

**SUBSTANTIAL SPILLOVER ADVERTISING IN CANADA NOT ALWAYS REQUIRED
WHEN DETERMINING THAT A MARK IS NOT WITHOUT DISTINCTIVE CHARACTER IN
CANADA, FEDERAL COURT OF CANADA RULES**

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A recent decision of the Federal Court of Canada ordered that the registration for the trade-mark SUPERSHUTTLE be maintained after a finding that the Applicant met its onus that the mark is not without distinctive character in Canada pursuant to paragraph 14(1)(b) of the Canadian Trade-marks Act (R.S.C. 1985, c. T-13) (Supershuttle International, Inc. vs. The Registrar of Trade-marks. T-111-00, April 12th, 2002 McKeown, J.).

The facts

On March 14th, 1995, the Applicant, Supershuttle International, Inc. applied to register the trade-mark SUPERSHUTTLE, in association with “airport passenger ground transportation services” based on proposed use in Canada and foreign use and registration in the United States.

The Applicant is owner of the registered trade-mark SUPERSHUTTLE in the United-States (Reg. No. 1,422,276). The mark SUPERSHUTTLE has been used in the United States since 1982 in association with airport passenger ground transportation services. The Applicant is also owner of the registered design marks SUPERSHUTTLE under registration numbers 1,629,477 and 1,629,481 respectively.

The Examiner objected to the registration of the trade-mark SUPERSHUTTLE based on paragraph 12 (1) (b) of the Trade-marks Act in that it was clearly descriptive or deceptively misdescriptive of the character or quality of the Applicant’s services: the mark as a whole described a shuttle service of superior quality.

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In response to the Examiner's report, the Applicant argued that the mark is a fanciful and coined term and therefore not subject to the purview of Section 12(1)(b) of the Trade-marks Act. On September 18th, 1996, the Examiner countered that the meaning of the mark must be assessed in association with the services applied for and maintained its decision that the mark SUPERSHUTTLE was not registrable because to the average consumer it was indicative of a superior shuttle service. The Examiner also indicated that the Applicant's registration in the United States for the same mark was not a relevant consideration to paragraph 12(1)(b) of the Trade-marks Act.

On January 28th, 1997, the Applicant amended its application to claim the benefit of paragraph 14(1)(b) of the Trade-marks Act which provides the following:

14.(1) Notwithstanding section 12, a trade-mark that the applicant or the applicant's predecessor in title has caused to be duly registered in or for the country of origin of the applicant is registrable if, in Canada,

...

(b) it is not without distinctive character, having regard to all the circumstances of the case including the length of time during which it has been used in any country;

The Examiner reviewed the affidavit evidence of the Applicant and informed the latter that its evidence did not support its claim under paragraph 14(1)(b) of the Trade-marks Act that the mark SUPERSHUTTLE was not without distinctive character in Canada. Since the mark SUPERSHUTTLE had not been used in Canada, the Examiner requested evidence of substantial spillover advertising of the mark in Canada.

Instead of providing the Examiner with the sought for evidence, the Applicant contested the Examiner's request for proof of substantial spillover advertising and called upon the Registrar to refuse the application so that the Applicant could appeal the Registrar's decision.

The Registrar's decision

On November 25th, 1999, the Registrar rendered its decision stating first that the mark SUPERSHUTTLE in association with airport passenger ground transportation services indicated that the Applicant offered shuttle services of a superior quality and second, that its evidence did not allow the Registrar to conclude that there was substantial spillover advertising of the mark in Canada to establish that it was not without distinctive character in Canada.

The Appeal to the Federal Court of Canada

The Applicant sought to overturn the Registrar's decision by filing an appeal before the Federal Court of Canada. On appeal, the Applicant filed additional evidence containing samples of spillover advertising in Canada. It also filed state of the register evidence with regards to trade-marks with the prefix "SUPER" but this evidence was not addressed in the Court's decision.

At issue was whether the Registrar erred in finding that the Applicant had not discharged its onus under paragraph 14(1)(b) of the Trade-marks Act and in finding that the trade-mark was not registrable under paragraph 12(1)(b) of the Trade-marks Act.

It is worth noting that the Court made no findings with regards to paragraph 12(1)(b) of the Trade-marks Act and for the purposes of its decision assumed that the trade-mark SUPERSHUTTLE was contrary to paragraph 12(1)(b) of the Trade-marks Act.

The Respondent took no position on whether the additional affidavit evidence proved that the mark SUPERSHUTTLE was not without distinctive character in Canada but rather argued that the proper approach would have been for the Applicant to have filed its additional affidavit evidence with the Registrar as initially requested.

While the Court agreed with the Respondent, it held that the Applicant's failure to do so was not fatal under the circumstances of the case before the Court.

The Court also disagreed with the Respondent's position that the Applicant had to provide proof of substantial spillover advertising in Canada since this was just one part of showing, under paragraph 14(1)(b) of the Trade-marks Act, that a trade-mark is not without distinctive character in Canada. The Court decided that the amount of spillover advertising varies from case to case depending on the context and that in the present case, substantial spillover advertising was not required.

In reviewing all of the evidence before it, the Court noted that the Applicant had annual revenues of over \$ 80 million even though no sales were made directly in Canada. It also noted that the Applicant submitted spillover advertising into Canada by way of advertisements in Canadian newspapers, on flights to and from Vancouver and radio advertising heard in Canada.

The Court decided that in light of the evidence before it as well the Applicant's use of the mark SUPERSHUTTLE in the United States for 20 years, the mark was not without distinctive character in Canada.

Two elements should be retained from the present case. First, substantial spillover advertising of a trade-mark in Canada is not necessarily a requirement in order to validate a claim under paragraph 14(1)(b) of the Trade-marks Act. The determination of the amount of such advertising is to be established on a case by case basis. Secondly, and most importantly, there is nevertheless a requirement of at least some knowledge of the mark in question in Canada since knowledge or exclusive use in a country other than Canada would be insufficient to claim registrability under paragraph 14(1)(b) of the Trade-marks Act.

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