

homophones in English and French (ELLIEFANT, ELEFINT, OLIFON), marks with similar connotations (HIPPO, TRUNK, TRONC, SAFARI, maybe even TIGER and TIGRE), and design and label marks featuring elephants. The seriousness of any potential conflict is then assessed: Is there a reasonable likelihood of confusion²⁰ between the two marks? A decision on a future course of action must then be taken. It will partly depend on how much has already been invested in the chosen mark and its importance to the firm. Should the mark be changed a little or a lot? Should it be dropped altogether and some other mark adopted? Should some agreement be sought with the owners of any conflicting marks or names? Should the Registrar of Trade-marks be asked to expunge any inactive conflicting marks? Should an application be made to the Federal Court to expunge any marks thought to be invalid for any reason? Should one just go ahead and apply for registration anyway and see what the reaction of the Trade-marks Office is, and whether anyone comes out of the woodwork to oppose?

Once the decision to go forward is made, the application to register the trade-mark is made to the TMO. As with other intellectual property, it is foolish to start the application process without the help of a trade-mark agent or a specialized lawyer, for a host of technicalities has sprung up around what looks like a simple process. The application form must, of course, be correctly filled in. Even innocent errors can have serious consequences: the application may be rejected or any registration obtained may be invalidated, even years later. The application, accompanied by the \$150 fee (another \$200 is payable on registration), contains the following information:²¹

- The trade-mark sought should be stated or depicted. The exact mark that is used or proposed must be used. If the mark is simply a word or a combination of words, it should be shown in simple block capitals. The mark may, however, have design elements. It may be a word printed in fancy lettering, a label with graphic elements and letterpress, or a distinguishing guise like the COCA-COLA bottle.²² If so, the mark should be applied for in this form and a drawing supplied. A further application or applications may be advisable to cover the dominant features of a design mark separately. Thus, separate registrations protect COCA-COLA as a word and also as presented in its fancy script.

20 See section G(4), "Confusion," in this chapter.

21 *T Act*, above note 1, s. 30.

22 See section B(1)(d), "Distinguishing Guise," in this chapter.

- A statement must appear in ordinary commercial terms of the specific wares or services for which the mark has been or will be used.²³
- The basis of the applicant's title must be given. Has the applicant or its predecessor used the mark, or is it merely proposing to use it? Is the mark well known in Canada? Is the applicant basing its claim on a foreign registration in a *Paris Convention* or a *WTO* country?²⁴ More than one basis may be stated. Thus, the mark may be proposed to be used, and may also be the subject of a foreign registration. Or it may already have been used in Canada, and is also well known in Canada through its use abroad. Claiming two or more bases may be useful, for one may succeed where another fails. But the basis of proposed use should not be claimed where the mark has been used: these bases cannot be switched in mid-application, and the error can later prove fatal.²⁵
- The date of first use or making known should be stated. The applicant can choose the earliest date it can support with evidence.
- For proposed marks,²⁶ the applicant must truthfully state who proposes to use the mark: the applicant itself, a licensee, or both.
- For certification marks,²⁷ particulars of the defined standard the mark is intended to indicate must be given. The applicant must also state it is not engaged in marketing wares or services such as those associated with the mark.
- A statement must be made that the applicant is satisfied it is entitled to use the mark in Canada.
- The applicant's address and a place for service in Canada must be given.

4) Proceedings in the Trade-marks Office

A TMO examiner checks the application for conformity with the *Act* and the *Regulations* and searches the register to confirm registrability and title. The applicant is notified of any objections and may meet them by argument, evidence, or amendment. Amendments can include disclaiming unregistrable material,²⁸ changing (but not extending) the statement of wares or services, inserting an earlier priority date, or even

23 The appendix to the Canadian Intellectual Property Office's *Trade Marks Examination Manual* gives guidance on acceptable and unacceptable statements.

24 See section F, "Title," in this chapter.

25 *TR*, above note 1, s. 31(d); *Manifatture Casucci di Caucci Ugo & C.S.a.s. v. Casucci Clothes Inc.* (1993), 52 C.P.R. (3d) 250 at 253 (T.M. Opp. Bd.).

26 See section B(1)(c), "Proposed Trade-mark," in this chapter.

27 See section B(1)(e), "Certification Mark," in this chapter.

28 See section C(+), "Disclaimer," in this chapter.

changing the mark itself — but not so as to “alter its distinctive character or affect its identity.”²⁹ Ultimately, the applicant must satisfy the Registrar that (a) the application form complies with the *Act*, (b) nobody with a better title³⁰ has a pending application for a confusing mark, and (c) the mark applied for is registrable. This last element, registrability, covers a wide field; namely, the mark must³¹

- be a *trade-mark*;
- not be *confusing* with a registered trade-mark;³²
- not be a *generic mark* or other *generic symbol*;
- not be mistaken for an *official* or *prohibited mark*;
- not be *offensive*;
- not falsely suggest a *connection with a living or recently deceased individual*;
- not be a *name or surname*, unless *distinctiveness* is shown; and
- not be a *descriptive* or *deceptive mark*, unless *distinctiveness* is shown.

The examiner may, subject to appeal to the Federal Court, reject the application if not satisfied on any of the above, but usually gives the applicant the benefit of the doubt at this stage.³³ If not rejected, the application is then advertised in the *Trade-marks Journal* and the mark is registered if it is unopposed.³⁴ Registration of a proposed mark is postponed until the applicant files a declaration that use of the mark has commenced. This must occur within three years of filing, or six months after the applicant is notified that the application is allowed.³⁵ About 16,000 marks are registered annually.

29 *T Act*, above note 1, s. 34; *TR*, above note 1, s. 31; *Magill v. Taco Bell Corp.* (1990), 31 C.P.R. (3d) 221 at 227 (T.M. Opp. Bd.).

30 See section F, “Title,” in this chapter.

31 *T Act*, above note 1, ss. 12 & 13. Italicized items are discussed further in this chapter.

32 The TMO sometimes sets aside its doubts on this score, lets the application be advertised, and then advises possibly affected registrants of the application.

33 *Canadian Parking Equipment Ltd. v. Canada (Registrar of Trade Marks)* (1990), 34 C.P.R. (3d) 154 at 160–61 (Fed. T.D.) [*Parking*].

34 *T Act*, above note 1, ss. 37 & 56; *Conde Nast Publications Inc. v. Gozlan Brothers Ltd.* (1980), 49 C.P.R. (2d) 250 (Fed. T.D.) [*Gozlan*]; *Molson Breweries v. Canada (Registrar of Trade Marks)* (1992), 41 C.P.R. (3d) 234 at 240 (Fed. T.D.) [*Molson*].

35 *T Act*, *ibid.*, ss. 40(2)–(3).

5) Opposition

Uncommonly for intellectual property, the trade-mark system has a formal procedure for opposing the grant of registration.³⁶ Oppositions are effectively mini-trials before a member of the Trade-marks Opposition Board. They are quite common and there is often a long backlog. The *Trade-marks Journal* is regularly scanned by trade-mark lawyers and agents with retainers to advise clients of any possibly troublesome application. Anybody with the inclination and money can oppose registration. The only requirements are a \$250 fee and an accompanying detailed statement of opposition filed within two months of the *Journal* advertisement. The grounds for opposing are those for which the TMO initially checked the application (inaccurate application form, unregistrability of the mark) plus two more:

- the opponent has a better *title* than the applicant; and
- the mark lacks *distinctiveness*.³⁷

Statements of opposition raising no “substantial issue for decision” can be struck out at this stage. Otherwise, a copy of the statement goes to the applicant, who files a counter-statement. Both parties then file affidavits or declarations, on which there may be cross-examination with leave and written argument in support of their case. The Board member then gives a decision on the papers or, if requested, after an oral hearing.

The applicant must satisfy the Board that the objections raised by the opponent have no substance: the examiner’s earlier *ex parte* decision does not bind the Board.³⁸ Much of the case and evidence is considered as at the date of the Board’s decision — typically many months, sometimes years after the initial filing. This can lead to a situation where registration may be barred because conflicting marks (including those of the opponent) have been registered during opposition proceedings.³⁹

36 Registration of plant breeder rights (see section B(3)(g), “Plant Varieties,” in chapter 3) also may be opposed: *Plant Breeders’ Rights Act*, S.C. 1990, c. 20, s. 22.

37 *T Act*, above note 1, ss. 38; ss. 16 & 17 (entitlement to register); s. 2 def. “distinctive”; *TR*, above note 1, ss. 40–50. See also section F; “Title,” and section B(2)(b), “Distinctiveness,” in this chapter.

38 *Gozlan*, above note 34; *Molson*, above note 34.

39 *Simmons Ltd. v. A to Z Comfort Beddings Ltd.* (sub nom. *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.*) (1991), 37 C.P.R. (3d) 413 (Fed. C.A.), *Canadian Olympic Assn. v. Olympus Optical Co.* (1991), 38 C.P.R. (3d) 1 (Fed. C.A.) [*Olympus*] (official mark).

The trend to judge registrability as at the date of the Board's decision is not, however, universal. It occurs where the mark is alleged to conflict with another registered mark or published official mark. But conflicting jurisprudence has resulted in different dates being treated as applying to different grounds of opposition. Thus, an applicant's title to a mark is judged as at the date the application was filed, but the mark's distinctiveness is tested as at the date the statement of opposition was filed.⁴⁰ Disparities like these provide an additional layer of complexity both for parties presenting evidence and for the Board member who deals with it. The various grounds of registrability and the evidence relating to them often intertwine. It is therefore easy to rely wrongly on an item of evidence that is relevant to one issue but is of little relevance or weight on another.

Cases are regularly won or lost on the nature and quality of the evidence and the extent to which the procedures laid out in the *Regulations* are closely observed. Board members rarely go outside the file or take judicial notice of much (including even registered trade-marks not formally evidenced). Decisions often go off on technical points of procedure, evidence, or burden of proof. Either party can appeal to the Federal Court. There, more evidence can be filed to try to change the complexion of the case. The Trial Division and Court of Appeal give due weight to the Board's judgment and experience, but will reverse decisions they think are wrong in law or fact, especially in the light of any additional evidence. The Supreme Court has not in recent years granted leave to appeal these decisions.

B. WHAT IS A TRADE-MARK?

Only indicia that qualify as a "trade-mark" are considered for registration. Not only do the TMO and the Opposition Board check, but if something that does not qualify slips by and does get registered, the registration is invalid and can be expunged.

1) Categories of Trade-mark

According to the *Act*, trade-marks fall into the following categories: (1) "classic" trade-marks, (2) service marks, (3) "proposed" trade-marks (either "classic" or service marks), (4) distinguishing guises, and (5) certification marks.

⁴⁰ For example, *Clarco Communications Ltd. v. Sassy Publishers Inc.* (1994), 54 C.P.R. (3d) 418 at 430 (Fed. T.D.); *Merrill Lynch & Co. v. Bank of Montreal* (1993), 54 C.P.R. (3d) 473 at 477 (T.M. Opp. Bd.), *aff'd* (1996), 66 C.P.R. (3d) 150 (Fed. T.D.).

a) "Classic" Trade-mark

The most common trade-mark is the one that distinguishes one producer's product from another's. COCA-COLA is a familiar example. As a word or depicted in distinctive script, it distinguishes the product of the Coca-Cola Company and its franchisees from drinks made by other producers. The legal definition of a trade-mark is "a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares. . . . manufactured, sold, leased, [or] hired . . . by him from those manufactured, sold, leased, [or] hired . . . by others."⁴¹ Anyone in the chain of distribution can have its own trade-mark. FORD functions as a manufacturer's trade-mark for motor vehicles and parts manufactured by the Ford Motor Co. or its subsidiaries; LIFE BRAND functions as a distributor's or retailer's trade-mark for drugstore items sold by Shoppers Drug Mart; BUDGET functions as a lessor's or hirer's trade-mark for vehicles leased or hired by Budget Rent-A-Car. The definition makes clear that a mark either can be adopted intentionally as a trade-mark or may become one in practice without its user's intention or even knowledge.

b) Service Mark

This mark distinguishes services performed by one person from those performed by another.⁴² Although long protectable at common law, service marks first became registrable in Canada only in 1954. MCDONALD'S is a service mark for restaurant services performed by McDonald's Corp., distinguishing those from other fast-food chains. MCDONALD'S may also possibly be registered as a classic trade-mark for various food products sold at the restaurants — for example, coffee in cups marked MCDONALD'S. Any activity benefiting others in Canada can qualify as a service. Financial and insurance services, repair, transportation, even services associated with retailing, including those of offshore mail-order houses and online information providers with Canadian subscribers, all potentially qualify.⁴³

⁴¹ *T Act*, above note 1, s. 2, def. "trade-mark," para. (a).

⁴² *T Act*, *ibid.*, s. 2, def. "trade-mark," para. (a).

⁴³ *Kraft Ltd. v. Canada (Registrar of Trade Marks)*, [1984] 2 F.C. 874 (T.D.) [*Kraft*]; *Riches, McKenzie & Herbert v. Source Telecomputing Corp.* (1992), 46 C.P.R. (3d) 563 at 564 (T.M. Opp. Bd.); *Société Nationale des Chemins de Fer Français SNCF v. Venice-Simplon-Orient-Express Inc.* (1995), 64 C.P.R. (3d) 87 at 91 (T.M. Opp. Bd.). See also A.F. Rush, "Internet Domain Name Protection: A Canadian Perspective" (1996) 11 I.P.J. 1.

This broad approach has caused the *Trade-marks Act* to become an informal (but effective) protection registry for the names of corporations, partnerships, and non-profit societies. So a sporting goods store called Run-Fast Sports Inc. can register RUN-FAST SPORTS as a mark for "retail sporting goods services" and acquire the power to block the use or registration of confusing names and marks. All Run-Fast must do is show it is using the indicia as a mark, not merely its trade name, and this requirement is modest enough. Displaying the mark in any distinctive graphics, together with a catchy slogan or statement of the services offered, separately from its trade name, will do.⁴⁴ There have been battles over trading names between (typically expansionist) firms that have and (typically local) firms that have not registered service marks under the *Act*. The former so far have had the upper hand, but the conflict is far from over.⁴⁵

c) Proposed Trade-mark

The *Act* includes a "proposed trade-mark" as a separate category,⁴⁶ but it really is not. At common law, no trade-mark was usually protected without being both used and also acquiring a reputation from that use.⁴⁷ The *Act* changes this practice. An applicant can choose and apply to register a trade-mark before using it,⁴⁸ so long as the applicant proposes (i.e., intends) to use it as a trade-mark in Canada. The *Act* indeed seems to encourage such early applications. Priority is based on the application date, so that, unlike at common law, a proposed use trumps a later actual use.⁴⁹ If the mark is eventually rejected in the TMO, large resources will not have been expended on its promotion.

44 *Playboy Enterprises Inc. v. Germain* (1979), 43 C.P.R. (2d) 271 (Fed. C.A.); *Road Runner Trailer Manufacturing Ltd. v. Road Runner Trailer Co.* (1984), 1 C.P.R. (3d) 443 (Fed. T.D.); *Chanel v. Legacy International Inc.* (1994), 59 C.P.R. (3d) 386 (T.M. Opp. Bd.).

45 Compare *Reference Re Constitution Act, 1867*, ss. 91 & 92 (1991), 80 D.L.R. (4th) 431 (Man. C.A.) on the collision between two Bricks.

46 *T Act*, above note 1, s. 2, defs. "trade-mark," para. (d), "proposed trade-mark."

47 Pre-launch publicity may, however, sometimes suffice for a passing-off action. So a competitor may not "spike the guns" of a firm that has advertised the launch of a new product by launching a competing product with a confusingly similar mark: *TV Guide Inc./TV Hebdo Inc. v. Publications La Semaine Inc.* (1984), 9 C.P.R. (3d) 368 (Que. S.C.).

48 Except if the application is for a distinguishing guise or a certification mark; see sections B(1)(d) and (e) in this chapter.

49 *T Act*, above note 1, s. 16(3). The proposed use must in turn become an actual use, before a registration can be granted: *ibid.*, s. 40.

d) Distinguishing Guise

The way goods are shaped, wrapped, or packaged can constitute a trade-mark, if the appearance is used to distinguish one trader's goods or services from another's. These marks are "distinguishing guises." They include distinctively shaped bottles (e.g., Coca-Cola's), containers, wares, and outer wrappers. The coloured coating of a medicinal tablet has, however, been excluded because it was thought to be part of the item itself, not a shape, wrapping, or container.⁵⁰

There are some constraints. Distinguishing guises are registrable only after becoming distinctive through use. They cannot be certification marks.⁵¹ They cannot "unreasonably . . . limit the development of any art or industry." Nor can they be proxies for patents or registered designs, since their utilitarian features remain open for use by all.⁵² Indeed, "primarily or essentially" functional features like the PHILIPS shaver triple-head are unregistrable as guises or any other sort of trade-mark.⁵³

Subject to analogous constraints, the tort of passing-off may also protect distinguishing guises. Thus, while its application for a distinguishing guise for its bottle was pending, Source Perrier stopped a competitor from marketing water in a look-alike Perrier bottle: confusion was likely even though the competitor's bottle was differently labelled.⁵⁴

e) Certification Mark

Certification marks do not distinguish one producer from another. Indeed, a producer of goods such as those covered by the registration cannot directly own a certification mark.⁵⁵ Instead, the mark distinguishes products or services of a defined standard from others. The standard-

50 *Smith Kline & French Canada Ltd. v. Canada (Registrar of Trade Marks)*, (sub nom. *Smith, Kline & French Canada Ltd. v. Registrar of Trade Marks (No.1)*) [1987] 2 F.C. 628 (T.D.) [*Smith (No.1)*].

51 See section B(1)(e), "Certification Mark," in this chapter.

52 *T Act*, above note 1, s. 13; s. 2 (defs. "trade-mark," "distinguishing guise"); *Canada (Registrar of Trade Marks) v. Brewers Assn. of Canada*, [1982] 2 F.C. 622 (C.A.) [*Brewers*].

53 *Remington Rand Corp. v. Philips Electronics N.V.* (1995), 64 C.P.R. (3d) 467 at 476 (Fed. C.A.) [*Remington Rand*]. See sections B(2)(b)(iv) and (v), "Functional and Ornamental Features" and "Colour," in this chapter.

54 *Source Perrier SA v. Canada Dry Ltd.* (1982), 36 O.R. (2d) 695, at 700 (H.C.J.); compare *Reckitt & Colman Products Ltd. v. Borden Inc.*, [1990] 1 All E.R. 873 (H.L.).

55 *T Act*, above note 1, s. 23(1). Some differences are arbitrary: for example, no distinguishing guise or application based on proposed use is permitted: *Brewers*, above note 52; *Mister Transmission International Ltd. v. Canada (Registrar of Trade Marks)*, [1979] 1 F.C. 787 (T.D.) [*Mister Transmission*], criticized by W.L. Hayhurst, "Survey of Canadian Law: Industrial Property — Part I" (1983) 15 *Ottawa L. Rev.* 311 at 407, n. 968.

setter owns the mark and licenses those meeting the standard to use it. Certification marks have even been stretched to encompass franchising and merchandise licensing operations.⁵⁶ More typically, they cover appellations of origin for foods and wines (SWISS chocolate, STILTON cheese), seals of approval (the Canadian Standards Association's CSA APPROVED mark), and union labels certifying goods made by unionized labour.

Certification marks that have not become generic are also protectable by passing-off.⁵⁷ Producer groups long ago halted "Spanish champagne" from being imported into Britain. They also stopped British firms from participating in the mislabelling of spirits in South America as SCOTCH WHISKY.⁵⁸ But attempts to stop Ontario producers calling local sparkling wine "Canadian champagne" failed, since in North America "champagne" is now considered a generic term.⁵⁹

2) Attributes of a Trade-mark

A trade-mark must be (1) a "mark," (2) distinctive or capable of becoming distinctive, and (3) "used" as a trade-mark.

a) Mark

The feature chosen must be a "mark." This presumably encompasses "any sign, or any combination of signs . . . including personal names, designs, letters, numerals, colors, figurative elements."⁶⁰ Slogans like "Let your fingers do the walking" for Tele-Direct's "yellow pages" directories have qualified. So have phone numbers.⁶¹ The word "mark" may, however, suggest something visible and distinct from the product itself.⁶² The sound pattern on a record company's audio-tapes has been

56 See, for example, *Mister Transmission*, *ibid.* This practice will likely decline now that registration for users of regular trade-marks has been abolished (in 1993). Certification marks were popular precisely because users did not need to be registered.

57 See also *T Act*, above note 1, s. 7(d).

58 *Bollinger v. Costa Brava Wine Co. Ltd.* (1959), [1960] Ch. 262; *John Walker & Sons Ltd. v. Henry Ost & Co.*, [1970] 2 All E.R. 106 (Ch.).

59 *Institut National des Appellations d'Origine des Vins et Eaux-de-Vie v. Andres Wines Ltd.* (1987), 60 O.R. (2d) 316 (H.C.J.), *aff'd* (1990), 74 O.R. (2d) 203 (C.A.). Compare section E, "Geographical Indications," in this chapter.

60 *North American Free Trade Agreement*, 12 December 1992 (Ottawa: Supply & Services, 1993), art. 1708(1) [NAFTA]. The *T Act*, above note 1, s. 2, def. "trade-mark," is silent on the meaning of "mark."

61 *Pizza Pizza Ltd. v. Canada (Registrar of Trade Marks)*, [1989] 3 F.C. 379 (C.A.).

62 *Insurance Corp. of British Columbia v. Canada (Registrar of Trade Marks)* (1979), [1980] 1 F.C. 669 (T.D.) [*Insurance*].

registered in Canada, but the validity of this registration is uncertain in the absence of any court decision. Whether the smell of a distinctive perfume or wine or the sound of a radio or television station's call sign is registrable is equally uncertain.⁶³

The inconvenience of allowing trade-mark registrations for such indicia may be exemplified by Harley-Davidson's recent U.S. application to register the sound of its motorcycle engine as a trade-mark. Can Jay Leno's voice be far behind? Yet perhaps the Canadian legislation may need to be interpreted in a way that does not unfairly discriminate among classes of consumer. A visual mark cannot do its job for blind people. Admitting aural or olfactory indicia to registration would help ensure that the blind are not handicapped as consumers.

b) Distinctiveness

A trade-mark must either "actually" distinguish firm 1's products or services from firm 2's or be "adapted so to distinguish" them.⁶⁴ Some marks are born distinctive. They are "adapted to distinguish" because they have the capacity without use to be accepted as trade-marks. Invented words like KODAK, fancy designs, or arbitrary words like ELEPHANT for soap are examples. These marks are ideal candidates for applications based on proposed use.

Other marks are not so adapted to distinguish firm 1's products or services from firm 2's. They must work hard to become distinctive in fact. Thus, PERFECT or CANADIAN, being descriptive, is not initially "adapted" to distinguish between producers. Yet, by extended use and advertising over time, such marks can acquire distinctiveness — a secondary meaning "actually" distinguishing a single producer from others. They can then be registered. Even local distinctiveness may suffice. A mark distinctive only in Ottawa can be registered for the whole of Canada; its owner

63 Compare *Re Clarke*, 17 U.S.P.Q.2d 1238 (Trademark Trial & Appeal Bd. 1990), registering plumeria smell for sewing thread and embroidery yarn. An unregistrable mark might still be protected through an action for passing-off (sound or smell) or breach of copyright (sound).

64 *T Act*, above note 1, s. 2, def. "distinctive." Oddly enough, distinctiveness is mentioned only as a ground of opposition or invalidation: ss. 38(2)(d) and 18(1)(b). Inferentially, the TMO cannot reject a mark for non-distinctiveness before advertisement. But this is only partly true: some elements of distinctiveness are examined because, without them, a trade-mark cannot exist. For example, the TMO can register only trade-marks, and a trade-mark must be adapted to distinguish or must actually distinguish, moreover, descriptive, misdescriptive, and nominal marks are not registrable without proof of distinctiveness: s. 2 (def. "trade-mark," para. (a)), ss. 12(1)(a)–(b), & 12(2).

can block later marks that have acquired their own local distinctiveness, for the latter cannot now be distinctive in a part of Canada.⁶⁵

Distinctiveness can come and go, but to stay alive a trade-mark must be distinctive whenever it is challenged. This may happen if it is opposed before registration or if, after registration, legal proceedings raising non-distinctiveness are started.⁶⁶ A non-distinctive trade-mark is a contradiction in terms. How non-distinctiveness comes about is irrelevant to the question of the mark's validity. What matters is the result, the mark's impact on its public.

i) *Genericism*

A trade-mark that becomes a product description falls into the language. It is no longer distinctive, hence it is no longer a trade-mark. "Gramophone" and "nylon" were both trade-marks once. Inadequate policing by their owners put them into the public domain in North America. THERMOS, on the other hand, was saved in the 1960s, even though most members of the public then used "thermos" to mean any vacuum flask. U.S. and Canadian courts decided that distinctiveness for a significant minority of consumers was enough to stave off expungement. Only the U.S. court followed the logic of this finding specifically to allow generic use of "thermos," with safeguards to protect the vulnerable minority. Competitors in the United States had to use "thermos" without a capital T, add their own brand name, and not use words like "original" or "genuine." The Canadian court thought competitors might also be able to use "thermos" legitimately for their products, but coyly refrained from offering any legal advice.⁶⁷

ii) *Multiple Use*

A mark is not distinctive if it is used simultaneously in Canada by two (or more) firms. To customers of firm 1, the mark means firm 1's goods; to customers of firm 2, it means firm 2's. Since it distinguishes two firms' goods, it distinguishes neither from the other. Nobody can regis-

65 *Great Lakes Hotels Ltd. v. Noshery Ltd.*, [1968] 2 Ex.C.R. 622; *Clegg v. Matwel Industries Inc.* (1989), 28 C.P.R. (3d) 490 at 494-95 (T.M. Opp. Bd.). Compare section C(5), "Concurrent Registration," in this chapter.

66 *T Act*, above note 1, ss. 38(2)(d) & 18(1)(b); see section H, "Invalidity," in this chapter.

67 Compare *Aladdin Industries Inc. v. Canadian Thermos Products Ltd.*, [1969] 2 Ex.C.R. 80 [*Aladdin*] with *American Thermos Products Co. v. Aladdin Industries Inc.*, 207 F. Supp. 9 (D. Conn 1962), *aff'd (sub nom. King-Seeley Thermos Co. v. Aladdin Industries Inc.)*, 321 F.2d 377 (2d Cir. 1963).

ter in such a situation. If this situation arises after registration, the mark may become invalid if the registrant does nothing to stop the other firm's creation of a separate brand identity.⁶⁸ This may occur with marks that cause confusion,⁶⁹ not just identical marks. It may also occur where firms are under common control,⁷⁰ although a mark used by a licensee is now considered to be used by (and so distinctive of) the mark owner if the latter directly or indirectly controls the character or quality of the marked products.⁷¹ Still, sloppy practices continue to cause non-distinctiveness. Bell Canada's registrations of WATS, CALLING CARD, and 900 SERVICE for telephone services were recently expunged because Bell had not exercised control over the way regional telephone companies used the marks Bell had licensed to them.⁷²

iii) *Unadvertised Change of Product Origin*

Trade-mark law usually cares little about changes in product or service quality: the mark owner's self-interest is supposed to take care of that. Buyers will eventually shy away from a brand whose quality is thought to have deteriorated. The public function of the mark as an attractor or repeller of custom is then fully vindicated. But some changes may make a trade-mark non-distinctive. This happened to the HEINTZMAN piano. When the manufacturer's Ontario plant closed, a successor to the Heintzman business started applying the mark to lower-quality pianos imported from Korea and the United States. The mark was expunged as non-distinctive because buyers continued to believe that HEINTZMAN still meant the high-quality Canadian product. A mark can legally change character — for example, from a manufacturer's to a distributor's mark or from having Canadian to having foreign associations — but steps must be taken to bring the mark's new message home to potential buyers to avoid their being confused.⁷³

68 *Westwind Investments Ltd. v. Yannacoulis* (1990), 30 C.P.R. (3d) 231 (Fed. T.D.); *Laflamme Fourrures (Trois-Rivières) Inc. v. Laflamme Fourrures Inc.* (1986), 21 C.P.R. (3d) 265 (Fed. T.D.).

69 See section G(4), "Confusion," in this chapter.

70 *Ungine Aciers v. Canada (Registrar of Trade Marks)* (1978), [1979] 1 F.C. 237 (C.A.).

71 *T Act*, above note 1, s. 50(1); *S.C. Johnson & Son Ltd. v. Marketing International Ltd* (1979), [1980] 1 S.C.R. 99 [S.C. Johnson].

72 *Unitel Communications Inc. v. Bell Canada* (1995), 61 C.P.R. (3d) 12 (Fed. T.D.) [Unitel].

73 *Heintzman v. 751056 Ontario Ltd.* (1990), 34 C.P.R. (3d) 1 at 16-17 (Fed. T.D.) [Heintzman].

iv) *Functional and Ornamental Features*

Since trade-marks are not substitutes for patents or industrial designs, the holder of a patent or a registered design — valid, invalid, or since expired — is not encouraged to bolster this monopoly through a trade-mark on the same feature. So functional and ornamental features — elements that are integral to a product or that make it attractive — are not usually trade-marks. The question is whether the feature is “solely, primarily or essentially” ornamental or functional. If so, it is unregistrable. Such features have included things like a pattern on table glassware, a triple-head design for the blades of an electric shaver, and a stripe encircling a grain storage bin; in these cases, the market relied on trade-marks found elsewhere on the product to distinguish trade source.⁷⁴ On the other hand, ten Xs cross-stitched on jeans, though partly ornamental, was held to be a distinctive and effective trademark.⁷⁵ At bottom, only features that “unreasonably limit the development” of other trades should be denied protection. This is true of distinguishing guises⁷⁶ recognized by the *Act*. The same principle may apply by analogy to other trade-marks, too. If other traders can compete effectively using different designs, the mark should be upheld.

v) *Colour*

Colour can be, or be part of, a protectable trade-mark. The blue, white, and gold oblong Visa trade-mark for credit cards or the pink of Owens-Corning's insulation are well-known examples. Combinations of colour usually work better than a single colour because buyers may more readily recognize them as trade-marks and allow them to become distinctive. Prototypical colours for pills — white, yellow, green — while technically registrable, may be just too common to distinguish one owner's pills from another's in fact.⁷⁷ People might think these are the colour of the ingredients — as milk is white or beer is golden⁷⁸ — or they may think the colour is there to make the pill more attractive.

74 *W.J. Hughes & Sons “Corn Flower” Ltd. v. Morawiec* (1970), 62 C.P.R. 21 (Ex. Ct.); *Trail-Rite Flatdecks Ltd. v. Larcon International Inc.* (1988), 21 C.P.R. (3d) 403 at 408 (Sask. Q.B.); *Remington Rand*, above note 53.

75 *Santana Jeans Ltd. v. Manager Clothing Inc.* (1993), 52 C.P.R. (3d) 472 at 478 (Fed. T.D.).

76 See section B(1)(d), “Distinguishing Guise,” in this chapter.

77 Compare *Smith, Kline & French Canada Ltd. v. Registrar of Trade Marks* (No. 2), [1987] 2 F.C. 633 (T.D.) (pale green for Tagamet capable of being trade-mark) with *Smith Kline & French Laboratories Ltd. v. Cimetidine Trade Mark* (1988), [1991] R.P.C. 17 (Ch.) (held non-distinctive in United Kingdom in fact despite long use).

78 *John Labatt Ltd. v. Molson Cos. Ltd.* (1987), 19 C.P.R. (3d) 88 (Fed. C.A.) [*Labatt*],

Other times a particular colour may be competitively necessary: out-board motors may have to be black or white to match the full range of colours that boats come in. In such cases, distinctiveness should be rarely found: to grant one trader a monopoly in the colour may put other honest traders at a significant competitive disadvantage.⁷⁹

This last point has not always been recognized. For example, pharmaceutical drug companies have sometimes persuaded courts that a patient who demands "the same again" means to receive not just a drug with the same active ingredients but the very same drug as before made by the same manufacturer.⁸⁰ This reductionist view of patient psychology suggests that good health policy and intellectual property law do not necessarily coincide, especially since trade-mark law allows the first maker itself to change ingredients without telling the public.

c) Use

Without "use" a trade-mark is nothing. It cannot be registered; if registered, it can be expunged. But "use" in law does not always coincide with "use" in ordinary speech. For example, a mark for services is used when displayed in performing or advertising them.⁸¹ Not so for goods: there it must appear on the goods themselves or their packages, or must otherwise be notified at the time property in the goods is transferred or possession changes hands.⁸² A mark for services is "used," but a mark for goods is not, in a television commercial.⁸³ Nor need a service mark involve a commercial transaction: those charities unable to acquire an official mark can register a regular service mark for their good works.⁸⁴ But a mark for goods must be used "in the normal course of trade." Token uses do not count, nor do promotional gifts, since nothing is exchanged for value.⁸⁵ Unsurprisingly, this practice causes applicants to try to juggle marks into the service category. BREADWINNERS for discount

79 *Qualitex Co. v. Jacobson Products Co.*, 115 S.Ct. 1300 at 1304 (1995).

80 *E. Hoffman-La-Roche & Co. AG v. DDSA Pharmaceuticals Ltd.*, [1972] R.P.C. 1 (C.A.) (green and black capsules for LIBRIUM tranquilizer); *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 S.C.R. 120 (LOPRESSOR pink and blue heart tablets); both passing-off cases, but the same applies to registered marks.

81 *T Act*, above note 1, s. 4(2).

82 *T Act*, *ibid.*, s. 4(1).

83 *Clairol International Corp. v. Thomas Supply & Equipment Co.*, [1968] 2 Ex.C.R. 552 [*Clairol*].

84 *Shapiro, Cohen, Andrews & Finlayson v. Fireman's Fund Insurance Co.* (1994), 54 C.P.R. (3d) 568 (T.M. Opp. Bd.) [*Shapiro*]. See section D(2) and (4) in this chapter.

85 *Sequa Chemicals Inc. v. United Color & Chemicals Ltd.* (1993), 53 C.P.R. (3d) 216 at 218 (Fed. C.A.).

coupons on groceries was accordingly registered as a service mark for "providing coupon programs pertaining to a line of food products."⁸⁶

How and by whom the mark is used are equally important. Use must be as a trade-mark — to distinguish trader 1's product from trader 2's. A use by trader 1's licensee can distinguish trader 1's product from trader 2's, so long as trader 1 controls the character or quality of the licensee's product. Otherwise, the use may count as the licensee's and cause the mark to become non-distinctive of the licensor.⁸⁷

i) Manufacturer versus Distributor

The question "Who is using whose mark?" often becomes acute in disputes between manufacturers and their distributors. Typically, a mark put on by the manufacturer continues to function as a manufacturer's mark: SONY means goods manufactured by Sony Corp., not distributed or selected by later sellers (including subsidiaries of Sony). The distributor's use is of the manufacturer's mark and for the manufacturer's benefit; the distributor acquires no rights and cannot register the mark.⁸⁸

There are deviations from this prototype. Supermarkets order and sell goods under their house brands. The public understands the mark as the distributor's (the supermarket's), not the manufacturer's. Similarly, a manufacturer may allow its mark to be registered in its distributor's name, and the public may accept it as the distributor's mark. This arrangement may make sense where the manufacturer controls the distributor (e.g., its subsidiary company), but has proved disastrous for manufacturers when the distributor is at arm's length. If the distribution arrangement ends, the manufacturer may have to distribute its product under a completely different mark to avoid infringing its ex-distributor's registration.⁸⁹

C. CRITERIA FOR REGISTRABILITY

Choosing a mark requires more than finding something distinctive that qualifies as a trade-mark. The mark must be registrable. Otherwise, the

86 *Kraft*, above note 43 at 875.

87 *T Act*, above note 1, s. 50(1).

88 *Lin*, above note 5; *Citrus Growers Assn. Ltd. v. William D. Branson Ltd.*, [1990] 1 F.C. 641 (T.D.); *Uniwel Corp. v. Uniwel North America Inc.* (1996), 66 C.P.R. (3d) 436 at 451–53 (Fed. T.D.).

89 *White Consolidated Industries Inc. v. Beam of Canada Inc.* (1991), 39 C.P.R. (3d) 94 (Fed. T.D.). See sections H(6) and (5), "Non-use," and "Abandonment," in this chapter.

TMO will reject it; and any registration, if wrongly made, is always vulnerable to being invalidated in court.⁹⁰ Various bars, from the absolute to the relative, must be avoided. This section considers (1) what makes marks “unregistrable,” (2) how a disclaimer can sometimes overcome the objection, and (3) when concurrent registrations are possible.

1) Absolute Bars

The following trade-marks are absolutely barred from registration.

a) Marks Confusing with a Registered Trade-mark

A mark confusing with an existing registered trade-mark is not registrable. Before the TMO, the applicant carries the burden of showing “no reasonable likelihood” of confusion.⁹¹ Sometimes buying up the confusing marks or having them expunged for non-use or other ground of invalidity removes this objection.

b) Generic Marks

A mark cannot be “the name *in any language* of any of the wares or services” for which it is used or proposed.⁹² So *airplane*, *avion*, *aeroplano*, and *Flugzeug* cannot be registered for aircraft. How many speakers of the language there are in Canada is irrelevant: importers or exporters from any country should not be inhibited from using whatever language they wish to denote a product or service. Nor does it matter that the applicant first coined the name: good practice requires product innovators to coin both a generic name (for others to use) and a trade-mark (for their own use). The prohibition goes further than the common law, which accepts a foreign generic word as distinctive if it was not commonly recognized as such — even if few people in Canada actually know the language or the word.

“Shredded wheat” provides an example of avoidable pitfalls. Nabisco’s predecessor, which had patents covering the manufacturing process, started selling “Shredded Wheat” at the end of the nineteenth century. Trade-mark registrations for SHREDDED WHEAT were eventually sought or obtained in Canada, the United States, and the United Kingdom. When the patents expired, Kellogg became a competitor and was immediately sued for infringement and passing-off. The litigation col-

90 *T Act*, above note 1, ss. 37(1), 38(2), & 18(1)(a).

91 *T Act*, *ibid.*, s. 12(1)(d); *Gozlan*, above note 34. See section 6(4), “Confusion,” in this chapter.

92 *T Act*, *ibid.*, s. 12(1)(c) [emphasis added].

lapsed when Kellogg successfully moved to ensure that registrations for SHREDDED WHEAT were refused or invalidated in major markets.⁹³ Had Nabisco systematically promoted its product as “SHREDDED WHEAT™ biscuits” — denoting it as a “biscuit” while staking out “shredded wheat” as a trade-mark — the words may perhaps in time have become distinctive of a particular producer rather than a particular product. As it was, Nabisco itself used “shredded wheat” in its packaging and advertising to denote the product. The public came to understand the words this way. Other traders could equally use them to denote the product if they differentiated it from the original. This Kellogg did when it entered the market, adding its own distinctive marks and adopting different packaging.

c) Other Generic Symbols

A mark that, in ordinary good-faith commercial usage, has become recognized in Canada as designating the kind, quality, quantity, value, place of origin, or date of production of any product or service is unregistrable for wares or services of the same general class. Denominations of plant varieties under the *Plant Breeders' Rights Act* also come into this category. Any similar mark or name that would likely be mistaken for these indicators also cannot be used or registered.⁹⁴ Thus XXX is unregistrable for beer since it is generally recognized as an indicator of strength. Prohibited indicia in these categories may be part of a registered mark if they are used non-deceptively and made subject to an appropriate disclaimer.⁹⁵ So BABY DUCK CANADIAN CHAMPAGNE was registered for Canadian champagne, once CANADIAN CHAMPAGNE was disclaimed.⁹⁶

d) Wine and Spirit Appellations

Marks for wines or spirits cannot include protected geographical indications listed by the Registrar, if the wine or spirit does not come from that area.⁹⁷ At first sight, this means that the BABY DUCK CANADIAN CHAM-

93 *Canadian Shredded Wheat Co. v. Kellogg Co. of Canada*, [1938] 1 All E.R. 618 (P.C.), further proceedings [1939] S.C.R. 329; *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938); *Shredded Wheat Co. Ltd. v. Kellogg Co. of Great Britain Ltd.* (1939), 57 R.P.C. 137 (H.L.).

94 *T Act*, above note 1, ss. 12(1)(e), 10, & 10.1.

95 See section C(4), “Disclaimer,” in this chapter.

96 *Caves Jordan & Ste-Michelle Ltée v. Andres Wines Ltd.* (1985), 6 C.I.P.R. 49 (Fed. T.D.) [*Caves Jordan*].

97 *T Act*, above note 1, s. 12(1)(g)–(h); ss. 11.11–11.2. See section E, “Geographical Indications,” in this chapter.

PAGNE mark would not have been saved by a disclaimer and that the use of the word "champagne" may have been banned. However, the list of geographical indications, established in 1996 as a *TRIPS* obligation, presently allows the use of Champagne, as well as other terms commonly used in the Canadian liquor trade.⁹⁸

e) Marks Similar to Official Marks

No mark the same as or very like an official mark can be used as a trade-mark or otherwise in business, except with its owner's consent.⁹⁹ These marks include royal arms and crests, flags, and marks adopted by public authorities — for example, Olympic marks and university emblems.

f) Offensive Marks

A "scandalous, obscene or immoral" word or device cannot be used as a trade-mark or otherwise.¹⁰⁰ A fair amount should be tolerated, since commercial expression is protected under section 2(b) of the *Canadian Charter of Rights and Freedoms*. MISS NUDE UNIVERSE for beauty pageants and associated merchandise was unobjectionable on this count: however distasteful nude (or other) beauty contests may be to many, the mark itself was not scandalous to the public at large.¹⁰¹

g) Suggested Connection with Individuals

Anything falsely suggesting a connection with any living person (including a portrait or signature) cannot be used or registered without his or her consent. Nor may the portrait or signature of anyone who died less than thirty years ago be similarly used without the estate's consent.¹⁰² These provisions effectively create rights, exercisable without proof of injury or damage, in an individual's personality or other features by which he or she may be recognized.¹⁰³ For portraits and signatures, the right passes to the estate and lasts thirty years after death. The individual must, however, have a significant public reputation throughout Canada. Quebec artist Niska and European fashion designer Jean Cachereel failed to prevent registration of NISKA and CACHEREL for cloth-

98 *T Act, ibid.*, ss. 11.18(3)–(4).

99 *T Act, ibid.*, ss. 12(1)(e) & s. 9. See Section D, "Official Marks," in this chapter.

100 *T Act, ibid.*, ss. 12(1)(e) & 9(1)(j).

101 *Miss Universe Inc. v. Bohne* (1991), 36 C.P.R. (3d) 76 at 82–83 (T.M. Opp. Bd.), *aff'd* (*sub nom. Miss Universe Inc. v. Bohna*) [1992] 3 F.C. 682 (T.D.), *rev'd* on other grounds (1994), [1995] 1 F.C. 614 (C.A.).

102 *T Act*, above note 1, ss. 12(1)(e), 9(1)(k), (l), & 9(2).

103 *Carson v. Reynolds*, [1980] 2 F.C. 685 (T.D.) [*Carson*]; *Insurance*, above note 62.

ing; a reputation in Quebec or Europe is not necessarily a Canada-wide reputation.¹⁰⁴ Johnny Carson and Philippe de Rothschild were acknowledged to be more recognizable: HERE'S JOHNNY could not be registered for portable toilets, and a Toronto cigar shop could not call itself "Rothschild at Yorkville."¹⁰⁵

By contrast, the common law can, through torts of passing-off and misappropriation of personality, grant journeymen and Wayne Gretzkys alike a right to market their personalities: their name, voice, likeness, and other recognizable characteristics. This right has been extended by some provinces — British Columbia, Manitoba, Newfoundland, Quebec, and Saskatchewan — to everyone, famous or not, as an element of personal privacy and dignity. A photograph of simple citizen Jane Doe cannot end up in a foot-powder advertisement without her consent, although a photograph of her foot could if she was not recognizable from it. Similarly, a celebrity may not complain of the use of his image in the news media or biographies.¹⁰⁶ In the United States, this right has gone so far as to cover advertising that simply evokes a celebrity's image. Vanna White, the hostess of the television game show *Wheel of Fortune*, successfully claimed that her rights were infringed by a print advertisement that depicted a robot that was recognizable as an imitation of White going about her business on the show.¹⁰⁷

2) Relative Bars

Some marks may, though initially unregistrable, be registered on proof of distinctiveness in fact.¹⁰⁸ The mark's initial meaning is then replaced in buyers' minds by a secondary meaning acquired through intensive sales and advertising, linking the mark with its user's goods or services.

104 *Bousquet v. Barmish Inc.* (1991), 37 C.P.R. (3d) 516 at 524 (Fed. T.D.), aff'd (1993), 46 C.P.R. (3d) 510 (Fed. C.A.); *Lortie v. Standard Knitting Ltd.* (1991), 35 C.P.R. (3d) 175 at 179–81 (T.M. Opp. Bd.)

105 *Carson*, above note 103; *Baron Philippe de Rothschild SA v. Casa de Habana Inc.* (1987), 19 C.P.R. (3d) 11+ (Ontario H.C.J.). Carson won similar litigation in the United States: *Carson v. Here's Johnny Portable Toilets Inc.*, 698 F.2d 281 (6th Cir. 1983).

106 *Joseph v. Daniels* (1986), 11 C.P.R. (3d) 544 (B.C.S.C.); *Bogajewicz v. Sony of Canada Ltd.* (1995), 63 C.P.R. (3d) 458 (Que. S.C.); *Gould Estate v. Stoddart Publishing Co.*, [1996] O.J. No. 3288 (Gen. Div.) (QL) [*Gould*].

107 *White v. Samsung Electronics America Inc.*, 971 F.2d 1395 (9th Cir. 1992), application for re-hearing denied, 989 F.2d 1512 (9th Cir. 1993). See section C(2)(a), "Names and Surnames," in this chapter.

108 See section B(2)(b), "Distinctiveness," in this chapter.

The registration may be limited to the product, service, and territory in which distinctiveness is shown. So the exclusive right to a mark distinctive only in Vancouver may be limited to that city.¹⁰⁹ An application based on proposed use in such a case will therefore fail; only one based on actual use and acquired distinctiveness has any prospect of success.

At common law, any mark was capable in law of becoming distinctive. CAMEL HAIR for belting was found to have acquired a secondary meaning of belting made by a particular producer, even though the product was (unbeknownst to most) made of camel hair. No rival could then call its belting CAMEL HAIR, whether or not its product was made of camel hair, since the public would believe that the goods were produced by the first maker. Rivals could, however, discreetly advertise their belting as made of camel hair if the promotion did not suggest any trade connection with the CAMEL HAIRTM product.¹¹⁰

A stricter standard was required for registration before 1954, and even more recently (1994) in the United Kingdom. Some marks were thought incapable in law of ever becoming distinctive, and no trader was denied the right to use laudatory words like "super," "standard," "perfect," or "perfection." But the *Act* has returned to the common law standard. PERFECTION itself is registered for dairy products, and CANADIAN failed to be registered for beer only because Molson failed to discharge the "very heavy" onus of proving distinctiveness for it.¹¹¹ The system's operation depends on that distinctiveness being convincingly proved, since the *Act* provides even honest traders with a narrow set of defences — much narrower than at common law, where no misrepresentation means no liability.¹¹²

Marks falling under this relative bar are (1) names and surnames, (2) descriptive marks, and (3) deceptive marks.

a) Names and Surnames

A word that is "primarily merely" the name or surname of a living person or one who died less than thirty years ago is *prima facie* unregistrable because it is often not distinctive.¹¹³ McDONALD for goods may not

109 *T Act*, above note 1, ss. 12(2) & 32; *Home Juice Co. v. Orange Maison Ltée.* [1968] 1 Ex.C.R. 313 at 318, conceded on appeal [1970] S.C.R. 942 [*Home Juice*].

110 *Frank Reddaway & Co. Ltd. v. George Banham & Co. Ltd.*, [1896] A.C. 199 (H.L.).

111 *Perfection Foods Ltd. v. Chocolat Perfection Inc.* (1991), 35 C.P.R. (3d) 185 (T.M. Opp. Bd.); *Molson Cos. v. Carling Breweries Ltd.* (1988), 19 C.P.R. (3d) 129 (Fed. C.A.).

112 See sections I and H, "Users' Rights," and "Invalidity," in this chapter.

113 *T Act*, above note 1, s. 12(1)(a).

distinguish one McDonald's goods from another McDonald's. It also seems unfair to give the first Ronald McDonald to use his name as a mark a monopoly running against all other Ronald McDonalds (perhaps from the same extended family) wanting to go into a similar business. But the unfairness diminishes once the market recognizes RONALD MCDONALD as distinguishing a particular producer (whatever his or her real name); for a second Ronald McDonald would then cause market confusion in adopting that name for similar goods or services. At common law, this could be passing-off, although the law once said that personal names could be used honestly as trade-names — everyone's birth-right, even if some confusion resulted.¹¹⁴ The distinction probably no longer holds,¹¹⁵ especially today when use as a trade-name very easily slips into use as a service mark.¹¹⁶ The public are accustomed to people of similar names trading in different businesses. One trade-name may become more famous than another, but that should not give its owner the right to close others down or obstruct new entrants who wish to use the same name for their business. It is more pertinent to ask the following questions:

- Is it a fair business decision for the second entrant to use his name in the type of business he is carrying on? So Ronald McDonald, MD, can hardly stop another Ronald McDonald, MD, from practising medicine under his name.
- Is the way the second entrant uses the name reasonably designed to minimize deception and confusion? If so, some confusion may have to be tolerated lest personal names be monopolized simply on the basis of priority of use.¹¹⁷

Two very different questions are asked, however, when registrability is in issue. First, is the word (or words) in fact someone's name or surname? If not, nobody's patrimony is being usurped and the mark is unobjectionable. RONALD MCDONALD is initially barred even if arbitrarily chosen or coined: people of that name exist somewhere in the world, as a check of telephone directories reveals. But a coined or fictitious name,

114 *Hurlbut Co. v. Hurlbut Shoe Co.*, [1925] S.C.R. 141 [Hurlbut].

115 *Boswell-Wilkie Circus (Pty.) Ltd. v. Brian Boswell Circus (Pty.) Ltd.* (1983), [1985] F.S.R. 434 (S.Afr. S.C. Prov. Div.), modified (1985), [1986] F.S.R. 479 (S. Afr. S.C. (A.D.)).

116 See section B(2)(c), "Use," in this chapter.

117 *Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1990), 33 C.P.R. (3d) 454 (Fed. T.D.) [Seagram]; *Bell Insurance Agencies Ltd. v. Bell & Cross Insurance Agency Ltd.* (1983), 72 C.P.R. (2d) 46 (Man. Q.B.).

not shown to be someone's real name (SCARLETT O'HARA, OLIVER TWIST), may be acceptable.¹¹⁸ So, too, may a name with added descriptive matter, since the mark is then not predominantly just a name: for example, O'HARA CONTOURS or McDONALD EXTRA.¹¹⁹

The second question is more difficult: Would a potential buyer immediately respond to the word by thinking its primary meaning is merely a name or a surname? Again this depends on the evidence presented. The average bibliophile would be primarily impressed by COLES for books as a surname rather than by its rare meaning of cabbages (as in cole slaw).¹²⁰ Drinkers might react differently to ELDER for beverages, an uncommon name with other meanings (tree, older person, senior officeholder); it is registrable since its surname significance does not predominate over other meanings.¹²¹ Oddly enough, obviously foreign words like GALANOS for toiletries or NISHI for electronics are judged by the perceptions of the notional Canadian "of ordinary intelligence and education in English or French," who would not recognize these words as Spanish or Japanese surnames.¹²² This standard wrongly discounts the reaction of significant linguistic populations in Canada who may be target markets for the products in question.

b) Descriptive Marks

A mark "clearly" (i.e., plainly or self-evidently) descriptive as "depicted, written or sounded" in English or French of "the character or quality" of its wares or services "or of their place of origin" is *prima facie* not registrable. Nor is one clearly descriptive of "the conditions" of production of the wares or services or "the persons employed in their production."¹²³ These bans do not apply to suggestive marks, and much material slips by in this category. The trade-marks register is full of oddities caused by decisions which are said to turn largely on their own facts, but which as a body close the door to very few marks indeed. Consider the following:

118 *Gerhard Horn Investments Ltd. v. Canada (Registrar of Trade Marks)*, [1983] 2 F.C. 878 (T.D.).

119 *Hawick Knitwear Manufacturers Assn. v. W. Howick Ltd.* (1972), 9 C.P.R. (2d) 93 (T.M. Opp. Bd.).

120 *Canada (Registrar of Trade Marks) v. Coles Book Stores Ltd.* (1972), [1974] S.C.R. 438.

121 *Elder's Beverages (1975) Ltd. v. Canada (Registrar of Trade Marks)*, [1979] 2 F.C. 735 (T.D.).

122 *Galanos v. Canada (Registrar of Trade Marks)* (1982), 69 C.P.R. (2d) 144 at 155 (Fed. T.D.); *Nishi v. Robert Morse Appliances Ltd.* (1990), 34 C.P.R. (3d) 161 at 167 (Fed. T.D.); compare *ROC International v. Rochel Holdings Ltd.* (1994), 53 C.P.R. (3d) 109 at 112-13 (T.M. Opp. Bd.).

123 *T Act*, above note 1, s. 12(1)(b).

i) *Character or Quality*

Only matter material to the composition of a product is “clearly descriptive” of it. KOLD ONE therefore is acceptable for beer but GOLDEN is not, because apparently goldness is, but coldness is not, intrinsic to beer.¹²⁴ But DOCTORS for thermometers, PIPEFITTERS for wrenches,¹²⁵ and general laudatory words like PERFECT and PERFECTION are all *prima facie* prohibited, as traders should not be hindered in associating this language with their products.

In practice, this ban is a weakling. True, the Supreme Court once asserted that ellipses can be clearly descriptive: so OFF! for insect repellent was unregistrable because of its common use in conjunction with other words for all sorts of products that eliminated nuisances.¹²⁶ But the implications of this decision are largely ignored today. How else does one explain registrations like FROM PATIENCE COMES PERFECTION for alcohol, repetitions like PIZZA PIZZA for pizza, and “Franglais” like LE JUICE for juices — all said to be merely “suggestive,” not clearly descriptive, of their wares?¹²⁷ Manipulating what the mark is registered for also helps. So, for example, a mark descriptive of goods may not be descriptive of services. AUTOMATIC PARKING DEVICES OF CANADA was said to be not descriptive of the business of providing servicing and services for such equipment, the judge even calling the combination of words “unusual”!¹²⁸ Yet the collocation is obvious enough and may hinder later traders honestly wanting to use other similar obvious collocations for goods as well as services. Very little is left unregistrable if decisions like this are taken seriously.

ii) *Geographic Marks*

The ban on marks clearly descriptive of “the place of origin” of their associated goods or services *prima facie* bars geographic names and their variants: for example, TORONTO, TORONTONIAN, TORONTO’S. The right to indicate where a firm’s output comes from should be free for all. If any protection is warranted, the most appropriate form seems to be a certi-

124 *Provenzano v. Canada (Registrar of Trade Marks)* (1977), 37 C.P.R. (2d) 189 (Fed. T.D.), aff’d (1978), 40 C.P.R. (2d) 288 (Fed. C.A.); *Labatt*, above note 78.

125 *Lubrication Engineers Inc. v. Canadian Council of Professional Engineers*, [1992] 2 E.C. 329 (C.A.) [*Lubrication Engineers*].

126 *S.C. Johnson*, above note 71.

127 *Perfection Foods Ltd. v. Hiram Walker & Sons Ltd.* (1988), 21 C.P.R. (3d) 136 (T.M. Opp. Bd.); *Pizza Pizza Ltd. v. Canada (Registrar of Trade Marks)* (1982), 67 C.P.R. (2d) 202 (Fed. T.D.) [*Pizza*]; *Coca-Cola Co. v. Cliffstar Corp.* (1993), 49 C.P.R. (3d) 358 (T.M. Opp. Bd.). See section C(4), “Disclaimer,” in this chapter.

128 *Parking*, above note 33 at 160.

fication mark or a geographical indication.¹²⁹ This would typically be held by a governmental authority or a producers' association, and the ban on descriptive appellations would not apply. Thus, SWISS for chocolate was appropriately registered as a certification mark by a Swiss chocolate makers' association.¹³⁰ Still, many marks connoting geographic origin have been privatized at common law or registered by individual traders. This has created obstacles for later entrants. Thus, the registration of OKANAGAN CELLARS for wine prevented another winery from registering OKANAGAN VINEYARDS, even on disclaiming the word OKANAGAN.¹³¹ The wisdom of allowing either to register is debatable, for the registration would hinder all wine makers of the region from sharing in the reputation they helped to create for the Okanagan as a wine-producing area.

The registrability of a geographic mark often seems to boil down to asking how ignorant the average Canadian is about the geography of Canada or any other country. Would this exemplar of ignorance's first impression — or at least, one hopes, the impression of a significant section of the Canadian community — be to recognize the mark as describing a place of origin? VICTORIA and probably RADIUM pass this test, but FARAH (a village in Afghanistan) probably does not. Even VICTORIA and RADIUM are problematic because both have equally significant non-geographic meanings. Whether they would be recognized as places of origin may depend on the product or service they are used for. On first impression, VICTORIA for retirement planning services or RADIUM for mineral water may denote a place of origin, whereas VICTORIA or RADIUM for automobiles may well not.

One then asks: Would the average Canadian buyer immediately think the product or service came from or was associated with that place? LABRADOR and AMAZON immediately denote places of origin, but most would assume that LABRADOR for bananas or AMAZON for snowsuits were arbitrary marks not denoting the product's place of origin. Nor are marks merely suggestive of origin banned. The TMO has claimed that the average Canadian might think that CÔTE D'AZUR for toiletries suggests French provenance, but apparently would not believe that the

129 See section B(1)(e), "Certification Mark," and section E, "Geographical Indications," in this chapter.

130 *Sanna Inc. v. Chocosuisse Union des Fabricants Suisses de Chocolat* (1986), 14 C.P.R. (3d) 139 (T.M. Opp. Bd.); *T Act*, above note 1, s. 25.

131 *Calona Wines Ltd. v. Okanagan Vineyards Ltd.* (1988), 20 C.P.R. (3d) 573 (T.M. Opp. Bd.) [*Calona*]; compare *American Waltham Watch Co. v. U.S. Watch Co.*, 53 N.E. 141 (Mass. S.C. 1899).

goods came from the Côte d'Azur.¹³² Where he might think they did come from was not explored.

c) Deceptive Marks

Marks that would deceive people into making false buying decisions do the very opposite of what marks are meant to achieve: hence the prohibition of marks "deceptively misdescriptive" of character, quality, origin, and so on. SHAMMI for gloves with no chamois or LIVER DINNER for cat food without much liver are obviously unregistrable.¹³³ One might have thought the CÔTE D'AZUR mark would have been held deceptive, but it was not.

This inconsistency suggests that the prohibition has not been treated very seriously. Laudatory marks like PERFECTION or PREMIER have been said not to be deceptively misdescriptive, even if the product they come with is second rate, because buyers are considered to be hardened against this sort of puffery. And once again, suggestive marks — those whose lie is more veiled and may operate subconsciously — escape criticism more readily. For example, should the use of German-sounding names for wines — such as HOCHTALER — be allowed for Canadian wines that have few characteristics associated with German wines (other than wetness), and need not be made by anyone having the slightest connection with Germany or German wine-making methods? Should WINSTON'S CHOICE be allowed for whisky because it only suggests it was the particular liquor Winston Churchill drank, even where the drink is a Canadian rye Churchill never heard of? These petty lies are not enough to deny registrability,¹³⁴ but this laxity only encourages resources to be spent on yet further ingenious ways of taking advantage of buyer credulity.

3) Foreign Registered Marks

One object of the *Paris Convention* was to make trade-marks validly registered in one country easily transportable to others, with whatever

132 *Avon Canada Ltd. v. Ethier International Inc.* (1990), 34 C.P.R. (2d) 410 (T.M. Opp. Bd.).

133 *T Act*, above note 1, s. 12(1)(b); *Canada (Deputy A.G.) v. Biggs Laboratories (Can.) Ltd.* (1964), 25 Fox Pat. C. 174 (Ex. Ct); *General Foods Ltd. v. Ralston Purina Co.* (1975), 20 C.P.R. (2d) 236 at 238 (T.M. Opp. Bd.).

134 *Stabilisierungsfonds für Wein v. Andres Wines Ltd.* (1985), 5 C.P.R. (3d) 256 (T.M. Opp. Bd.); *Scotch Whisky Assn. v. Mark Anthony Group Inc.* (1990), 31 C.P.R. (3d) 55 at 60 (T.M. Opp. Bd.).

minor changes were thought necessary to make the mark acceptable to local markets. On proof of the foreign registration, a *Convention* application (which now includes applications from WTO members) is vetted on slightly different, theoretically less rigorous, registrability criteria from regular applications.¹³⁵ In fact, Canada's standard registrability criteria are now so lax that few marks fare better claiming *Convention* benefit. The *Convention* applicant must still show its title;¹³⁶ the mark must not be confusing with a Canadian registered mark; it cannot falsely suggest a connection with a living individual; it cannot be mistaken for an official mark; it cannot be offensive (in the sense of "contrary to morality or public order"); and it cannot be "of such a nature as to deceive the public." Objections that a mark is generic, descriptive, or misdescriptive, though not directly available, can be made indirectly; for a mark must not be "without distinctive character" having regard to its use abroad and all the circumstances, and so must have some distinctiveness.¹³⁷ So BARRIER BAG for bags to package food and LUBRICATION ENGINEERS for lubricants were denied registration as either standard or *Convention* marks, since both were "clearly descriptive" and so "without distinctive character." Only cogent evidence of distinctiveness from extensive use overcomes such objections.¹³⁸

4) Disclaimer

A trade-mark may be distinctive as a whole but may comprise elements that individually are unregistrable. So SUPER KODAK may be registrable as a whole, but SUPER by itself would not be. Since registration might suggest some entitlement to monopolize SUPER by itself, the TMO regularly requires a disclaimer of the exclusive right to use it and other descriptive words, names, surnames, and generic words.¹³⁹ The disclaimed matter is still part of the mark and is considered when judging confusion and infringement. Over time, it may even acquire distinctiveness, and a fresh application for registration without a disclaimer may succeed.

135 *T Act*, above note 1, ss. 14 & 31. Applicants often claim both ordinary registrability and *Convention* benefit — just in case one basis fails.

136 See section F, "Title," in this chapter.

137 *T Act*, *ibid.*, s. 14(1). If opposed, the *Convention* mark also must overcome a general distinctiveness challenge; s. 38(2)(d). See section B(2)(b), "Distinctiveness," in this chapter.

138 *W.R. Grace & Co. v. Union Carbide Corp.* (1987), 14 C.P.R. (3d) 337 (Fed. C.A.), *Lubrication Engineers*, above note 125.

139 *T Act*, above note 1, s. 35. See section C(2)(b), "Descriptive Marks," in this chapter.

Disclaimers are not accepted for deceptively misdescriptive matter, official marks, or offensive marks. These marks must be dropped altogether if the application is to proceed.¹⁴⁰ Similarly, if nothing distinctive remains after the disclaimer, there is nothing to register and the application will be rejected. THE CANADIAN JEWISH REVIEW in Hebraic-style lettering was thus denied registration for periodicals because, after the words were disclaimed, nothing remained.¹⁴¹ On the other hand, PIZZA PIZZA was registered for pizza, with "pizza" disclaimed; the registration then covered only the duplicated words and gave no monopoly over "pizza" used separately.¹⁴²

5) Concurrent Registration

Two identical or confusingly similar marks cannot coexist on the register for the same class of goods or services. There are three exceptions:

- One entity may register and hold a set of otherwise confusingly similar associated marks — for example, McDonald's Corp.'s EGG McMUFFIN, MCSUNDAE, MCCHEESE, McFEAST — but the marks can be transferred only as a block.¹⁴³
- The registration of some marks may be limited to the territory where they have become distinctive.¹⁴⁴ An identical mark may then become distinctive and registrable for another territory. This exception applies to descriptive and misdescriptive marks, names and surnames.¹⁴⁵
- Firm 1 may have used a confusingly similar mark or name in good faith before the registrant firm 2 filed its application. Firm 1 can then use the mark concurrently in a defined territory if the Federal Court considers this use is not "contrary to the public interest" — for instance, if there is no public confusion in firm 1's territory, or perhaps if firm 2 does not plan to expand there. Unfortunately, to be eligible for the order, firm 1 must first prove that title to the mark has become unchallengeable. This means firm 1 must wait five years after registration before applying to the Court.¹⁴⁶

140 *Caves Jordan*, above note 96; *Lake Ontario Cement Ltd. v. Canada (Registrar of Trade Marks)* (1976), 31 C.P.R. (2d) 103 (Fed. T.D.). Compare section C(1)(c), "Other Generic Symbols," in this chapter.

141 *Canada Jewish Review Ltd. v. Canada (Registrar of Trade Marks)* (1961), 37 C.P.R. 89 (Ex. Ct.).

142 *Pizza*, above note 127.

143 *T Act*, above note 1, s. 15.

144 *T Act*, *ibid.*, s. 32 (Registrar); *Home Juice*, above note 109 (court imposes limitation).

145 See section C(2). "Relative Bars," in this chapter.

146 *T Act*, *ibid.*, s. 21; *Kayser-Roth Canada (1969) Ltd. v. Fascination Lingerie Inc.*, [1971] F.C. 84 (T.D.). See section H(4), "Inferior Title," in this chapter.

D. OFFICIAL MARKS

Various bodies and authorities can use identifying marks and symbols that cannot be adopted by anyone else in connection with a business, as trade-marks or otherwise, without prior consent. Neither the exact mark nor one so similar as to be likely mistaken for it can be adopted.¹⁴⁷ Though technically not trade-marks, many of these official marks in practice function much the same way. Protection for some is automatic. For others, the Registrar of Trade-marks must first post a notice in the *Trade-marks Journal*. Others still must have that notice preceded by one given to the World Intellectual Property Organization bureau in Geneva.

1) Marks Automatically Protected

The following marks and symbols are automatically protected:¹⁴⁸

- The arms, crests, and standards of the royal family or anything suggesting royal, vice-regal, or governmental patronage, approval, or authority.
- The Red Cross and its emblem, the Red Crescent, Red Lion, and Sun emblems, and the international civil defence sign (an equilateral blue triangle on an orange ground).
- The national flags of *Paris Convention* or *WTO* countries.
- The United Nations, and its official seal or emblem.
- The Royal Canadian Mounted Police, any combination of letters relating to the RCMP, and any pictorial representation of a uniformed RCMP member.

2) Marks Protected after Public Notice

The following marks are protected once the Registrar of Trade-marks, at the adopter's request, gives public notice that a mark or symbol has been adopted and used:¹⁴⁹

- The arms, crests, and flags of Canada, its provinces, and municipalities.
- Other armorial bearings formally granted by the Governor General and publicly notified by the Registrar at the former's request.

147 *T Act, ibid.*, ss. 9(1) & 9(2)(a).

148 *T Act, ibid.*, s.9(1)(a)–(d), (f)–(h.1), (i.2), (m), & (o).

149 *T Act, ibid.*, ss. 9(1)(e), (n.1), & (n).

although a use that will not likely mislead the public into connecting the user with the bearer is allowed.¹⁵⁰

- A university's badges, crests, emblems, and marks.
- Badges, crests, emblems, and marks adopted and used by the Canadian Armed Forces.
- Badges, crests, emblems, and marks adopted and used as an official mark by any Canadian "public authority" for its wares and services. Anybody operating for the public benefit and subject to significant government control or financing may qualify under this head. Many groups have taken advantage of these provisions, from the Canadian Olympic Association and Expo 86 Corporation to charities like the WWF — World Wide Fund for Nature and more localized charities.¹⁵¹

3) Foreign Official Marks

The following symbols are banned, once they are listed with the World Intellectual Property Organization bureau in Geneva and once the list is publicly notified by the Registrar of Trade-marks in the *Trade-marks Journal*:¹⁵²

- National, territorial, or civic arms, crests, and emblems of *Paris Convention* and *WTO* countries, and their territorial or civic flags.
- Official signs or hallmarks indicating control or warranty adopted by such countries. These indicia are, however, allowed on products that are not the same as or similar to those for which the indicia were adopted. A silver hallmark, assuming it has no copyright, may be used on a T-shirt.¹⁵³
- Armorial bearings, flags, emblems, or name abbreviations of an international intergovernmental organization (e.g., UNESCO, GATT, IMF).

4) Exploitation and Protection

The owners of these marks and symbols may themselves exploit them, as universities do when they sell T-shirts and other knick-knacks with the university's crest on them. They may license others, as the RCMP

150 *T Act*, *ibid.*, s. 9(2)(b)(ii).

151 *Canada (Registrar of Trade Marks) v. Canadian Olympic Assn.* (1982), [1983] 1 F.C. 672 (C.A.); *British Columbia v. Mihaljevic* (1989), 26 C.P.R. (3d) 184 (B.C.S.C.), *aff'd* (1991), 36 C.P.R. (3d) 445 (B.C.C.A.); *WWF — World Wide Fund for Nature v. Incaha Inc.* (1995), 61 C.P.R. (3d) 413 (T.M. Opp. Bd.).

152 *T Act*, above note 1, s. 9(1)(i), (i.1), & (i.3).

153 *T Act*, *ibid.*, s. 9(2)(b)(i).

has done to market its official marks and emblems for royalties.¹⁵⁴ The owners may also prevent the registration of the same or very similar marks, and they can sue and stop infringements without needing to prove injury or damage.¹⁵⁵

Although official marks are convenient for their owners, the scheme regulating them is not well integrated with that for regular trade-marks. More institutions have taken advantage of it than was originally contemplated; its effect on existing users is not well thought out; and no reason exists why many official mark owners should not seek registration as those in the private commercial sector do. The way the Canadian Olympic Association protects an ever-expanding range of OLYMPIC marks and symbols gives a glimpse of the system in action. The COA typically has the Registrar of Trade-marks notify through the *Trade-marks Journal* the COA's adoption of the marks. The Registrar does not check for conflicts with any registered mark, nor can the COA's action be opposed. The COA's rights, once publicly notified, are apparently perpetual against all goods and services, not merely competing or confusingly similar product lines.¹⁵⁶ There is no procedure for removing unused or undistinctive marks.

The COA can, moreover, easily oppose the registration of regular trade-marks it finds objectionable. Marks that are the same or that sound or look very like an official mark are unregistrable. Even if it has no official mark yet, the COA can stop a pending registration simply by filing an opposition, immediately adopting and using a conflicting mark, getting the mark publicly notified for the first time, and informing the Opposition Board any time before it gives its decision on the opposition.¹⁵⁷ The few existing uses that can avoid infringement have their rights frozen at the date the COA mark appears in the *Trade-marks Journal*. For example, OLYMPIAN for typeface fonts was allowed to continue as an unregistered mark, but could not be registered once the COA's OLYMPIAN official mark had been publicly notified.¹⁵⁸ Similarly, the *Guinness Book of Olympic Records* could not be packaged with Konica film and be marketed as the Konica Guinness Book of Olympic Records.¹⁵⁹

154 L. Carrière, "La Protection des noms, marques et signes de la Gendarmerie royale du Canada" (1996) 8 C. Prop. Intell. 281.

155 Carson, above note 103.

156 *Canadian Olympic Assn. v. Allied Corp.* (sub nom. *Allied Corp. v. Canada Olympic Assn. — Assn. Olympique Canadienne*) (1989), [1990] 1 F.C. 769 (C.A.) [*Allied*].

157 *Olympus*, above note 39.

158 *Allied*, above note 156.

159 *Canadian Olympic Assn. v. Konica Canada Inc.* (1991), [1992] 1 F.C. 797 (C.A.).

All this protection no doubt preserves the integrity of Olympic marks between games. It allows the COA to mount effective licensing programs whenever the games are held in Canada. The COA can also act as proxy for foreign committees to stop unauthorized uses when the games are held abroad. The financing of the games, especially since 1984 in Los Angeles, has moved from the public to the private sector and to a heavy reliance on corporate sponsorship. In this light, perhaps the COA can make a persuasive case for having such extensive rights.¹⁶⁰ Whether all the other charitable institutions that have obtained official marks for little used symbols can make similar cases with equal force is more doubtful.

E. GEOGRAPHICAL INDICATIONS

At the insistence of European countries (particularly France) with established appellations of origin for better-class wines and food, *TRIPs* contains a set of provisions designed to extend worldwide protection for appellations of origin. In Canada, the existing system of certification marks¹⁶¹ takes care of much of this obligation. *TRIPs*, however, required special protection for appellations relating to wines and spirits. Accordingly, Canada introduced a system in 1996 to protect "geographical indication[s]" for wines and spirits, as an alternative to certification marks.

The new system creates a hybrid somewhere between an official mark and a regular trade-mark. It prohibits the adoption or use as a trade-mark or otherwise of any "protected" geographical indication for a wine or spirit not originating in that area. The TMO keeps a list of these indications. Listing is preceded by a notice published by the Minister of Industry in the *Canada Gazette*, giving particulars of the geographical indication and the body responsible for it. An opposition may be filed in the TMO on the sole ground that "the indication is not a geographical indication." It must be one that

- (a) identifies the wine or spirit as originating in the territory of a WTO Member, or a region or locality of that territory, where a quality, reputation or other characteristic of the wine or spirit is essentially attributable to its geographical origin, and

160 The COA has even garnered some judicial sympathy for the need to spread its "tentacles of trade mark protection . . . far and wide"; see *Canadian Olympic Assn. v. Gym & Tonic Ltd.* (1988), 19 C.P.R. (3d) 98 at 102 (Fed. T.D.).

161 See section B(1)(e), "Certification Mark," in this chapter.

- (b) except in the case of an indication identifying a wine or spirit originating in Canada, is protected by the laws applicable to that WTO Member.¹⁶²

The TRIPs provisions from which this definition comes are obviously a rough-and-ready compromise, and their ambiguities have been transported into local law. What, for example, is the word “identifies” in paragraph (a) in the definition of “geographical indication” supposed to mean? In its country of origin, “Beaujolais” is certainly an appellation of origin that identifies a style of wine coming from the Beaujolais region in France. But suppose there is a wine grown and made in Canada called “Canadian Beaujolais.” Many customers may then understand “beaujolais” to mean any red quaffing wine designed for early drinking. Must a geographical indication, to qualify as such, merely identify the wine in its country of origin, or must it also in fact so identify the product to consumers in Canada? If the indication is now generic in Canada, is it registrable?

A later provision specifically allows the adoption, use, or trade-mark registration of any indication “identical with a term customary in common language in Canada as the common name for the wine or spirit.” This provision suggests that such a customary term could indeed be listed. Why else would the exemption be needed?¹⁶³ So, if beaujolais was indeed generic in Canada, a mark such as FIZZY BEAUJOLAIS for a mixture of Canadian red wine and carbonated water might be registrable, even if Beaujolais itself were listed as a geographical indication.¹⁶⁴

Other important exemptions exist:

- Customary grape variety names may continue. So may the use of some specific words. Some of these are unsurprising: Champagne, Port, Sherry, Chablis, Burgundy, Rhine, Sauterne, Claret, Grappa, Ouzo. Others come as more of a surprise: Bordeaux, Chianti, Malaga,

162 T Act, above note 1, s. 2, def. “geographical indication”; ss. 11.11–11.15.

163 T Act, *ibid.*, s. 11.18(2)(a), tracking *Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods*, (1994) 25 I.L.C. 209, art. 24.6 [TRIPs], *Re Crosfield & Sons Ltd.’s Application* (1909), [1910] 1 Ch. 130 (C.A.).

164 Compare *Institut National des Appellations d’Origine v. Vintners International Co.*, 958 F.2d 1574 (Fed. Cir. 1992), allowing registration of CHABLIS WITH A TWIST for “California White Wine With Natural Citrus,” despite the objection of French Chablis producers. See also J. Chen, “A Sober Second Look at Appellations of Origin: How the United States Will Crash France’s Wine and Cheese Party” (1996) 5 Minn. J. Global Trade 29 at 50–58.

Marsala, Médoc, Sambuca, Curaçao. Items may be added or deleted by order-in-council.¹⁶⁵

- Canadian businesses may continue with any geographical indication used for at least ten years before 15 April 1994, or for any shorter period if the use is "in good faith."¹⁶⁶
- Unauthorized uses or even trademark registrations of a listed indication may continue unless (a) enforcement proceedings are taken within five years of the mark's becoming generally known or registered, and (b) the unauthorized user knew the word was protected when adopting or first using it.¹⁶⁷

These exemptions parallel those in *TRIPs*, but the countries of Europe clearly hope they will be only temporary. *TRIPs* requires states to negotiate towards increased protection for these appellations. It may be that Canadian producers and importers will eventually have to phase out currently exempted uses and transform Canadian champagnes or ports into "sparkling" or "fortified" wines instead, since *TRIPs* disapproves of expressions like "imitation sherry," "port style," and "champagne type."¹⁶⁸ Whether this means that Spain may have to agree to reconsider its attitude towards fishing off the Canadian coast, in return for Canada's agreement to ban the use of "sherry" for Sherry-like wines, is an interesting speculation.

F. TITLE

Having chosen a mark, can the adopter rightly call it "mine own"? Title does not come from inventing or selecting a registrable mark. It comes instead from

- use¹⁶⁹ of the mark,
- making it well known¹⁷⁰ in Canada, or
- filing an application to register a proposed mark.¹⁷¹

165 *T Act*, above note 1, s. 11.18.

166 *T Act*, *ibid.*, s. 11.17.

167 *T Act*, *ibid.*, s. 11.19.

168 *TRIPs*, above note 163, arts. 23(1) & 24.

169 See section B(2)(c), "Use," in this chapter.

170 See section F(1), "Well-known Mark," in this chapter.

171 Even earlier filing dates can be claimed by persons or corporations from a *Paris Convention* or *WTO* state: the filing date of a corresponding application in that state if the Canadian application is filed within six months; *T Act*, above note 1, s. 34(1). See section B(1)(c), "Proposed Trade-mark," in this chapter.

Whoever first does one of these acts has title to the mark. But this *prima facie* title can be upset. Anyone who earlier used, applied for, or made a reputation for the same mark anywhere in Canada can stop the registration. So may anyone in Canada who did the same with a confusing trade-mark, or who earlier used a confusing trade-name (the name under which a corporation, partnership, or individual does business).¹⁷² The TMO initially checks only for better title based on the same or a confusing registered trade-mark or pending application. In opposition proceedings, or if the registration is later challenged, any claim of better title is examined. This includes claims based on earlier confusing trade-names, as well as on confusing registered and unregistered trade-marks.

There are some qualifications. Marks or names abandoned by the date the application was advertised are irrelevant.¹⁷³ So are trade-names not in active use: mere adoption, registration, or incorporation creates no title in them.¹⁷⁴ Most important, challenges can be mounted only by the claimant with the better title. Nobody can oppose or invalidate a registration by saying a third party's title is better than that of the applicant or registrant.¹⁷⁵ And a successful challenger cannot just take over the mark or application: it must file its own application and see how this in turn survives the rigours of TMO procedure.¹⁷⁶ Once a trade-mark has been registered for five years, the registrant's title is challengeable only on limited grounds.¹⁷⁷

Evidence that fails to prove a better title may prevent registration on other grounds. For example, a famous mark may be unregistrable in Canada because its owner cannot meet the strict requirements of a well-known mark.¹⁷⁸ Still, if many Canadians do know of the foreign mark, it cannot be distinctive in Canada of anyone other than the foreign mark owner. So the foreign owner may not be positively entitled to register the mark, but may successfully oppose or invalidate registration on the ground of this lack of distinctiveness.¹⁷⁹

172 *T Act, ibid.*, ss. 16(1) to (3), subss. (a) to (c); s. 2, def. "trade-name." The standard test for confusion applies: See section G(4), "Confusion," in this chapter.

173 *T Act, ibid.*, s. 16(5).

174 *Optagest Canada Inc. v. Services Optometriques Inc. S.O.L.* (1991), 37 C.P.R. (3d) 28 at 32 (Fed. T.D.).

175 *T Act*, above note 1, s. 17(1).

176 *Royal Doulton Tableware Ltd. v. Cassidy's Ltd./Cassidy's Ltce* (1984), [1986] 1 F.C. 357 (T.D.) [*Royal Doulton*].

177 See section H(4), "Inferior Title," in this chapter.

178 See section F(1), "Well-Known Mark," in this chapter.

179 *Andres Wines Ltd. v. E. & J. Gallo Winery* (1975), [1976] 2 F.C. 3 (C.A.) [*Gallo*]. See section B(2)(b), "Distinctiveness," in this chapter.

1) Well-Known Mark

Making a mark well known in Canada can give its owner title only under strict conditions:¹⁸⁰

- The mark must have been “used” in a *Paris Convention* or *WTO* country in the Canadian sense of “use.”¹⁸¹
- The mark must have become “well” known in Canada in a significant section of the country so as to have had an impact on a substantial number of Canadians.¹⁸² A substantial part of a major province should do. The suggestion that Windsor, Ontario, might not qualify under this test seems doubtful.¹⁸³ Local use in Windsor is enough to create national rights for a trade-mark. Why should this not be equally true if the mark becomes well known there?
- The mark’s fame must have arisen through advertisements in print media circulating in Canada or in radio or television broadcasts ordinarily received in Canada. Knowledge gained through word of mouth, from cruising the Internet, or from programs available only on cable is insufficient: none of this qualifies as broadcasting. Advertising in small readership magazines or the occasional spot on a U.S. border station whose signal spills over into Canada may not make the mark “well” known to Canadian dealers or users. Something close to saturation advertising in widely circulating magazines or on border stations with a substantial Canadian audience is required.¹⁸⁴

G. OWNER’S RIGHTS

A trade-mark owner’s rights may be infringed by (1) an exact imitation, (2) imports, (3) dilution, or (4) confusion.

1) Exact Imitation

The registrant’s rights are obviously infringed where another person uses, without permission, the exact mark on the exact goods or services

180 *T Act*, above note 1, s. 5.

181 See section B(2)(c), “Use,” in this chapter.

182 *Valle’s Steak House v. Tessier* (1980), 49 C.P.R. (2d) 218 (Fed. T.D.).

183 *Robert C. Wian Enterprises Inc. v. Mady* (1965), 46 C.P.R. 147 (Ex. Ct.).

184 *Gallo*, above note 179. Local distribution of wares also makes a mark well known (s. 5(a)), but this will usually amount to an actual use entitling the user to registration on that basis anyway. Compare section G(4)(b)(v), “Confusion: Marks in Different Territory,” in this chapter.

for which the first trade-mark is registered. A defendant who imports or sells fake ROLEX watches, innocently or otherwise, infringes the ROLEX mark registered for watches; indeed, the watches can be stopped at the border. The registrant need show nothing about the market for ROLEX watches or customer perceptions to get relief. Nor is it a defence that the watches were priced so cheaply that no customers would be fooled into thinking they were getting a genuine ROLEX.¹⁸⁵

There is no infringement under this head if no "use" in the technical sense occurs. A registrant who complains that its mark has been used generically in the news media — for example, "thermos" in lower case rather than THERMOS® — cannot insist that the media change their ways: the media themselves are not using the mark, since "use" for goods occurs only at point of sale or on change of possession of the goods.¹⁸⁶ Accurate uses of the mark to indicate trade source — "GRUNGE brand watch: nearly as good but cheaper than ROLEX" — may also be permitted under this head. ROLEX, as used in this slogan, does distinguish the watches of the Rolex Watch Co. from others including GRUNGE, and does not imply any business association between ROLEX and GRUNGE. This practice may, however, amount to an actionable dilution of ROLEX as a trade-mark.¹⁸⁷

2) Imports

Whether the parallel importer of genuine branded goods is "accurately" using the mark is a thorny question. The common law does not forbid such imports unless the seller passes itself off as an authorized distributor or suggests that the goods have attributes they in fact lack, such as an international warranty.¹⁸⁸ Where a local registered trade-mark is involved, however, interlocutory injunctions have sometimes been granted against parallel imports. Multinational firms may thus preserve local distribution networks and pricing practices free of foreign intra-brand competition.¹⁸⁹ This seems unjustifiable where the trade-mark is owned in Canada by the same legal corporation that had it affixed

185 *T Act*, above note 1, ss. 19 & 53.1.

186 See section B(2)(c), "Use," in this chapter.

187 *Clairol*, above note 83. See section G(3), "Dilution," in this chapter.

188 *Seiko*, above note 4.

189 For example, *Remington Rand Ltd. v. Transworld Metal Co.*, [1960] Ex.C.R. 463. Compare W.L. Hayhurst, "Intellectual Property as a Non-Tariff Barrier in Canada, with Particular Reference to 'Grey Goods' and 'Parallel Imports'" (1990) 31 C.P.R. (3d) 289 at 306-13.

abroad, for the mark then continues accurately to designate the trade source. It seems equally unjustifiable where the brand is a global brand used by a multinational's various subsidiaries, for the multinational firm effectively approves of the mark's use by any subsidiary that puts the branded goods into commerce. The Federal Court of Appeal recently took this view when it refused to let a mark owner or its licensee halt parallel imports of genuinely branded goods.¹⁹⁰

More problematic is the case of the Canadian distributor that holds the mark with the foreign owner's consent and consistently emphasizes only the Canadian connection. The strongest case is where the products differ. Heinz Canada could bar imports of Heinz U.S. ketchup into Canada because it asserted that the Canadian product came mainly from Canadian-grown tomatoes and was formulated for local tastes.¹⁹¹ Results like this, however, encourage undesirable strategic behaviour. Products may be formulated differently and product get-up may be kept similar precisely to prevent parallel imports. Multinationals can promote brands internationally and suggest identity of trade source, while simultaneously claiming in national courts that the brand is in fact locally produced by a different trade source. Trade-mark law should not support such strategies where steps can be taken to prevent buyer confusion. Thus, there seems no valid policy reason why Heinz U.S. ketchup should not be allowed to circulate in Canada, so long as consumers are aware that it differs from the Heinz Canada product. At common law the parallel importer would have to point this distinction out, but the Heinz multinational enterprise could equally be held responsible for clarifying a confusion of its own making.

3) Dilution

A mark may be used non-confusingly, but in a way that may tarnish its image or reduce its drawing power. Suppose ROLEX is marked on condoms; or a sign is put up beside a ROLEX watch display: "Buy GRUNGE watches: cheaper but as good as ROLEX"; or an insect repellant is adver-

190 *Smith & Nephew*, above note 6, following *Revlon v. Cripps & Lee Ltd.*, [1980] F.S.R. 85 (C.A.), and overruling *Mattel*, above note 6. A specific provision, dating back from the days of compulsory patent licensing, also prohibits drug companies from using the *Trade-marks Act* to prevent parallel imports, by the strategy of having marks held by an affiliate: *T Act*, above note 1, s. 51.

191 *H.J. Heinz Co. of Canada v. Edan Foods Sales Inc.* (1991), 35 C.P.R. (3d) 213 (Fed. T.D.), "perhaps open to question," according to *Smith & Nephew*, above note 6.

tised under the slogan "Where there's life, there's bugs," to spoof the Budweiser slogan "Where there's life, there's Bud." In none of these cases is confusion likely. Nobody would likely think the Rolex Watch Co. had started making condoms, nor that there was a trade association between it and GRUNGE, nor that Budweiser had moved into the insect repellent business.¹⁹² Still, trade-mark owners would like to stop such uses. The value of their mark often depends on the affective associations built around it by advertising. Why should others free ride on or diminish this value?

This idea is reflected in section 22(1) of the *Act*: no one can "use" a registered trade-mark "in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto."¹⁹³ The reputation of a trade-mark, its persuasive effect or snob value, built up by advertising, is said to be part of its goodwill. The value of this goodwill can depreciate "through reduction of the esteem in which the mark itself is held or through the direct persuasion and enticing of customers who could otherwise be expected to buy or continue to buy goods bearing the trade mark."¹⁹⁴ Section 22(1) thus steps in where confusion fails to tread, halting parodies and even some comparative advertising. Thus the PERRIER mark owner stopped the use of PIERRE EH! on bottled water to spoof some now forgotten antic of then prime minister Pierre Trudeau.¹⁹⁵ In the leading case, Clairol moved to stop the use of its marks on comparison charts found on REVLON hair-rinse packages. The charts showed which REVLON product most approximated a MISS CLAIROL or HAIR COLOR BATH product. Revlon's advertising was perfectly acceptable at common law: no false or misleading claims were made, nor were Clairol's products smeared. Yet the court enjoined Revlon and said Clairol was also entitled to monetary relief.¹⁹⁶

192 Some courts have, however, stretched confusion and passing-off to encompass such cases: *Chemical Corp. of America v. Anheuser-Busch Inc.*, 306 F.2d 433 (5th Cir. 1962); *Mutual of Omaha Insurance Co. v. Novak*, 836 F.2d 297 (8th Cir. 1987) ("Mutant of Omaha" T-shirt enjoined, over dissent).

193 *T Act*, above note 1, s. 22(1). See W.L. Hayhurst, "Unauthorized Use of Another's Mark in Canada: Fair Use or Actionable?" (1985) 75 T.M.R. 1 at 13-18.

194 *Clairol*, above note 83 at 573.

195 *Source Perrier S.A. v. Fira-Less Marketing Co.*, [1983] 2 F.C. 18 (T.D.).

196 *Clairol*, above note 83; compare *Johnson & Johnson Inc. v. Bristol-Myers Squibb Canada Inc.* (1995), 62 C.P.R. (3d) 347 (Ont. Gen. Div.) (*EXCEDRIN VS. TYLENOL*). On comparative advertising using geographical indications, see *T Act*, above note 1, s. 11.16(2)-(3), and section E, "Geographical Indications," in this chapter.

The court in *Clairol* insisted that only “uses” in the technical trade-mark sense can dilute a mark.¹⁹⁷ This restriction at least allows consumer magazines to criticize products, and unions to caricature the marks of firms they are striking, without fear of trade-mark consequences. But this interpretation of section 22(1) also means that

- A trade-mark associated with goods is not legally “used” when appearing in promotional fliers or the broadcast media. In law, the mark is “used” only at point of sale or change of possession of the goods: that is, on the goods themselves or their packaging, on stands where the goods are shelved, or perhaps in in-store catalogues. So Revlon, though forbidden to put CLAIROL marks on its product packaging, could carry them in comparative advertising in fliers or on television.
- Comparative advertising carrying a mark associated with services is nevertheless not allowed because it technically qualifies as “use.” This exclusion gives mark owners one more reason to dream up some service they can associate with their goods and register a mark for it.
- The “Where there’s life, there’s bugs” spoof of the Budweiser slogan mentioned earlier would be unobjectionable on two grounds: (a) the spoof is a different mark from the registered mark “Where there’s life, there’s Bud”; and (b) the spoof is used for a different product from that for which the latter slogan was registered (insect repellent, not beer). Section 22(1) applies only to a defendant’s use of the trade-mark as registered, and then only if applied to the same product or service.

The policy underlying these results is not readily explicable. Some courts have tried to rationalize it by applying the ban on comparative advertising only where a defendant falsely implies some connection between the two businesses.¹⁹⁸ But a serious question about section 22(1)’s meaning exists, enough to enable trade-mark owners to harass competitors by threatening to seek, and sometimes even managing to obtain, interlocutory injunctions.¹⁹⁹

197 *Syntex Inc. v. Apotex Inc.* (1984), 1 C.P.R. (3d) 145 (Fed. C.A.) and *Rôtisseries St-Hubert Ltée v. Syndicat des Travailleur(euses) de la Rôtisserie St-Hubert de Drummondville (CSN)* (1986), 17 C.P.R. (3d) 461 (Que. S.C.) hold similarly. See section B(2)(c), “Use,” in this chapter.

198 *Nintendo of America Inc. v. Camerica Corp.* (1991), 34 C.P.R. (3d) 193 at 205–6 (Fed. T.D.), *aff’d* on other grounds (1991), 36 C.P.R. (3d) 352 (Fed. C.A.); *Future Shop Ltd. v. A & B Sound Ltd.* (1994), 55 C.P.R. (3d) 182 at 187 (B.C.S.C.).

199 For example, *Purolator Courier Ltd. — Courrier Purolator Ltée v. Mayne Nickless Transport Inc. (sub nom. Purolator Courier Ltd. v. Mayne Nickless Transport Inc.)* (1990), 33 C.P.R. (3d) 391 (Fed. T.D.).

This reservation suggests that section 22(1)'s interpretation needs reconsideration in at least two respects. First, the arbitrary distinction between service and goods marks suggests that "use" is not employed entirely in its technical sense. Second, "depreciation of goodwill" seems to be wrongly equated with any diversion of custom or lack of respect shown to a trade-mark.

Confining section 22(1) to cases where a common connection is falsely suggested may be one way to save the provision from another threat: that of being an unreasonable and unjustifiable limit on the guarantee of commercial free expression under section 2(b) of the *Canadian Charter of Rights and Freedoms*. Otherwise, this provision may well be held invalid as inconsistent with the *Charter*. There should be few mourners at this funeral. Neither *NAFTA* nor *TRIPs* requires anti-dilution measures. The broad concept of confusion²⁰⁰ adequately protects trade-mark owners' interests. The intrusion on the right of others to advertise and accurately employ trade-marks that section 22(1) creates seems, moreover, quite disproportionate to whatever remaining legitimate interests trade-mark owners may conjure up.²⁰¹

4) Confusion

Suppose a different mark from ROLEX for watches is used on the same wares or services: say, NOLEX on watches. Or the same mark is used for different wares (ROLEX computers) or as a trade-name ("Rolex Cameras Ltd."). Whether or not this use is permissible depends on whether the defendant's mark or name is likely to be confusing with the plaintiff's mark. In addition, the plaintiff must prove that the defendant was selling, distributing, or advertising wares or services in association with it.²⁰²

Likelihood of confusion is trade-mark law's doctrine of substantial infringement.²⁰³ It is the instrument through which the competing interests of users of similar marks and names are adjusted and defined. Its legal component, defined comprehensively in the *Act*, applies to infringement and statutory passing-off, and is used to decide initial registrability and title as well.²⁰⁴ Marks are confusing if their use in the same

200 See section G(4), "Confusion," in this chapter.

201 Compare *Irwin Toy Ltd. v. Quebec (A.G.)*, [1989] 1 S.C.R. 927.

202 *T Act*, above note 1, s. 20(1).

203 Compare sections G(9) and F(6), "Substantial Infringement," in chapters 2 and 3.

204 For statutory passing-off, see *T Act*, above note 1, s. 7(b). A trade-mark's registrability (see section C in this chapter) depends on its likely lack of confusion with an existing registered mark (see section C(1), "Absolute Bars," in this chapter); priority of title (see section F, "Title," in this chapter) depends on the likely lack of confusion with an earlier trade-mark or trade-name.

area would likely lead — not necessarily has led — to the inference that the goods or services associated with them are “manufactured, sold, leased, hired or performed by the same person.” The goods or services need not be of the “same general class.” These principles also apply, *mutatis mutandis*, to alleged confusion between trade-marks and trade-names.²⁰⁵ Whether this inference of common trade source is likely involves “a judicial determination of a practical question of fact.”²⁰⁶

a) Factors to Consider

A decision on whether or not likely confusion exists requires “all the surrounding circumstances” to be examined, including:

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the wares, services, or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.²⁰⁷

This section of the Act provides a non-exhaustive checklist against which to review the evidence. The plaintiff’s “dream case” looks like this: its own earlier mark is inherently distinctive, well known, used for a long time on goods or services purchased by unsophisticated customers in a hurry, where the result of a mistake may be disastrous (e.g., getting the wrong prescription drug). On the other side, the defendant’s later mark is identical, proposed to be used on identical wares or services sold through the same trade channels, and deliberately adopted with knowledge of the plaintiff’s mark.

Real life is fuzzier because some of the above factors are usually missing and the courts weigh factors differently from case to case. But the closer a plaintiff’s case resembles the dream case, the more likely it will succeed. The mental picture many judges start off with is like some bad Western version of the dream case. On one side is the hero, the successful business that has heavily invested in creating and rearing its mark. On the other side is the stranger who rides into town, the villainous “free-rider” trying to “cash in” on or steal away the mark. The villain has to convince the court that appearances are deceiving and that

205 *T Act*, *ibid.*, ss. 6(2)–(4).

206 *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.* (1968), [1969] S.C.R. 192 at 199.

207 *T Act*, above note 1, s. 6(5).

he does not merit the villain label: "Fear not, judge, the hero's mark will still be safe even if I use my mark. Please do not concoct a vision of widespread public confusion just to protect the hero's business. There's room for both of us in this town."

This struggle between competing visions of how a marketplace should function is rarely glimpsed from beneath the welter of legalese in which judgments tend to be wrapped. The hallmark of the case law on confusion seems itself to be confusion.

b) Recurrent Themes

Since confusion supposedly is a factual question, the result reached in one case does not determine that of another. Some themes nonetheless constantly recur.

i) *Similarity of Marks*

In practice, the last statutory factor noted above — "the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them" — is the one with which most analyses should start. If CATERPILLAR and MERCEDES do not resemble each other at all, everything else is pretty irrelevant. The other statutory factors become significant only once the marks are identical or very similar. But similarity can come in various guises: appearance, sound, or the ideas both marks suggest. ROLEX and NOLEX, as words, suggest no particular idea, but they look and sound so similar that even careful folk may confuse them.²⁰⁸ And if ROLEX is registered as a word without any design features, making NOLEX look different from the way the ROLEX mark is usually presented in block capitals — for example, writing it in script or adding swirls and flourishes — is irrelevant in an infringement action. At common law, the two marks are compared as actually used to see whether the second misrepresents itself as the first; in infringement proceedings, the registration of ROLEX as a word gives its owner the exclusive right to use in any fair and normal way it chooses, including the right to present it in calligraphic form. If the two words may be confused however they appear, there is infringement even if the trade-mark has never been used in that form.²⁰⁹

As to ideas, SMOOTHIES for candy may not look or sound much like SMARTIES, and their dictionary meanings may differ, but the idea both

208 Compare *Gigi Inc. v. Bigi (Can.) Ltd.* (1988), 21 C.P.R. (3d) 439 (Fed. T.D.); BIGI does not infringe GIGI for women's clothing.

209 *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), [1988] 3 E.C. 91 (C.A.) [*Mr. Submarine*].

suggest has been found close enough for buyers to believe the trade source of the two candies is likely the same.²¹⁰ Even marks that look and sound entirely different may share a common confusing idea: for example, MOONSHINE for detergents may be objectionable over SUNLIGHT for the same goods.

ii) *Standards of Comparison*

Some standard shibboleths are trotted out from case to case:

- The marks must be compared without considering what steps the second user took or might take to avoid confusion. Putting “no connection between my firm and mark X” up in lights beside one’s mark is irrelevant. The question is not: Does or will the defendant run its business non-confusingly?²¹¹ Second users face a more rigorous test: Is there likely confusion between the two marks, however their owners might run their businesses in the ordinary course?
- The marks must be considered as a whole, including any disclaimed portions.²¹²
- The relevant reaction is that of the average buyer with reasonable apprehension and eyesight, not a “moron in a hurry.” Still, the fact that buyers often have an imperfect recollection of the first mark is taken into account to give the registrant broad protection.
- The presence or absence of evidence of actual confusion is very relevant, especially where the marks or names have operated alongside each other for some time. But likely confusion is often found without instances of actual confusion, typically where one or both of the marks have not been used, but also even when they have.
- One must look at similarities between the symbols and not be beguiled by their dissimilarities.
- Other trade-marks on the register may also be looked at, for example, to see whether practical coexistence is possible.
- A properly conducted survey or other expert evidence on likely buyer confusion may be admitted in evidence and, indeed, is often preferred to the unbecoming spectacle of actual live confused and unconfused buyers parading through a courtroom. In practice, judges

210 *Rowntree Co. v. Paulin Chambers Co.* (1967), [1968] S.C.R. 134.

211 This question would, however, be a critical issue in a passing-off action. Any means of minimizing confusion is then relevant. A prominent disavowal that the two businesses are connected may even work if buyers will likely notice and understand it: *Associated Newspapers Plc. v. Insert Media Ltd.*, [1991] 1 W.L.R. 571 at 578–79 (C.A.).

212 See section C(4), “Disclaimer,” in this chapter.

tend to put themselves mentally in the position of the typical buyer faced with the conflicting marks. The resulting judgment often seems influenced by how the judge thinks she would have reacted in the buyer's situation.

iii) *Inherent Distinctiveness*

Marks can be ranged on a spectrum from "very strong" to "very weak." The trade-marks register often signals the mark's location. The presence there of many similar marks suggests that the mark is weak and that minor differences may serve to distinguish it. By contrast, stronger marks are rewarded with wider and stronger protection. KODAK, a coined word of no recognizable meaning, is more broadly protected than STYLE for shampoo: practically, this means that HI-KODAK for cycles would likely infringe KODAK for optical equipment, whereas HI-STYLE would likely not infringe STYLE even for identical wares.²¹³ But exercise can make the weak strong and successful. McDONALD'S (a common surname and thus initially weak) is more broadly protected now than earlier in its history because of extensive advertising and high sales. Even the MC prefix has sometimes been protected because of McDonald's promotion of a "McLanguage" that it has striven (perhaps vainly) to preserve as its own. So registrations of MCPUPPETS, MCSAURUS and MCBEAN to others were either refused or strictly limited to goods or services unconnected with food or publications; and in the United States, an infringement suit succeeded against a motel chain calling itself MCSLEEP INN.²¹⁴

Still, a strong/weak spectrum analysis hardly is determinative. KODIAK looks and sounds very like KODAK. Yet in Canada KODIAK has very different associations from KODAK. Indeed, it is registered to a firm other than the Eastman Kodak Co. for goods like boots and liquor, remote from cameras and optical equipment.

iv) *Circumstances of Sale*

More sophisticated or expert buyers in a specialized market are less likely to be misled by similar marks than are ordinary members of the public, but even experts may be confused when the marks are very similar. Price and other circumstances of purchase are relevant. A pair of

213 *La Maur Inc. v. Prodcon Industries Ltd.*, [1971] S.C.R. 973.

214 *McDonald's Corp. v. Clem Salla Inc.* (1989), 24 C.P.R. (3d) 400 (T.M. Opp. Bd.) (MCPUPPETS); *McDonald's Corp. v. Rodden* (1993), 50 C.P.R. (3d) 557 (T.M. Opp. Bd.) (MCSAURUS); *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (Fed. C.A.) (MCBEAN); *Quality Inns International Inc. v. McDonald's Corp.*, 695 F. Supp. 198 (D. Md. 1988) (MCSLEEP INN).

marks on beer cans may confuse, but the same marks may not when they are used on big-ticket items. People are typically less careful buying beer in a bar or a self-service liquor store — and so are more likely to be unwittingly confused — than when they are buying cars or computers, where comparison shopping is the norm. One reason for finding FROZENAIRE non-confusing with FRIGIDAIRE was that “refrigerators are not hurriedly picked off a shelf; they represent a substantial purchase and to each transaction some degree of attention and consideration . . . [is] given.”²¹⁵

v) *Marks in Different Territory*

Registration gives Canada-wide protection. One must postulate the use of both marks side by side “in the same area,”²¹⁶ whether or not this is true or even likely. A use in Vancouver may infringe a registered mark that has been used only in Toronto and for which no westward expansion is planned. The question is whether the coincident use of the registered mark and the Vancouver mark or trade-name, were it to occur, would likely lead prospective purchasers or users to infer that the goods came from or were associated with the same trade source.²¹⁷

Common law protection is less extensive, but covers not only the territory where the mark or name is used but also wherever the mark or name is well known to the public. Firms or marks with a Canada-wide or international reputation may therefore, in principle, have Canada-wide protection even though they do no business in Canada and plan none. A U.S. pest control firm stopped an Ontario pest control firm from deliberately adopting the U.S. firm’s distinctive name: Ontarians had used the U.S. firm’s services in the United States and might deal with the local firm in the belief it was an affiliate.²¹⁸ Similarly, a Vancouver restaurant could not use the name of a Hong Kong restaurant well known to many Vancouverites who would wrongly believe the two were connected.²¹⁹ The key is to establish possible harm to goodwill (e.g., loss of control over the business the indicia symbolize) flowing from the mistaken belief of a significant number of local people that they are dealing with the well-known firm or its products.

215 *Bellows*, above note 10 at 692.

216 *T Act*, above note 1, s. 6(2).

217 *Monsieur Silencieux Ltd. v. Clinique de Silencieux du Saguenay Inc.* (1972), 6 C.P.R. (2d) 23 at 26 (Fed. C.A.); *Mr. Submarine*, above note 209 at 12. Compare section C(5), “Concurrent Registration,” in this chapter.

218 *Orkin Exterminating Co. v. Pestco Co. of Canada* (1985), 50 O.R. (2d) 726 (C.A.).

219 *Coin Stars Ltd. v. K.K. Court Chili & Pepper Restaurant Ltd.* (1990), 33 C.P.R. (3d) 186 (B.C.S.C.).

vi) *Marks in Different Business*

Identical marks or names may co-exist in different, yet quite similar, lines of business without confusion. Confusion is still a question of fact, although it may in law exist even where businesses are not "of the same general class."²²⁰ A mark may be so well known that its repute "spills over" into other businesses, and buyers seeing the mark will infer a common trade source. A famous mark like ROLLS-ROYCE cannot be used on watches or clothing without the car maker's consent: people may infer Rolls-Royce had gone into that line of business, or at least had approved or licensed the use of its mark there. Some even say such marks cannot be used in any line of business, however remote, but this is special pleading. Whether ROLLS-ROYCE on chicken feed is in fact confusing with ROLLS-ROYCE for automobiles is just that, a question of fact, not law, to be judged with no presumption either way.

Less famous marks — particularly those associated with or distributed through the popular media — also benefit from a broad ROLLS-ROYCE-like notion of confusion. *Vogue* magazine has successfully opposed the registration of VOGUE for costume jewellery and photo albums. Since the magazine also peddles dress patterns and includes fashion photos, its readers might easily assume that the publisher had branched out into making jewellery or photo albums — or at least into approving, licensing, or sponsoring their making by other firms.²²¹ Similarly, SUNLIFE for fruit juice was enjoined by the owner of SUNLIFE for insurance services.²²² The Toronto Maple Leafs also stopped the registration for bubblegum of LEAF superimposed on a maple leaf, since children buying snacks at the Toronto rink might assume the club was behind the bubblegum sales as well.²²³ But only reasonably predictable diversifications should be assumed. Speculative claims that a business might go into any line of business should be repelled as just dressed-up claims to a perpetual copyright.²²⁴

The court in the *Sun Life* case also found that the defendant had committed the wrong of passing-off by misrepresenting a trade connec-

220 *T Act*, above note 1, s. 6(2).

221 *Gozlan*, above note 34; *Conde Nast Publications Inc. v. Gottfried Importing Co.* (1990), 31 C.P.R. (3d) 26 (T.M. Opp. Bd.).

222 *Sun Life Assurance Co. of Canada v. Sunlife Juice Ltd.* (1988), 65 O.R. (2d) 496 (H.C.J.).

223 *Leaf Confections Ltd. v. Maple Leaf Gardens Ltd.* (1986), 12 C.P.R. (3d) 511 (T.D.), aff'd (*sub nom. Maple Leaf Gardens Ltd. v. Leaf Confections Ltd.*) (1988), 19 C.P.R. (3d) 331 (Fed. C.A.).

224 *Seagram*, above note 117 at 467-68.

tion between its business and the plaintiff's. The defendant had initially adopted the SUNLIFE mark in the same format as that used by the insurer, and seemed intent on trading on the fame of the insurer's mark. The court seemed equally intent on stopping this identification. As is true of registered marks, a shared "common field of activity" is not a precondition for passing-off: whether the two businesses would likely be confused is a question of fact.²²⁵ The court found confusion to be likely in the *Sun Life* case. Had the mark been initially adopted innocently in a different format, and had SUNLIFE not been treated as a famous mark akin to ROLLS-ROYCE, a finding of confusion would have been less plausible, for few sane buyers could have possibly believed that the insurance company had moved into or was somehow connected with the fruit juice business.

vii) Character Merchandising

Character merchandising has benefited from the broad approach taken under the previous heading. *Crocodile Dundee*'s film distributor successfully opposed registration of those words as a mark for clothing: film-goers, being familiar with merchandising spinoffs, would assume that the clothing was licensed by the film company. A passing-off action against the same applicant also succeeded in provincial court.²²⁶ Products associated with films or shows have been protected as well. In Australia, the producers of *The Simpsons* stopped a brewery from marketing DUFF beer, a fictitious brand favoured by the Homer Simpson character in the show. Even parodies may be prevented: CARE BEARS frightened off an application for SCARED BEARS for overlapping wares.²²⁷ But SCARED BEARS was registered for business activity remote from where CARE BEARS' owner had until then taken or licensed the characters. And a character's reputation may fade over time. Thus PINK PANTHER for beauty products was, perhaps surprisingly, found registrable over the protest of the *Pink Panther* film distributor, because no evidence of recent use or licensing — hence repute — of the mark for Canada was

225 *Falconbridge Nickel Mines Ltd. v. Falconbridge Land Development Co.* (1974), 15 C.P.R. (2d) 213 at 220 (B.C.S.C.).

226 *Paramount Pictures Corp. v. Howley* (1992), 43 C.P.R. (3d) 551 (T.M. Opp. Bd.), finding non-distinctiveness; *Paramount Pictures Corp. v. Howley* (1991), 5 O.R. (3d) 573 (Gen. Div.). See also *Tribune Media Services Inc. v. Enterprises PVN Enterprises Inc.* (1995), 64 C.P.R. (3d) 113 (T.M. Opp. Bd.) (DICK TRACY).

227 *Twentieth Century Fox Film Corp. v. South Australian Brewing Co. Ltd.* (1996), 34 I.P.R. 225 (Austl. Fed. Ct.); *Those Characters from Cleveland Inc. v. Clem Saita Inc.* (1990), 31 C.P.R. (3d) 69 at 74–75 (T.M. Opp. Bd.).

produced before the TMO. It was only on appeal when further evidence was led establishing continuous Canadian use and repute for the film character mark, that registration was finally denied.²²⁸

H. INVALIDITY

A registration can be invalidated on several grounds.

1) Initial Unregistrability

A mark unregistrable at the date of registration is invalid and may be expunged.²²⁹ The older the registration, the more convincing the evidence need be, for the old saw "time heals all" animates many judges faced with challenges to a successful long-standing mark.²³⁰ This attitude is especially true where a challenger knew of the registration for years, but did nothing.²³¹

Some marks require evidence of distinctiveness before they can be registered.²³² These marks may have been registered without that evidence being proffered, especially if registration was unopposed. If the mark was in fact distinctive when registered, the fact that the TMO failed to insist on this evidence — for example, that it wrongly thought the mark was not descriptive — is not a ground of invalidation.²³³

2) Misrepresentation

Applicants owe the TMO a duty of good faith, especially in *ex parte* phases of TMO procedure. An innocent misrepresentation to the TMO may therefore result in invalidity, even though the *Act* does not explicitly include such a ground. Historically, only "material" misrepresenta-

228 *United Artists Pictures Inc. v. Pink Panther Beauty Corp.* (1996), 67 C.P.R. (3d) 216 (Fed. T.D.), rev'g (1990), 34 C.P.R. (3d) 135 (T.M. Opp. Bd.).

229 *T Act*, above note 1, s. 18(1)(a). See section C, "Criteria for Registrability," in this chapter.

230 For example, *Aladdin*, above note 67 at 109–10, refusing to expunge on "scanty" evidence a registration that had "stood unchallenged for more than half a century."

231 *Anheuser-Busch Inc. v. Carling O'Keefe Breweries of Canada Ltd.* (1986), 10 C.P.R. (3d) 433 at 446–48 (Fed. C.A.), finding laches and acquiescence.

232 See section C(2), "Relative Bars," in this chapter.

233 *T Act*, above note 1, s. 18(2); *Piattelli v. A. Gold & Sons Ltd.* (1991), 35 C.P.R. (3d) 377 at 383 (Fed. T.D.).

tions, causing a registration that would not otherwise have been made, have proved fatal. A registration made on an innocently false declaration that a proposed trade-mark was now in use has been invalidated.²³⁴ Invalidation may be possible on wider grounds. Suppose a deliberate or very careless error did not cause the registration, but induced the TMO to exercise its discretion in the applicant's favour during the proceedings. Why should an applicant benefit from this error, especially where there was nobody around to formally oppose the request for indulgence?²³⁵

3) Lack of Distinctiveness

A registration is invalid if the mark is non-distinctive at the time proceedings bringing the validity of the registration into question are commenced.²³⁶ The focus is therefore on the post-registration history of the mark. A mark owner who lets its mark's trade source message become muddled for any reason risks invalidity. Common faults are allowing others to use a mark without controlling the associated product or service, or switching the status of the mark (e.g., from a manufacturer's mark to a distributor's mark) without informing buyers of the mark's new meaning. But a mark lost can be regained if initially omitted steps are taken later. So long as the public knows of the new meaning by the time expungement proceedings are begun, and that meaning squares with what the register reveals, the registration will be secure. For example, THERMOS at one time probably meant any vacuum flask, not just those put out under the aegis of Canadian Thermos Products Ltd.; but its owner eventually woke up to the danger and took steps to resurrect the word as a mark. By the time a competitor filed proceedings to invalidate the registration, the mark had become distinctive enough for the court to allow the registration to continue.²³⁷

Even a mark that when registered was not then in fact distinctive may possibly be vulnerable. True, non-distinctiveness is technically separate from unregistrability; it can be raised in the TMO as a ground of objection as such only in opposition proceedings.²³⁸ But the TMO may reject applications for features that do not qualify as a "trade-

234 *Unitel*, above note 72; compare *Billings & Spencer Co. v. Canadian Billings & Spencer Ltd.* (1921), 20 Ex.C.R. 405 (designs).

235 Compare section A(5), "The Application Must Be Truthful," in chapter 3.

236 *T Act*, above note 1, s. 18(1)(b).

237 *Aladdin*, above note 67; see section B(2)(b)(i), "Genericism," in this chapter.

238 *T Act*, above note 1, s. 38(2)(d); compare s. 37(1).

mark," even though the *Act* does not specify this ground as one of initial objection.²³⁹ A mark not used "for the purpose of distinguishing or so as to distinguish" one producer's goods or services from another's is no "trade-mark" at all. It may therefore not be fit subject matter for registration in the first place.²⁴⁰

4) Inferior Title

A registration may be invalid if the applicant lacks title to the mark. This defect is not uncommon: for example, a use may have been localized and distant from the registrant's, and the TMO proceeding may have gone unopposed. Invalidation for lack of title is, however, subject to some qualifications.²⁴¹ Challenges can be mounted only by the person with better title. Even then, the registration cannot be challenged after five years unless the challenger proves the mark was adopted with knowledge that the challenger had (a) previously used or made well known a confusing trade-mark, or (b) earlier used a confusing trade-name.²⁴²

Who initiates the proceeding — the challenger for expungement, the registrant for infringement — is irrelevant so long as the proceeding is filed before the five years are up. This cut-off is a form of prescription affecting substantive rights. A case started within time may be heard outside the five years without affecting either party's rights. Extensions of time or other indulgences may, however, become less likely as time slips by and the prejudice to the registrant increases.²⁴³

5) Abandonment

The registration of an abandoned mark is no longer valid and may be expunged by the court.²⁴⁴ Abandonment requires non-use and an intention to abandon. Non-use by itself may merely imply that the owner has temporarily stock-piled or parked the mark for later use. A formal act

239 Compare *Smith (No. 1)*, above note 50; *Unitel*, above note 72.

240 *T Act*, above note 1, s. 2, def. "trade-mark." See section B(2)(b), "Distinctiveness," in this chapter.

241 *T Act*, *ibid.*, s. 18(1); s. 17.

242 *T Act*, *ibid.*, s. 17(2). See section F, "Title," in this chapter. Other grounds of invalidity — unregistrability, non-distinctiveness, abandonment — are not affected by this five-year rule.

243 *Hiram-Walker-Consumer's Home Ltd. v. Consumer's Distributing Co.* (1981), 58 C.P.R. (2d) 49 at 51-52 (Fed. T.D.).

244 *T Act*, above note 1, s. 18(1)(c).