THE PROTECTION OF FAMOUS TRADE-MARKS IN CANADA FOLLOWING THE SUPREME COURT OF CANADA'S DECISIONS IN *MATTEL* AND *VEUVE CLICQUOT PONSARDIN*

Barry Gamache*
LEGER ROBIC RICHARD, L.L.P.
Lawyers, Patent and Trademark Agents
Centre CDP Capital
1001 Square-Victoria – Bloc E – 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel. (514) 987 6242 – Fax (514) 845 7874
www.robic.ca – info@robic.com

On June 2, 2006, Canada's Supreme Court handed down two important decisions for those interested in the protection of famous trade-marks. Both in *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22 and in *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23, the Supreme Court reviewed the likelihood of confusion test involving famous trade-marks.

One probable reason for the Supreme Court's interest in the protection of famous trade-marks can be traced back to the controversy surrounding what has been known as the *Pink Panther* test, following the Federal Court of Appeal's decision in *Pink Panther Beauty Corp. v. United Artists Corp.*, (1998) 3 F.C. 534. The latter decision was seen as requiring evidence of a link or a connection between the parties' areas of trade before a court or the Registrar could conclude that there is likelihood of confusion between a famous trade-mark and a newcomer's similar mark. The search for a link between the parties' areas of trade was understood by many in the following excerpt of the *Pink Panther Beauty Corp*. decision:

> (46) A number of other cases have come to my attention involving famous trade-marks such as "Coca-Cola", "Cartier" and "Wedgwood". In each of these cases the famous mark prevailed, but in each case a connection or similarity in the products or services was found. Where no such connection is established, it is very difficult to justify the extension of property rights into areas of commerce that do not remotely affect the trade-mark holder. Only in exceptional circumstances, if ever, should this be the case.

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In *Mattel* and in *Veuve Clicquot Ponsardin*, the Supreme Court of Canada reviewed the *Pink Panther* test for the protection of famous trade-marks:

a) Famous trade-marks transcend at least to some extent the wares and/or services to which they are normally associated and are consequently not limited thereto:
   - *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23:
     (26) The finding that VEUVE CLICQUOT is a "famous" mark is of importance in considering "all the surrounding circumstances" because fame presupposes that the mark transcends at least to some extent the wares with which it is normally associated…

b) The search for a link or a connection – that was seen as part of the *Pink Panther* test – is not a *sine qua non* requirement when conducting the likelihood of confusion test:
   - *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22:
     (63) After referring to a number of cases where the famous trade-mark prevailed, Linden J.A. stated that
     > . . . in each case a connection or similarity in the products or services was found. Where no such connection is established, it is very difficult to justify the extension of property rights into areas of commerce that do not remotely affect the trade-mark holder. Only in exceptional circumstances, if ever, should this be the case. (para. 46)

     I agree with the appellant that the "exceptional circumstances ... if ever" test puts the bar too high and may be seen as an attempt to impose rigidity where none exists. If the result of the use of the new mark would be to introduce confusion into the marketplace, it should not be accepted for registration "whether or not the wares or services are of the same general class" (s. 6(2)). The relevant point about famous marks is that fame *is* capable of carrying the mark across product lines where lesser marks would be circumscribed to their traditional wares or services. The correct test is that which Linden J.A. earlier stated at para. 33:
     > The totality of the circumstances will dictate how each consideration should be treated.

     …
     (71) To the extent Linden J.A. held that the difference in wares or services will *always* be a dominant consideration, I disagree with him, but given the role and function of trade-marks, it will generally be an important consideration. The appellant contends that some of Linden J.A.'s *obiter* statements can be read virtually to require a "resemblance" between the respective wares and services. In that respect, the *obiter* should not be followed.

c) In the likelihood of confusion test, one must consider all the relevant circumstances; however, in some instances, some circumstances will carry more weight than others:
   - *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23:
     (33) While the halo effect or aura of the VEUVE CLICQUOT mark is not necessarily restricted to champagne and related promotional items and *could* expand more broadly into the luxury goods market, no witness suggested the mark would be associated by ordinary consumers with mid-priced women's clothing. Thus, in considering all of the relevant circumstances, the trial judge was of the opinion ". . . that the key factor is the significant difference between the plaintiff's wares and those of the defendants" and that "(t)he plaintiff's activities and those of the defendants are so different that there is no risk of confusion in consumers' minds" (para. 76). In weighing up the s. 6(5) factors, this was an emphasis she was entitled to place in this particular case. Section 6(2) recognizes that the ordinary somewhat-hurried consumer may be misled into drawing the mistaken inference "whether or not the wares or services are of the same general class", but it is still a question for the court as to whether in all the circumstances such consumers are *likely* to do so in a particular case.

d) When considering likelihood of confusion, attention must be given to the famous trade-mark since famous trade-marks do not all come in one size:
   - *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23:
     (32)…Famous marks do not come in one size. Some trade-marks may be well known but have very specific associations (*Buckley's* cough mixture is advertised as effective despite its terrible taste, not, one would think, a brand image desirable for restaurants). Other famous marks, like *Walt Disney*, may indeed have largely transcended product line differences.

In *Mattel* and in *Veuve Clicquot Ponsardin*, the Supreme Court decided that likelihood of confusion can occur even in circumstances where the parties' wares and/or services are not of the same general class. Although the court or the Registrar, as the case may be, may give more weight to the circumstance of the parties' areas of trade, there is no requirement to search for a link or connection between those areas in order to conclude that likelihood of confusion exists in a particular set of circumstances.

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