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# Trademarks

## 1.0 Introduction

* ***Trade-marks Act***, a federal statute, and common law govern **trademark law**
* Just registering a company isn’t enough to get a TM for the business name; it only approves the business name as part of the business registration process (not any actual USE of the TM)
* **Registered TM’s**: Get nationwide protection
* CL TM’s: Protection in geographic area where that TM has market reputation
* TM rights accrue in association with specific goods/services ;therefore, an identical TM can be owned by different parties for different goods/services (e.g. Delta airlines vs Delta home decoration)

## 2.0 Distinctiveness

* S. 2(a): A mark that is used by a person for the purpose of distinguishing wares or services from those of others
  + S. 2: Defines “**distinctiveness**” as a TM that actually distinguishes the wares/services in association with which it’s used by owner from the wares/services of others, or is adapted so to distinguish them
* Criteria for considering a TM distinctive (*Bojangles*):
  + (1) Mark and a product/ware are associated
  + (2) An owner uses this association; AND
  + (3) This association enables owner to distinguish his product from that of others
* **Mark** can be words, symbols, a combination of both, and unconventional things like sounds and colours
* When you buy TM from another corp, you buy all the rights held by corp with regards to that TM (*Bombardier*)

#### British Petroleum v Bombardier (1971) FC Trial Div

|  |  |
| --- | --- |
| Facts | P/A; D/R. D owns SKIDOO TM for snowmobiles and buys SKIDOO TM for motor oil from Castrol. P applies to register “23 SKIDOO” as TM for lubes. D opposed app since the proposed mark was “confusing” with a “TM” that had previously been used by predecessor-in-title C. |
| Discussion and Analysis | - P thinks that the word “ski-doo” was not “used” by Castrol (with definition from s. 2(v) of Act)  - Castrol, in the product label, explains it doesn’t own the TM “ski-doo” |
| Ratio | Use of someone else’s TM doesn’t distinguish the user’s goods from the goods of others. |
| Holding | No TM use by C 🡪 No SKIDOO TM for motor oil that C can sell 🡪 No basis for D to oppose P’s app. |
| Misc. | 1973 FCA: Dismissed B’s appeal. If mark does not have distinguishing purpose, not being used as TM. |

* What determines **distinguishing purpose**: Intention of user or recognition by public consumer?
  + Both are relevant considerations (*Tommy Hilfiger v International Clothiers*)
  + Intention of user is not determinative (*Pepper King v Sunfresh*)
  + Recognition by all probable purchasers is necessary (*Parke v Empire Laboratories*)
* Example of HP printer: LaserJet is a trademark (name is a **distinguishing purpose**), 1100A distinguishes from other models from the same brand (but not distinguishing in terms of a TM) so it has **informational purpose**
* Example of Nike shoes: Something could also have a **decorative purpose** instead of a TM distinguishing purpose
* Example of Legos: Can’t trademark the knobs on the blocks because they have a **primarily functional purpose**
* Inherent distinctiveness (A) + Acquired distinctiveness (B) – Lack of distinctiveness (C) = Actual distinctiveness
  + Important formula to test the strength of the TM
* A) **Inherent distinctiveness**: Made-up words (e.g. Exxon, Kodak), English words that have nothing to do with your field (e.g. Chevron in fuel, Apple in technology)
  + Less so: Suggestive words (e.g. Greyhound of buses, Coppertone of sunscreen)
  + No good: Descriptive words/names (e.g. All-Bran, Pizza Pizza)
* B) **Acquired distinctiveness** (i.e. **secondary meaning**) can be gained through significant use, advertising, publicity
* S.12(1)(b) prohibits registration of TMs that are descriptive of character, quality, or geographic region
  + Example: Kellogg couldn’t get All-Bran trademarked until after 10 years of heavy advertising, showing how much the public has come to associate All-Bran with their particular cereal, when they used s. 12(2)
  + S. 12(2): Must prove that mark is recognized by substantial portion of Canadian public as distinguishing the source of the goods/services in order to be considered having acquired distinctiveness

#### Molson Breweries v John Labatt (2000) FCA

|  |  |
| --- | --- |
| Facts | P applied to register as trade-mark the word “EXPORT” re: its brewed alcohol. D opposed registration since “EXPORT” either clearly descriptive or deceptively misdescriptive of the character/quality of beer 🡪 NOT distinctive term (s. 12(1)(b)) |
| Discussion and Analysis | - Registrar found that “EXPORT” isn’t distinctive through all Canada; but if it is under a restricted area (e.g. only ON & QC), then the registration is allowed (ss. 32(2))  - P tries to call Molson a “house mark” and “EXPORT” a TM, but they always appear together |
| Ratio | Onus of proof (on BoP) on applicant to show that a normally descriptive word has acquired a secondary meaning that makes it descriptive of a particular product.  Distinctiveness of ware must be determined from everyday user POV; the TM must be considered in its entirety and as a matter of first impression. Exclusive use is not required to prove distinctiveness. |
| Holding | Appeal allowed. “Molson Export” has acquired distinctiveness, not “Export”. |

* C) **Loss of distinctiveness**: Two or more businesses use the same or similar TM for similar goods/services
  + This could lead to degradation of each other’s distinctiveness
  + **Genericization** (genericide): Loss of distinctiveness due to primary meaning of TM becoming the product/service itself rather than indication of source
    - Example: Escalator (brand of moving staircase), Zipper (brand of clothes fastener); Jell-O, Xerox, Lego aren’t yet, but can complain if public signs are genericizing it
    - Based on jurisdiction (e.g. aspirin has been genericized in US, but not in Canada)

#### Bojangles’ International v Bojangles Café (2006) FC Trial Div

|  |  |
| --- | --- |
| Facts | P operates restaurants in US, not Canada. D has two cafes in Vancouver. P sued D for having similar types of food, utensils, containers, and other similar services. Board found P’s mark in Canada not sufficient to negate the distinctiveness of D’s mark. P’s mark not well known in east Can. P/A; D/R. |
| Issue | To what extent does a mark need to be known in Can to negate the distinctiveness of another mark? |
| Discussion and Analysis | - P trying to prove that Can tourists have visited their locations or been in proximity of the Bojangles name/logo/familiarity; 7.8% Canadians were aware of P’s mark  - Correctness standard doesn’t apply to the affidavits P secured |
| Ratio | Need to prove that the **foreign mark** is known “to some extent at least”, with a substantial, significant, or sufficient reputation. |

## 3.0 Use

* S. 2 defines **use** as “any use that by s. 4 is deemed to be a use in association with wares or services”
* Use underpins statutory and CL trademark rights; therefore stopped use = loss of rights usually
  + Haven’t begun use = no rights usually
* Use important to register a mark, to preserve registration, to establish entitlement to registration against others
* S. 4(1): TM deemed to be used if “marked on wares themselves or on the packages in which they’re distributed”
  + Or it is in any other manner so associated with the wares (e.g. Gore-Tex, Black & Decker flashlights)
  + Marked on wares at time of transfer (e.g. preinstalled computer software; *BMB*), or in normal course of trade (e.g. samples, *Siscoe*; test marketing, *Grants of St. James*; single sale, *Saft-Societe*)

#### ~BMB Compuscience Ltd v Bramalea Ltd (1988) FC Trial Div

|  |  |
| --- | --- |
| Facts | P had developed netmail both as a product name and as an access code for users of the software. Simultaneously, D applied for a TM for netmail for its own electronic mailing software. |
| Issue | What constitutes use of a TM on a computer product? |
| Discussion and Analysis | - P used the TM in summer 1984 when it demonstrated the software and then sold the wares to George Weston Ltd; was considered prior usage of “netmail” by P |
| Ratio | Display of TM to a prospective purchaser before and after sale constitutes adequate TM usage due to practical difficulty of requiring each copy of a software program to be physically labeled. |

#### ~Siscoe Vermiculite Mines v Munn & Steele (1959) Exchequer Ct

|  |  |
| --- | --- |
| Facts | D forwarded to P a sample marked with “MICAFIL”. No sale. D’s registration expunged. P/A; D/R. |
| Ratio | **Delivery of samples** of a product does not constitute use of that product. |

#### ~Grant of St. James Ltd v Andres Wines Ltd (1969) Registrar of TM

|  |  |
| --- | --- |
| Ratio | Two isolated shipments for **test marketing** do not constitute use of the mark. |

#### ~Saft-Societe v Charles le Borgne (1975) FC Trial Div

|  |  |
| --- | --- |
| Ratio | A **single sale** does not constitute a distribution of wares or of the mark since it does not serve to make the mark known. |

* Sale must be made in Canada
* S. 4(2) on use of TM with services: If used or displayed in the performance or advertising of such services

#### HomeAway.com Inc v Hrdlicka (2012) FC Trial Div

|  |  |
| --- | --- |
| Facts | P is a US company that advertises vacation rental services online, including in Canada. |
| Issue | What is “use” by means of computer screen display? Is advertising of services on Internet a s. 4 use? |
| Ratio | Computer information stored in one country can be said to exist in another. A TM appearing on a website on a screen in Canada, regardless of where the info may have originated from or be stored, constitutes (for *Trade-Marks Act* purposes) use and advertising in Canada. |
| Holding | Registration expunged. |

#### ~Porter v Don the Beachcomber (1966) Exchequer Ct

|  |  |
| --- | --- |
| Facts | P/A; D/R. TM “Don the Beachcomber” was registered since it had been “made known” in Canada in association with serving of food and beverages in restaurants. |
| Issue | Is advertising TM in Can (w/o physical performance in Can of services advertised) “use” in Canada? |
| Ratio | “Use” of a TM in Canada requires both (a) services distinguished by the TM performed in Canada, and (b) use or display of the TM in Canada in the performance or advertising of the services. |
| Holding | US restaurant advertising in Canada is not “use”. Must have actual services in Canada. |

#### Saks v Registrar of Trade Marks (1989) FC Trial Div

|  |  |
| --- | --- |
| Facts | P appeals the decision of D to expunge the registration of “SAKS FIFTH AVENUE”. P/A; D/R. |
| Issue | Is advertising TM in Can (w/o physical performance in Can of services advertised) “use” in Canada? |
| Ratio | If all documents and materials issued by a US company carry the TM, then sending these documents to Canada to advertise the wares counts as a service. |

* S. 4(3) on **exported wares**: A TM marked in Canada on wares or on packages within which they’re contained is, when such wares are exported from Canada, deemed to be used in association with such wares

## 4.0 Entitlement to Register

* Some advantages of TM registration:
  + Easier to enforce than an unregistered TM
  + National protection
  + Presumption of ownership: Onus on challenger to disprove that ownership
  + Easily identifiable asset for licensing, assignments
  + Deter others from adopting confusing TM
  + Required for international registration
  + **Limited incontestability** after 5 years of registration (S. 17(2)): Some immunity against anyone who comes later (A) and claims that they used the TM (unregistered) before B (who registered the mark)
    - After 5 years, the previous user A cannot expunge B’s registration based on prior use
    - Before 5 years, the previous user A can apply to expunge B’s registration based on prior use
  + Six month **Convention priority** claim – S. 34
    - Example: A files in Canada on Jan 1 2014. B files in US on Feb 1 2014. A files in US on Jun 30 2014, claiming Convention priority to Canadian filing date of Jan 1 2014. Therefore in US, A’s application is senior to B’s application.
* **Term** for TM begins at registration, not at filing date
* Trademark application procedure:
  + 1) Select a TM
  + 2) Conduct a search (optional)
  + 3) File TM application
    - S. 16: Grounds for filing application:
      * A) Used in Canada – s. 16(1)
      * B) “**Made known**” in Canada (e.g. US ads spilling over) – s. 16(1) and s. 5
      * C) Registered and used abroad – s. 16(2), OR
      * D) Proposed use – s. 16(3)
  + 4) Examination – S. 37(1): Examiners’ duties
    - * A) Check formalities (s. 30)
      * B) Check registrability (s. 12)
      * C) Check confusion with previously-filed pending applications
    - If Examiner has objections, sends an Examiner’s Report back to the applicant
  + 5) Approval for publication in **Trademarks Journal**
  + 6) Publication in Trademarks Journal
    - Oppositions can happen; grounds for those found in s. 38(2):
      * A) Non-compliance with s. 30
      * B) Non-compliance with s. 12
      * C) Not entitled person (s. 16)
      * D) Not distinctive (s. 2)
  + 7) Allowance
  + 8) File declaration of use (if “intent to use”)
  + 9) Pay registration fee
  + 10) Registration!
  + 11) Renew registration every 15 years
* Material dates for determining **entitlement** to register a TM as between competing parties:
  + S. 16(1) – Application based on use or making known: Date of first use or making known
  + S. 16(2) – Application based on use and registration abroad: Effective filing date (filing or priority date)
  + S. 16(3) – Application based on intent to use: Effective filing date (filing date or priority date)

#### Effigi v Canada (AG) (2005) FCA

|  |  |
| --- | --- |
| Facts | E filed to register TM “Maison Ungava” on basis of proposed use. T filed to register TM “Ungava” on basis of prior use. **Competing co-pending applications**. TM’s associated with the same type of wares. Registrar refused E’s registration (as per s. 37(1)(c)) because it was confusing with T’s “Ungava” |
| Issue | Can Reg refuse app that’s confusing w/ pending mark filed subsequently but citing previous use? |
| Ratio | You have to be the first person entitled under s. 37(1)(c): “first come, first served”. |
| Holding | Judgment for E (E had no confusing co-pending application when it filed, but T had E’s confusing co-pending app when it filed). Appeal by AG dismissed. T’s alleged prior use can be made the subject of evidence in an opposition to E’s earlier-filed application. |

## 5.0 Registrability

* Not all marks are registrable: s. 12(1) sets out categories that aren’t
  + C) Name in any language of the wares/services
  + (d) Confusing with a registered TM
  + E) Marks prohibited by s. 9 or s. 10
* **Registrability** may be challenged:
  + Before registration: During examination (by examiner), during opposition (by competing party)
  + After registration: During expungement (by competing party)

### 5.1 Personal Names – s. 12(1)(a)

* S. 12(1)(a): Cannot be the full name or surname of a living person or one who has died in the preceding 30 years
  + Full names can’t be registered (not limited to just formal legal names; so includes Pele), except in cases like Calvin Klein, which has acquired tons of distinctiveness over the years

#### ~Gerhard Horn Investments v Registrar of Trade Marks (1983) Ex. Ct.

|  |  |
| --- | --- |
| Facts | P applied to register “Marco Pecci” as TM in women’s wear, based on prior use of the mark. Registrar rejected per s. 12(1)(a) since the mark is primarily an individual’s name and consumers can’t distinguish between this fake name and real names |
| Issue | Can the personal name of a fictitious person be registered as a TM? |
| Discussion and Analysis | - Looked at rarity of the surname, and whether the average Canadian with reasonable comprehension of English or French would assume the mark was the name of an individual |
| Ratio | Two-part Test:  1) Determine whether TM is the name of a living person or someone who died in past 30 years  - If no: Mark is not contrary to s. 12(1)(a)  2) Is it “primarily merely” a name/username?  - If no: Go ahead with registration of TM |

#### Registrar of Trade Marks v Coles Book Stores (1972) SCC

|  |  |
| --- | --- |
| Issue | Is the primary meaning of the word in the mark merely a surname? |
| Discussion and Analysis | - Dictionary meaning is “cabbage” but that’s rarely used  - Coles is not merely a surname but it is **PRIMARILY merely** a surname, therefore not registrable |
| Ratio | A Canadian of ordinary intelligence and with ordinary education in English or French would respond to the TM “Coles” thinking it a surname more so than as a word with a dictionary meaning. |

### 5.2 Descriptive Marks – s. 12(1)(b)

* S. 12(1)(b): Cannot be a word (whether depicted, written, or sounded) that is clearly descriptive or deceptively misdescriptive (in French or English) of the character/quality of the wares/services
  + “Or sounded” captures corrupted spellings (e.g. KOLD ice cream, CHEEZ, STA-ZON for eyeglass frames)
  + Policy reasons: For clearly descriptive TMs, prevent appropriation by one trader of descriptive words that should be available for all competitors to use
    - And for deceptively misdescriptive TMs, protect consumers from deception

#### Drackett Co of Canada v American Home Products (1968) FC Trial Div

|  |  |
| --- | --- |
| Facts | R tried to register “ONCE-A-WEEK” to be used in association with a floor cleaner. |
| Analysis | - Clearly = “easy to understand, self-evident, plain”; Character = “feature, trait, characteristic of pdt” |
| Ratio | To determine whether a TM is descriptive, one needs to ascertain the **first impression** it conveys, not analyse the word(s) involved carefully and critically. |
| Holding | ONCE-A-WEEK for floor cleaner is clearly descriptive (as per s. 37(2)(b)) of character of goods. |

* **Suggestive marks** are OK (examples for floor cleaners include SPARKLING WAVE, DUSTBANE, FLOOR SCIENCE)
* Laudatory words are clearly descriptive of quality, but OK if combined with distinctive element(s)
  + ESSO SUPREME and SUPER 8 MOTEL are OK; EXTRA PREMIUM SUPER SUPREME and RIGHT are not

#### ~Imperial Tobacco v Benson & Hedges (1983) FC Trial Div

|  |  |
| --- | --- |
| Facts | R applied to register “right” as a TM for use in association with cigarettes, based on proposed use. Registrar found it distinctive. FC says no distinctiveness. |
| Analysis | - English words applied for to be TM’s are used adjectivally |
| Ratio | To be registrable, a TM must be inherently distinctive and not connotatively laudatory (which automatically comes with the nature of describing the product). |

#### Deputy AG of Canada v Biggs Laboratories (1964) Ex. Ct.

|  |  |
| --- | --- |
| Facts | P/A; D/R. D tried to register “SHAMMI” TM for transparent plastic glove w/o chamois or shammy. |
| Ratio | A product advertised as containing certain components that it does not is considered deceptively misleading to the purchasing public (violates s. 7(d)). |

#### Provenzano v Registrar of Trade Marks (1977) FC Trial Div

|  |  |
| --- | --- |
| Facts | P’s registration for mark “KOOL ONE” (used for beer) was rejected on grounds of s. 12(1)(b) for being either descriptive or deceptively misleading of character/quality of product. P/A; D/R. |
| Issue | Is this mark clearly descriptive or deceptively misdescriptive? |
| Ratio | To be **deceptively misdescriptive**, the word must relate to the composition of the goods and falsely/erroneously describe something which is material or qualify something as material to the composition of the goods when it in fact isn’t. |
| Misc. | FCA (1978): Appeal dismissed |

* **Test of Descriptiveness**:
  + Based on immediate first impression (*Drackett*)
  + Applies to intrinsic characteristic or quality
    - *Provenzano*: KOOL ONE for beer not clearly descriptive of intrinsic character or quality
  + Includes description of function, purpose, or effect
    - *Thomson Research v Registrar*: ULTRA FRESH found clearly descriptive

#### Thomson Research Associates v Registrar of Trademarks (1982) FC Trial Div

|  |  |
| --- | --- |
| Facts | P/A; D/R. D refused to register “ultra fresh” as a TM for use in bacteriostats and fungistats. |
| Discussion and Analysis | - “Ultra fresh” describes principally effect of this product on other wares (clothes), which = function  - Refers to OFF! case where SCC found OFF! for insect repellent clearly descriptive |
| Ratio | The character or quality of a ware includes its function. |

* S. 12(1)(c): Cannot be names in any language of any of the wares/services (e.g. GUK, Korean for soup), but clearly descriptive marks other than in English or French are OK (e.g. MAS-ISSNEUN: Korean for delicious)

## 6.0 Confusion

* S. 2: **Confusing** = A TM the use of which would cause confusion in the manner/circumstances described in s. 6
* S. 6: Use of a TM causes confusion with another TM if the use of both in same area is likely to lead to the inference that the wares/services associated with the TMs are made/performed by the same person
* Must look at “**surrounding circumstances**” under s. 6(5):
  + A) Inherent distinctiveness and extent to which they have become known
  + B) Length of time in use
  + C) Nature of wares, services, business
  + D) Nature of the trade
  + E) Degree of resemblance between marks in appearance, sound, or idea suggested
* Principles of confusing TMs:
  + 1) Distinctive marks get broader protection than less distinctive ones
  + 2) Average consumer test: **Imperfect recollection**
  + 3) Test of first impression
  + 4) Look to entirety of marks. Do not dissect.
  + 5) Confusion is to be inferred: Actual conflicting use in same area is not required (*Masterpiece*)

#### Mattel v 3894207 Canada (2006) SCC

|  |  |
| --- | --- |
| Facts | P/A; D/R. D tried to register TM “Barbie’s” in connection with its small chain of Montreal restaurants. P complained about confusion, despite the different wares and services than P’s popular dolls. |
| Issue | What if there’s confusion between one’s wares/services and another’s? |
| Discussion and Analysis | - Mass marketing 🡪 Strong secondary meaning 🡪 Public associates “Barbie” with P’s doll products  - Absence of evidence of actual confusion; use survey to assess confusion  - *Mens rea* irrelevant |
| Ratio | If confusion could be generated that one TM holder might have anything to do with the wares/services of the offending TM applicant, then the applicant cannot get that TM approved.  Needs to be a likelihood of mistaken inference/link by a consumer between the source of the well-known products and the source of the less well-known products. |
| Holding | Appeal dismissed. Not likely that prospective consumers will draw a mistaken inference to Barbies. |

#### Masterpiece Inc v Alavida Lifestyles (2011) SCC

|  |  |
| --- | --- |
| Facts | D registered TM “masterpiece living” in Ont. P had some unregistered TM in AB (e.g. “Masterpiece the Art of Living”. Both companies are in the retirement residence industry. P/A; D/R. |
| Issue | Was there confusion between the two TMs in terms of s. 6? Do any of the circumstances reduce the likelihood of confusion to the point that confusion is not likely to occur? |
| Discussion and Analysis | - SCC: “Masterpiece” becomes distinctive when intending to distinguish the retirement residence services of one owner from those of others; no acquired distinctiveness though |
| Ratio | Test for confusion analysis:  - Importance of testing for resemblance: Checking dominant or striking aspects of marks  - Geographic locations where marks are used is irrelevant  - Consider the mark applied for vs. as used  - Relevance of nature and cost of wares/services  Criteria for determining confusion: **First impression in the mind of a casual consumer** who sees the mark (thus no more than an imperfect recollection of the prior TMs), doesn’t pause to scrutinize for long, and doesn’t examine closely the similarities and differences between the marks. |
| Holding | Appeal allowed. They’re very similar marks. |
| Misc. | Trial history: P unsuccessful in FC (rejected due to different post-reg uses of the marks in design and ads focus), and then FCA (P’s unexecuted plans to expand into central Canadian market at time of D’s TM application = Merely possibility of future confusion = Not relevant to assessment of confusion). |

## Official and Prohibited Marks

* S. 12(1)(e) mentions that there are marks prohibited by s. 9 that are thus not registrable, such as:
  + Govt or royal crests, flags; words/symbols indicating or likely to lead to the belief of govt/royal approval: s. 9(1)(a)-(i), (m), (n)(i), (o)
  + Marks of universities: s. 9(1)(n)(ii)
  + Official marks of public authorities: s. 9(1)(n)(iii)
  + Scandalous, obscene, or immoral words or devices (e.g. FUCK CANCER): s. 9(1)(j)
  + Any matter falsely suggesting a connection with a living individual: s. 9(1)(k)
    - E.g. HERE’S JONNY for porta-potties (Johnny Carson), FARA for women’s wear (Farah Fawcett)
  + Portrait, signature of an individual who is living or has died in the past 30 years: s. 9(1)(l)
* **University Marks**: University must first request TM Registrar to give public notice of adoption and use (through publication in Trademarks Journal)
  + Not defined in *Trade-marks Act* or *Trade-marks Regulations*, no judicial interpretation yet
  + Public but non-universities (e.g. VCC, BCIT) have registered marks as official marks under s. 9(1)(n)(iii)
  + Private institutions (e.g. TWU, private hairdressing schools) have applied for regular TM applications
* **Public Authority Marks**: Public authority must first request TM Registrar to give public notice of adoption and use (through publication in Trademarks Journal)

#### Ontario Assn. of Architects v Assn. of Architectural Technologists of Ontario (2002) FCA

|  |  |
| --- | --- |
| Facts | P/A; D/R. D had adopted and used as official marks for services “Architectural Technician”, “Architectural Technologist” and French equivalents. As a result, P can’t use those words for their own professional services unless they had started to use them before Apr 28, 1999. |
| Issue | Is a self-regulatory professional body like D a public authority and thus capable of requesting the Registrar give public notice of its adoption and use of an official mark? |
| Ratio | Test for **public authority**:  1) Significant degree of governmental control by a level of govt in Canada (*Canada Post v USPS*), AND  2) Any profit earned must be for public benefit and not for private benefit |
| Holding | Appeal allowed. Public notice set aside. |

#### ~Canada Post v US Postal Service (2005) FC

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| --- | --- |
| Facts | D adopted and used 13 official marks that the Registrar gave public notice of. P thus can’t use any of these marks (or those resembling them) for its own postal wares and services unless had already been using them prior to the dates of public notice in Canada. P/A; D/R. |
| Issue | Is a US institution a public authority for the purposes of s. 9(1)(n)(iii)? |
| Analysis | - P: These marks = contrary to public order since they’re used commonly by other postal authorities |
| Ratio | To be entitled to be an official mark, the institution claiming it must be a public authority in Canada. That means it must be subject to govt control within Canada. |

* **Test of confusion** in s. 9(1): “Consisting of, or so nearly resembling, as to be likely to be mistaken for…”
  + Only factor is resemblance of marks; thus no restriction to particular goods or services
* Exception under s 9(2)(a) if the business obtains consent from the Queen or anyone who may be considered to have been intended to be protected by s. 9(1) (e.g. Tabasco sauce, Hunter boots with Royal Seal)

## 8.0 Certification Marks

* Purpose of **certification marks**: Distinguish goods or services of a specified standard from goods or services that do not meet the standard; NOT to distinguish one trader’s goods or services from those of others
  + Example: BC Vintners Quality Alliance, quality standard for BC wines, must pass taste test by qualified panel and have 100% BC-grown grapes
* Features of certification marks:
  + Adoption and registration only by a person who is not engaged in producing the goods/services
  + Actual use is by **licensees**
  + Owner is not obliged to license everyone who meets the standard
  + Mark must be in use at date of application

#### Wool Bureau of Canada v Queenswear (1980) FC, Trial Div

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| Facts | A’s registered TMs (Wool Mark and Wool Blend Mark) are certification marks and may also be categorized as design marks. |
| Issue | Who gets to sue if there is infringement? |
| Ratio | Owner of certification mark stands in the place of the actual user for purposes of opposing registration or use of a confusing mark. |

* Geographically descriptive certification marks (s. 25):
  + Administrative authority or commercial association in an area can register a certification mark descriptive of the place of origin of the goods/services
  + Owner must permit use of mark for all goods/services produced in the area

## 9.0 Non-Use

* TM registration can be lost if there’s **non-use** of TM:
  + Summary expungement under s. 45(3)
  + Invalidation under s. 18

#### Wolfville v Holland Bakery (1964) Ex Ct

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| Ratio | Expungement (s. 45) is necessary to remove dead wood marks from the register. Other people may wish to adopt same or similar trademark. |

### 9.1 Expungement Under S. 45

* S. 45(1) outlines a simple administrative procedure:
  + 1) Person (who pays prescribed fee) makes request to Registrar to send notice to registered owner of the TM asking for an affidavit or a statutory declaration
  + 2) Owner must show “use” (within 3 months of the notice) in the last three years for EACH ware/service, or special circumstances excusing non-use (and date since last use)
  + 3) Requestor and owner may file written submissions
* Three-year grace period after date of registration

#### John Labatt v Cotton Club Bottling (1976) FC Trial Div

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| Ratio | Excusable absence of use must be the result of an external force, not voluntary acts of TM owner or due to bad market conditions. |

* *Plough v Aerosol Fillers* (1980) FCA: Cannot just claim use. Have to give evidence of use.
* S. 45(3) does allow for “special circumstances that **excuse the absence of use**”, like:
  + Use by licensee 🡪 Licensee goes bankrupt 🡪 Owner making definite efforts to get new licensee
  + Natural disaster destroys factory making the goods 🡪 Takes time to find/build new factory
  + Legislative or regulatory changes require product to be pulled from market for reformulation, tests, etc.
* Registrar will consider length of non-use and evidence of serious intent to resume use within reasonable period

### 9.2 Expungement for Abandonment

* S. 18(1) sets out the grounds for **invalidation**:
  + A) Not registrable (s. 12)
  + B) Not distinctive (s. 2)
  + C) **Abandoned**
  + D) Not entitled (s. 16)
* S. 57: Federal Court has exclusive jurisdiction in invalidation proceedings

#### Philip Morris v Imperial Tobacco (1987) FCA

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| Analysis | - P did make some sales in Canada, D validly used “Malboro” in Canada |
| Ratio | Abandonment of a TM registration under s. 18(1)(c) requires:  1) Non-use, AND  2) Intention to abandon (can be inferred) |

### 9.3 Use of Trademark Varying from Registration

* Use of mark varying from registered mark can be non-use, since can’t change mark midway through registration

#### Registrar of Trade Marks v Cie. Internationale pour L’Informatique CII Honeywell Bull (1985) FCA

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| Ratio | There would be use if the mark had not lost its identity and become unrecognizable. |
| Holding | Non-use: D’s use of “CII Honeywell BULL” did not make sufficient use of P’s registered mark “BULL”. |

#### Promofil Canada v Munsingwear (1992) FCA

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| Facts | Registered mark: Skinny penguin. Actual use: Corpulent penguin |
| Ratio | Test: Use if dominant features maintained and differences are so unimportant as not to mislead an unaware purchaser. |
| Holding | Use is found. Slight change is ok. |

## 10.0 Infringement

* Who can sue for **infringement**?
  + Registered owner only can avail of s. 19 and s. 20
  + **Licensee**, by s. 50(3) (where owner refuses to take proceedings for infringement within 2 months of being requested by licensee, licensee may institute proceedings in its own name)
* A) **Identical TM** situation: Registration of a TM for goods/services gives the TM owner the exclusive right to the use throughout Canada of the TM in respect of those goods or services (s. 19)
* Three requirements:
  + 1) Valid TM registration (s. 18)
  + 2) Unauthorized use (within meaning of s. 4) of identical mark: *Mido v Turcotte*
  + 3) Identical goods/services as those covered by the registration: *Bonus Foods v Essex Packers*
* Defending a TM infringements suit: Attack validity of registration under s. 18:
  + (a) not registrable: s. 12
  + (b) not distinctive: s. 2
  + (c) abandoned
  + (d) applicant not entitled to register: s. 19
* *Mido G Schearen v Turcotte and Vido Engineering* (1965): D can’t use Vido for watches after P registered Mido.
* *Bonus Foods v Essex Packers* (1964): Bonus for chicken was valid, not descriptive. Bonus for dog food infringed.
* B) **Confusing TM** situation: Right of the owner of a registered mark is infringed by a person who sells, distributes, or advertises wares or services in association with a confusion TM or trade name (s. 20)
* Three requirements:
  + 1) Valid TM registration (s. 18)
  + 2) Unauthorized sale, distribution, or advertisement of any wares or services (interpreted to mean “use” within meaning of s. 4)
  + 3) Confusing TM or trade name (s. 6(5) factors, pg. 8)
* Exceptions in s. 20:
  + (a) *Bona fide* use of personal name as a trade name
  + (b) *Bona fide* use, other than as a TM, of (i) the geographical name of his place of business, OR (ii) any accurate description of the character or quality of his wares of services, in such a manner as is not likely to have the effect of depreciating the value of the goodwill
* General exceptions to ss. 19-20:
  + S. 21: Concurrent use of confusing mark – *Bona fide* use of confusing mark by other party prior to registrant filing TM application
  + S. 32: Territorially-restricted marks – S. 12(2) marks with acquired distinctiveness may be territorially restricted

## 11.0 Depreciation of Good Will

* **Goodwill**: Ability of a TM to induce customers to continue to buy the goods/services identified by the mark
* **Depreciation of goodwill** occurs when customers’ habit of buying the brand they bought before is weakened
* S. 22(1): No person shall use a TM registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto (doesn’t matter if registered or not/CL!)

#### Veuve Clicquot Ponsardin v Boutiques Cliquot Ltee (2006) SCC

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| Facts | P/A; D/R. P complains about the likelihood of D’s marks on women’s clothing being confused with P’s mark on fine champagne, and that D’s mark robs P’s ware of some of its lustre (contrary to s. 22). |
| Issue | Could use of D’s TM make buyer have imperfect recollection of P’s TM to confuse one for the other? |
| Discussion and Analysis | - Issue of fame, not logic behind confusing one ware for the other very different type  - Onus of proof of establishing likelihood of such depreciation rests on P |
| Ratio | Depreciation of goodwill under s. 22 requires claimant to prove:  1) Use of claimant’s registered mark: a) Use under s. 4; b) Need not be identical, but distinguishing feature must at least be similar  2) Proof of goodwill: a) “Fame” is not required; b) Must be “significant”  3) Likely connection between claimant’s and defendant’s use of the mark in consumer’s mind  4) Likelihood of depreciation: a) Depreciation = loss of distinctiveness, disparagement, etc.; b) Not “could” there be depreciation, but does evidence show “likelihood” of depreciation |
| Holding | Neither claim has been established. Appeal dismissed. |

#### Source Perrier v Fira-Less Marketing

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| Facts | Depreciation of goodwill by using a registered TM in a parody or satire. |
| Issue | Is parody/satire a defence under s. 22? |
| Analysis | - D’s mark is familiar enough (1), meant to be a parody (2), pretty likely to get the two confused (3) |
| Ratio | Neither **parody/satire** nor freedom of expression is a defence for TM infringement in Canada. |

## 12.0 Unfair Competition

### 12.1 Passing Off at Common Law

* Available for all trademarks, both registered and unregistered/common law

#### Ciba Geigy Canada v Apotex (1992) SCC

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| Ratio | Three requirements to prove **passing off**:  1) Goodwill: Public recognizes get-up as distinctive of P’s goods/services at the date D starts using its impugned get-up (**get-up**” includes TMs, features of labelling/packaging/ads, etc.)  2) Misrepresentation causes deception of public: D’s use of get-up amounts to a misrepresentation that P is the source of the goods/services, or that D is associated with P  - Deceptive intent is NOT required, i.e. may be unintentional  3) Damage: e.g. lost sales, damage to reputation, loss of control over the use of the get-up |

* *Orkin Exterminating v Pestco* (1985) ONCA (D used “Orkin”): If P has reputation, D should pick another name

### 12.2 Statutory Passing off under S. 7

* S. 7(b): Direct public attention to his wares, services, or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his wares/services/business and the wares/services/business of another
* *Molson Breweries v Moosehead Breweries* (1990) FC Trial Div (Similar get-ups for dry beer, but on first impression they are not confusing. P loses): Based on first impression.

## 13.0 Licensing

* Typical **licensing** situations:
  + Licensing for franchise (e.g. Subway, Tim Hortons)
  + Licensing for merchandising (e.g. Star Wars Lego toys)
  + Multinational company licenses a national subsidiary
* S. 50: Use of TM by licensee, where owner has control over the character or quality of the goods/services, has the same effect as use by the owner
* Example: **Registrant** (the “Licensor” or owner) Doctor’s Associates controls the character and quality of services by licensees AND licenses the Subway mark for use by David’s Small Biz (the “**Licensee**”), which provides restaurant services in association with the Subway mark
  + Even if David’s Small Biz (licensee) builds the sandwich, its source is Doctor’s Associates (owner)
  + If David (licensee) turns his Subway shop into a sushi shop: Consumer gets confused… “Subway Sushi”?
    - This means Subway (owner of “Subway” TM) has lost control over the quality of the services
* Hello Kitty brand example: Sanrio the licensor maintains control over the quality and character of its products, even when combined with other TMs (e.g. the Nike shoes, or the Fender guitar, both with Hello Kitty on them)
* Failure to control quality or character
  + Improper licensing
  + Invalidation of TM due to something
* S. 50(2): Presumption of proper licensing if **public notice of license** is given
* When is it licensing and when is it not? **Distributors**/dealers – Is TM licensing required then?
  + Example: Auto parts retailer is exclusive distributor of Toyota auto parts = More like conduit for sale of wares
  + Example: Toyota car dealership with Toyota signage and performing servicing of Toyota cars = More likely to be licensing
  + Example: If FutureShop offers deals on brand name electronics, it should depend on the degree of control the brand owner company retains
    - Even if you’re the exclusive distributor, you’re likely not a licensee (still conduit argument)

## 14.0 Assignment

* **Trademarks assignment** = Transfer of ownership of the TM
* Trademark ownership cannot be divided territorially within Canada; but licenses can be given territorially

#### Wilkinson Sword v Juda

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| Analysis | - Razor blade mark not distinctive because not clear to public which blades were made where |
| Ratio | Distinctiveness can be lost by assignment. The consumers must be informed of the change in ownership of the mark. |