



# GSK Thwarts the Attempted “Scooping” of its HORLICKS Trademark

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The Federal Court of Canada has rejected an application by Bedessee Imports Ltd., an importer and distributor of food products, including beverages, drinks and drink mixes, to expunge GlaxoSmithKline’s (“GSK”) longstanding HORLICK’S and HORLICKS trademark registrations. HORLICKS branded malted milk powder was originally developed for children and people with health ailments, and later became known as a meal replacement drink. It is widely sold internationally.

Bedessee brought its application in 2017, claiming that the HORLICK’S and HORLICKS marks were not registrable when they were registered, were not distinctive, and had been abandoned. In 2017, Bedessee had also filed its own proposed use application for HORLICKS in association with “malted milk powder drink mix, drinks,” and other goods.

GSK’s evidence showed that its Canadian consumer healthcare business, which is and was responsible for the HORLICKS products, has imported the HORLICKS products and then distributed them through Canadian grocery stores, retail stores and specialty markets. GSK’s evidence also showed that its worldwide sales of HORLICKS products in 2017 exceeded \$600 million USD.

## The HORLICKS Marks were Registrable when Registered

In support of its position that the HORLICKS Marks were not registrable when registered, Bedessee pointed to a dictionary definition from 1907 for “Horlick’s Food”, ten years before the registration date, which the Court found irrelevant to its assessment of registrability in 1917. Bedessee also relied upon historic advertisements prior to 1917 purporting to use HORLICKS generically, and argued the advertisements could prove a mark is descriptive or generic. The Court held that this could not and did not trump the Supreme Court of Canada’s decision in *Horlick’s Trade Mark Re*, wherein the Court directly addressed the issue of whether the HORLICK’S mark was registrable in 1917, holding it was.

The removal of the apostrophe from HORLICK’S in 1952 was an unimportant difference to an unaware purchaser, since its absence would be a minor variant in appearance and pronunciation. Moreover, although Bedessee produced advertisements it claimed demonstrated the generic nature of HORLICKS at the relevant time, GSK produced advertisements showing goods distributed in association with the HORLICKS mark during the same period. Accordingly, the Court found the HORLICK’S and HORLICKS marks registrable in 1917 and 1952 respectively (collectively the “HORLICKS Marks”).

## The HORLICKS Marks are still Distinctive

Bedessee argued that numerous transfers of interest and address changes of the trademark owner had “impacted the quality of the [HORLICKS] wares”. GSK maintained that the HORLICKS Marks and associated malted milk beverage goods were distinctive from other products on the market. As there was no evidence that the changes in ownership of the HORLICKS Marks had resulted in lost distinctiveness for the marks, the assignments did not lessen GSK’s rights.

## GSK had not abandoned the HORLICKS Marks, as Imported Goods Sustained the Registrations

Bedessee argued GSK had abandoned the HORLICKS Marks because the HORLICKS branded products were not available in Canada and, therefore, the HORLICKS Marks were no longer in use. In support of this claim, Bedessee relied upon an investigation that found HORLICKS branded products were not for sale at a Caribbean grocery store in Ontario



nor at Loblaws, and news releases that said GSK intended to divest HORLICKS and its plant in the United Kingdom, but keep its operations in India. Conversely, GSK relied upon investigations that showed HORLICKS branded products continued to be sold and shipped into Canada by third-party retailers and distributors, and were purchasable online to be shipped to Canada.

Bedessee argued these types of sales constituted “grey goods” or second-hand sales, and therefore were not “in the normal course of trade”. The Court distinguished GSK’s sales, noting the HORLICKS branded products were imported and distributed for the purpose of resale to consumers in Canada, and that the products reached the end Canadian consumer bearing the HORLICKS Marks. The Court also noted that the lack of bilingual labelling was irrelevant to trademark use, since if trademark validity was contingent upon compliance with other regulatory schemes, the *Trade-marks Act* would clearly state that requirement. Accordingly, “even the smallest use of the trade-mark [was] sufficient to answer a non-use allegation”.

In support of GSK’s alleged intention to abandon the HORLICKS Marks, Bedessee had also relied upon a phone call with a sales representative of GSK, who allegedly said that HORLICKS products had been discontinued a few years ago, and that this was “terminal”. In contrast, GSK’s affiant swore that GSK never intended to abandon the HORLICKS Marks. The Court saw Bedessee’s evidence as hearsay, and therefore inadmissible.

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[1] [Bedessee Imports Ltd. v. GlaxoSmithKline Consumer Healthcare \(UK\) IP Limited](#)

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