of Canadian sales to version 2 cans and 0% of Canadian sales to version 1 cans; had the Registrar done so, all Registrations would have been expunged because some of the trademarks do not appear on version 2 cans and/or because MAL did not adduce any evidence of a license between it and Hung To (Holdings) Co Ltd, the entity that supervised the manufacture of tea in version 2 cans.

[27] MAL states Wanglaoji now seeks to alter its entire argument on the license issue. Its memorandum of argument does not discuss any of the pleaded grounds—namely, which version of packaging was sold in Canada during the relevant period and whether there was a license for goods sold in version 2 cans—and does not dispute that MAL sold tea in version 1 cans. Instead, Wanglaoji's new position is that the established principles in *Empresa* ought to be reconsidered and MAL's evidence fails to demonstrate it exerted the requisite licensed control over goods sold in version 1 cans. MAL states these issues, raised for the first time in Wanglaoji's memorandum of argument, contradict the notices of application, which suggest that Wanglaoji had accepted the Registrar's findings that use of the trademarks displayed on version 1 cans enured to MAL's benefit.

[28] Wanglaoji states that a notice of application requires an applicant to plead the grounds it intends to argue. It filed notices of application based on the evidence in Mr. Chan's first affidavit, which was the only evidence available at the time, and the licensed use issue became more central as the evidence evolved. According to Wanglaoji, the Second Chan Affidavit

contradicts or alters the evidence that was before the Registrar and Mr. Chan’s cross-examination revealed issues with the credibility of his evidence about MAL’s licensing of and control over its tea products sold in Canada.

[29] Wanglaoji states that its notices of application did not admit that there was no license issue involving version 1 cans and, if they are interpreted liberally in view of the evolving evidence, they provided sufficient notice to MAL that the issues of licensed use and the ambiguities with Mr. Chan’s evidence were at play. Furthermore, Wanglaoji states that it sent a letter to MAL after receiving the Second Chan Affidavit, which set out its position that the issues on appeal were “whether the eight trademarks were used in Canada from October 30, 2016 to October 30, 2019, irrespective of the identification of several sub-issues in the Notices of Application in File Nos. T-2051-22 to T-2057-22”. Consequently, Wanglaoji contends that MAL had adequate notice of the license issues raised in this proceeding.

[30] I disagree with Wanglaoji that its pleadings captured the license issues it now relies on.

[31] Even on a liberal interpretation, the notices of application do not raise an issue of whether use of the registered trademarks on tea products sold in version 1 cans enured to MAL’s benefit. The notices of application do not allege that the Registrar erred by relying on the first option in *Empresa*, by finding that MAL licensed JDB, or by finding that JDB’s trademark use enured to MAL’s benefit. The errors identified in the notices of application relate to the Registrar’s finding that both version 1 cans and version 2 cans were sold in Canada during the relevant period—specifically, that the Registrar should have construed ambiguities in Mr. Chan’s

evidence against MAL to find that no version 1 cans were sold in Canada, and since there was no evidence of a license for goods in version 2 cans it would follow that MAL had not established use that enured to its benefit under section 50 of the *TMA*. There is no basis for inferring any other grounds of appeal related to section 50 of the *TMA*.

[32] As MAL correctly points out, an applicant in an appeal of a Registrar's decision must plead a complete and concise statement of the grounds it intends to argue, setting out full particulars of the grounds on which relief is sought: Rule 301 of the *Federal Courts Rules*, SOR/98-106 [*FC Rules*]; *TMA*, s 59(1). The Court should not consider grounds that have not been raised in a notice of application: *Cyprus (Commerce and Industry) v Producteurs laitiers du Canada*, 2010 FC 719 at para 48, aff'd 2011 FCA 201 at paras 13-15; *Boubala v Khwaja*, 2023 FC 658 at paras 26-27.

[33] None of the arguments Wanglaoji now relies on were raised in its notices of application, and they are not properly before the Court. I do not accept that Wanglaoji's letter served to expand the pleaded issues without the need for a motion, particularly since the letter did not actually identify a new issue related to section 50 of the *TMA* or MAL's licensing or control of product in version 1 cans.

[34] Wanglaoji states there is room for the Court to exercise discretion in applying the requirements of Rule 301 where: relevant matters have arisen after the notice of application was filed; the new issues have merit, are related to those set out in the notice, and are supported by the evidentiary record; the respondent would not be prejudiced; and no undue delay would result:

Canada (Attorney General) v Iris Technologies Inc, 2021 FCA 244 at para 42 [*Iris*]. However, the requirements of Rule 301 are not merely technical: *Iris* at para 41. I am not satisfied that the factors noted above weigh in Wanglaoji's favour, so as to warrant the exercise of the Court's discretion to consider issues that have not been properly raised and pleaded.

[35] While Wanglaoji's position was that the first issue was properly pleaded, it filed a motion to amend its notices of application "out of an abundance of caution". The motion, filed one week before the scheduled hearing of the consolidated appeals, was heard on the same day as the appeals.

[36] As one aspect of the motion, Wanglaoji sought leave to correct two typographical errors in the notice of application appealing the Registrar's decision with respect to the trademark registered as TMA892774 (Court file no. T-2057-22). The last sentence of paragraph 9 and the heading preceding paragraph 20 refer to version 2 packaging when they should refer to version 1 packaging. In my view, these were minor errors that did not mislead MAL. I am satisfied it is in the interests of justice to grant leave to correct the two typographical errors in the notice of application in Court file no. T-2057-22.

[37] Wanglaoji also seeks leave to add the following paragraph to each of its notices of application:

Even if the Registrar did not err in concluding that some of the Respondent's "Tea and Herbal Tea" goods were sold and transferred in Canada during the Relevant Period by JDB or other parties in the Version 1 packaging with the Mark, the Registrar erred in finding that such use of the Mark is deemed to have been use by the Respondent under section 50 of the Act. The

Respondent did not have credible and reliable evidence showing any license agreement in respect of the Mark. A bald and unsupported statement regarding control of the character or quality of the goods is insufficient for the purposes of a license under section 50, and Chan's evidence does not establish any control "under the license" as required in section 50.

[38] Pursuant to Rule 75 of the *FC Rules*, the Court may allow a party to amend a document at any time, provided that allowing the amendment would not result in an injustice to the other party that is not capable of being compensated by an award of costs and the amendment would serve the interests of justice: *Apotex Inc v Bristol-Myers Squibb Company*, 2011 FCA 34 at para 4; *Sanofi-Aventis Canada Inc v Teva Canada Limited*, 2014 FCA 65 at paras 13, 15 [*Sanofi-Aventis*].

[39] Wanglaoji submits that its proposed amendment does not raise a new ground of appeal, but rather clarifies and particularizes an existing ground. It contends that the narrower issue of whether MAL provided sufficient evidence of licensing and control with respect to products sold in version 1 cans is ancillary to the broader licensing issue. Wanglaoji states that the Second Chan Affidavit and Mr. Chan's answers on cross-examination are significantly different from the evidence that was before the Registrar, MAL was aware that it intended to focus on licensing and control issues, and the question of whether MAL provided sufficient evidence of a trademark license and the necessary control of the character or quality of herbal tea products sold in Canada has been a live issue in the consolidated appeals, without objection.

[40] As with amendments that are made following discovery to refocus and particularize points in controversy (*Dené Tha' First Nation v Canada*, 2008 FC 679 at paragraphs 8-9),

Wanglaoji states the proposed amendments would refocus and particularize existing grounds of appeal and make the notices of application accord with the trademark licensing and control issues the parties have always understood and acted upon. Wanglaoji submits the amended grounds have a reasonable prospect of success and granting leave to amend would serve the interests of justice without causing prejudice to MAL that cannot be compensated with costs.

[41] For the reasons below, this aspect of Wanglaoji's motion is dismissed.

[42] The proposed new paragraph does not merely refocus and particularize existing grounds of appeal. As noted above, none of the arguments Wanglaoji now relies were raised in its notices of application. The only pleaded ground of appeal that touches on licensing relates to version 2 packaging. Wanglaoji first raised an issue with licensing and control over product sold in version 1 cans in its memorandum of argument served in September 2023.

[43] I agree with MAL that Wanglaoji's motion was not timely and there is no satisfactory explanation for the delay: *Sanofi-Aventis* at paras 17, 18. The proposed new paragraph raises errors with the Registrar's decision that Wanglaoji could have raised when it filed its notices of application. In fact, Wanglaoji argued before the Registrar that MAL had not established licensed use of the marks in accordance with section 50 of the *TMA*, but chose to plead specific, narrow section 50 grounds in the notices of application. Even accepting that there was a dramatic change in the evidence after the appeals were commenced (which MAL disputes), I am not satisfied there is an adequate explanation for Wanglaoji's failure to bring a motion after receiving the Second Chan Affidavit sworn in December 2022 or, at the latest, after

cross-examination was complete in August 2023. Moreover, despite having notice of MAL's position from the memorandum of argument, Wanglaoji waited two months and brought its motion just one week before the scheduled hearing.

[44] MAL argues that it relied on the grounds set out in the notices of application as the case it had to meet and filed evidence to address the grounds Wanglaoji raised. I agree with MAL that the prejudice and procedural unfairness of allowing a late amendment cannot be compensated by an award of costs.

[45] I find it is not in the interests of justice to allow an amendment that would permit Wanglaoji to raise an issue with MAL's licensing and control of its herbal tea products generally, including products sold in version 1 cans, at this stage of the proceedings. Granting leave to add the proposed amendments would permit Wanglaoji to alter its argument entirely on the eve of the hearing.

[46] In conclusion, Wanglaoji's appeal on the first issue is dismissed because it rests on grounds that were not raised in the notices of application, and Wanglaoji is denied leave to amend its notices of application to add the grounds.

B. *Did the Registrar err in finding use of the trademark registered as TMA410076 in association with herbal products for food and medicinal purposes, namely herbal tea?*

[47] This issue relates to the Registrar's decision reported at 2022 TMOB 147.

[48] Wanglaoji submits the Registrar erred in finding that MAL had used the trademark registered as TMA410076 in association with goods described as “[h]erbal products for food and medicinal purposes, namely herbal tea” when the product label states “[h]erbal drink not for medical use”. Wanglaoji argues the Registrar erred by: (i) taking judicial notice of a single meaning of words without evidence (*Caterpillar Inc v Puma SE*, 2021 FC 974 at paragraphs 37-38 [*Caterpillar*]; *McDowell v Laverana GmbH & Co KG*, 2017 FC 327 at paragraph 36 [*McDowell*]); (ii) accepting the definitions for “medical” and “medicinal” in the Merriam-Webster Dictionary, as provided in MAL’s written representations, without considering competing dictionary definitions (*R v Allaby*, 2017 SKCA 25 at paragraphs 33, 35); (iii) relying on Mr. Chan’s opinion and/or hearsay evidence that MAL’s herbal tea products were considered an effective prevention against influenza and other illnesses; and (iv) failing to have due regard to the instructions on the label. Had the Registrar not erred, it would have concluded that MAL’s products do not fall within the scope of the registered goods noted above.

[49] In my view, Wanglaoji has not established that the Registrar committed a reviewable error in finding that MAL had used the trademark registered as TMA410076 in association with herbal products for food and medicinal purposes, namely herbal teas.

[50] Wanglaoji has not established that the Registrar committed an error of law. I agree with MAL that *Caterpillar* and *McDowell* are distinguishable. Those cases involved appeals from opposition proceedings and a question of whether a trademark or part of it had a suggestive or laudatory connotation—not the meaning of a term in a statement of goods.



[51] Similarly, Wanglaoji has not established that the Registrar committed a palpable and overriding error of fact or mixed fact and law.

[52] In this proceeding, Wanglaoji essentially argues that “medicinal” is a subset of “medical”, the disclaimer “not for medical use” encompasses “not for medicinal purposes”, and the disclaimer on cans amounts to an admission that MAL’s products do not fall within the goods described in TMA410076. The dictionary definitions Wanglaoji has put forward do not establish that “medical” is broader than “medicinal” or that “medicinal” is a subset of “medical”, and I do not accept that the package disclaimer is determinative of whether MAL’s product falls within the goods described in its trademark registration. Section 45 proceedings are intended to be an expeditious means of removing “deadwood” from the Register. They are not meant to be an exercise in meticulous verbal analysis and one is not to be astutely meticulous when dealing with language used in a statement of goods: *Michaels v Unitop Spolka Z Organizzona Odpowiedzialnoscia*, 2020 FC 937 at para 14.

[53] Contrary to Wanglaoji’s arguments, the Registrar did not fail to have regard to the instructions on the label, make findings on the definitions of “medical” and “medicinal”, or accept definitions that MAL had proposed; the Registrar simply noted MAL’s argument that Wanglaoji was attempting to equate two terms that have different meanings. Considering the issue in light of the nature of section 45 proceedings, the Registrar found that MAL’s tea products fall within the scope of the registered goods based on Mr. Chan’s statements about how the products were considered to prevent illness. The Registrar was entitled to do so and I am not persuaded that the Registrar committed a reviewable error by relying on Mr. Chan’s evidence.

C. *Did the Registrar err in finding use of an acceptable variation of the trademark registered as TMA892774?*

[54] This argument relates to the Registrar’s decision reported at 2022 TMOB 153, where the Registrar concluded that cans of herbal tea sold in Canada displayed an acceptable variation of the trademark registered as TMA892774.

TMA892774	Image on Packaging
	

[55] The Registrar set out the applicable principles as follows: 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 (*Registrar of Trade Marks v CII Honeywell Bull*, [1985] 1 FC 406, 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] TMOB No 52, 2 CPR (3d) 535); and there is nothing in the *TMA* 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 Canada (Registrar of Trademarks)*, [1985] FCJ No 824, 6 CPR (3d) 270 (FCTD)).

[56] The Registrar found that the dominant features of MAL’s trademark, being the Chinese characters and the border, were retained in the trademark as used, albeit in a different

configuration and stylization with an additional border. The Registrar considered the first TM symbol not determinative, but rather indicative that the first half of the trademark is also considered a trademark. The Registrar found that the identity of the trademark was preserved and the deviation would not mislead an unaware purchaser, and concluded that the trademark appearing on the packaging was an acceptable deviation of the trademark as registered.

[57] Wanglaoji argues that the images on the packaging give the impression of two separate marks, rather than a variation of the registered trademark. It states the Registrar considered the TM symbol in isolation, without considering the impact of the ® symbol, and erred by failing to consider the impact of both the TM and ® symbols on the first impression of an unaware purchaser. The separation of components by a symbol or other matter is a factor to be considered in determining whether a customer would perceive the registered trademark *per se* as being used: *Novopharm Ltd v Novo Nordisk A/S*, 2005 CanLII 94642, 41 CPR (4th) 188 (TMOB).

[58] Even if the first impression is of a single trademark, Wanglaoji submits the trademark as used is substantially different from the registered trademark due to the addition of a distinctive border and the distinctive words “Wong Lo Kat”. The Registrar failed to consider whether the cumulative effect of the additional distinctive elements resulted in a different first impression.

[59] I agree with MAL that the Registrar stated the correct principles and Wanglaoji has not identified an error of law in the Registrar’s findings. Therefore, the applicable standard of

review is whether the Registrar committed a palpable and overriding error in its application of the facts to the legal test.

[60] I am not persuaded that the Registrar committed a palpable and overriding error.

[61] Contrary to Wanglaoji's allegation, the Registrar did not fail to consider the impact of both the TM and ® symbols. The Registrar specifically noted Wanglaoji's argument that the use of the TM and ® symbols suggest two different trademarks arranged side-by-side, rather than two parts of a variant of the registered trademark. Ultimately, the Registrar did not agree, finding that the first TM symbol was "an indication that the first half of the mark was also itself considered a trademark".

[62] Similarly, the Registrar did not fail to consider the cumulative effect of additional distinctive elements. The Registrar noted Wanglaoji's argument that "the stylization of some characters and the addition of words, Chinese characters, and rectangles are not an acceptable variation" of the registered trademark, but was not persuaded by it. Instead, the Registrar agreed with MAL that the dominant features of the registered trademark were retained in the trademark as used.

[63] Wanglaoji disagrees with the Registrar's findings, but it has not established that the Registrar committed a palpable and overriding error of fact or mixed fact and law in assessing whether, despite the differences, the trademark displayed on the cans was an acceptable variation of the trademark registered as TMA892774.

V. **Conclusion**

[64] Wanglaoji has not established that the Registrar committed a reviewable error in finding that each of the Registrations should be maintained with amended statements of goods.

Accordingly, these consolidated appeals are dismissed.

[65] The parties made preliminary submissions on costs at the hearing; however, both parties requested an opportunity to provide written submissions on costs. If the parties are unable to reach an agreement on costs, MAL may serve and file cost submissions within 20 days of this decision and Wanglaoji may serve and file cost submissions within 15 days thereafter. Each party's cost submissions shall not exceed 5 pages, not including any bill of costs.

JUDGMENT IN T-2051-22

THIS COURT'S JUDGMENT is that:

1. The references to version 2 in the last sentence of paragraph 9 and in the heading preceding paragraph 20 of the notice of application for Court file no. T-2057-22 are hereby amended to refer to version 1. Wanglaoji's motion to amend its notices of application is otherwise dismissed.
2. The applications to appeal the Registrar's decisions reported at 2022 TMOB 147, 2022 TMOB 148, 2022 TMOB 149, 2022 TMOB 150, 2022 TMOB 151, 2022 TMOB 152, and 2022 TMOB 153, consolidated under Court File No. T-2051-22, are dismissed.
3. In the event the parties are unable to reach an agreement on costs, costs remain to be determined following written submissions delivered in accordance with this Court's reasons.

"Christine M. Pallotta"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2051-22

STYLE OF CAUSE: GUANGZHOU WANGLAOJI GRAND HEALTH CO.,
LTD. v MULTI ACCESS LIMITED

PLACE OF HEARING: VANCOUVER, BRITISH COLUMBIA

DATE OF HEARING: DECEMBER 11, 2023

JUDGMENT AND REASONS: PALLOTTA J.

DATED: JUNE 7, 2024

APPEARANCES:

Tristan Culham
Andy Chow
Nicole Graham

FOR THE APPLICANT

Cristina Mihalceanu
Geoffrey Mowatt

FOR THE RESPONDENT

SOLICITORS OF RECORD:

MLT Aikins LLP
Barristers and Solicitors
Regina, Saskatchewan

FOR THE APPLICANT

DLA Piper (Canada) LLP
Barristers and Solicitors
Toronto, Ontario

FOR THE RESPONDENT