

**THE " RELEVANT CONSUMER" IS OF SIGNIFICANT IMPORTANCE WHEN ASSESSING
THE RISK OF CONFUSION, FEDERAL COURT OF APPEAL RULES**

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A recent decision of the Federal Court of Appeal of Canada confirmed that when assessing the risk of confusion between trade-marks, when one mark is found to be a "famous" trade-mark, the "ultimate consumer" of the wares or services in question is of significant importance for that assessment (*Baylor University vs. The Governor and Company of Adventurers Trading into Hudson's Bay and The Registrar of Trade-Marks*, A-35-99, June 22nd, 2000, Noël J.A.).

On August 31st, 1992, the Appellant, Baylor University ("BAYLOR") filed an application in Canada to register the trade-mark BAYLOR in association with clothing and college level educational services as well as entertainment services such as college sports events, fine art productions, concerts and lectures.

On July 16th, 1993, the Respondent, Hudson's Bay Company ("THE BAY") opposed the proposed registration, primarily, on the grounds that the proposed trade-mark was confusing with its numerous trade-marks, including THE BAY and THE BAY Design ("The Bay Trade-marks").

On September 29th, 1997, the Registrar allowed the registration of the Appellant's trade-mark solely in respect to services but the application was rejected with respect to wares (i.e. clothing). The Appellant filed an appeal of the Registrar's decision to the Federal Court Trial Division and also submitted additional evidence on appeal.

On June 16th, 1998, the Trial Division dismissed the appeal, hence the present appeal to the Federal Court of Appeal of Canada with regards to the Registrar's refusal to register the mark in association with wares.

The Appellant argued (one of its grounds of appeal) that the Trial Judge erred in law having regard to the "average consumer" rather than to the "relevant consumer" when assessing the likelihood of confusion. The Appellant submitted that it had met its onus of demonstrating that its proposed trade-mark BAYLOR is not likely to cause confusion with THE BAY Trade-marks having regard to the persons likely to purchase the wares in question, i.e. collegiate clothing.

In rendering its decision, the Court of Appeal reviewed previous decisions reflecting a well established principal that the issue of confusion between two trade-marks must be determined by reference to the persons who are likely to purchase the wares in question. In that regard, the Court was of the view that the question to be asked when assessing the likelihood of confusion is not an abstract one, but rather one that takes into consideration the particular market in which the wares or services in question are offered, i.e. the "ultimate consumer" of these wares or services.

The Appellant's additional evidence filed on appeal to the Federal Court of Canada referred to the typical purchaser of the wares in association with its BAYLOR trade-mark. This additional evidence sought to establish that the collegiate clothing bearing the BAYLOR trade-mark were typically purchased by males between ages of 15 to 40, having a particular interest in sports.

The Court of Appeal was of the view that this was cogent evidence in that one must consider the relevant market when assessing the risk of confusion. In that respect, the Court held that there was no risk of confusion between the marks at issue since the "ultimate consumer" (i.e. those who buy collegiate clothing because of their particular interest in sports), would tend to be aware of the origin of the Appellant's BAYLOR trade-mark.

In that same vein, it is also worth noting that the Court of Appeal considered that THE BAY did not display any of its trade-marks on its wares in a prominent manner, as BAYLOR did, but rather displayed their trade-marks simply on tags and labels. Consequently, the Court was of the view that THE BAY Trade-marks could not be confused with the marks of US colleges and universities, such as the BAYLOR trade-mark.

In allowing the appeal, the Court of Appeal has reminded trade-marks practitioners that in determining the risk of confusion, confusion is an element that is to be assessed in a concrete, rather than an abstract manner; consideration must therefore be given to the "relevant consumer" of the wares or services in question.

Of equal importance is the Court of Appeal's finding that third party use of a trade-mark incorporating the dominant element of another party's widely recognized trade-marks, does not automatically lead to a finding of confusion, despite the "famous" nature of the trade-marks in question. Thus, the Court of Appeal has confirmed that while a wide ambit of protection is usually accorded to famous trade-marks, third parties are not necessarily precluded from adopting trade-marks comprised of these famous trade-marks, depending on the surrounding circumstances; an important factor for trade-mark practitioners to bear in mind when faced with assessing the risk of confusion involving well-known trade-marks.

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