

MUST A TRADE-MARK DISTINGUISH FOR IT TO BE USED?

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Members of Canada's legal community practising in intellectual property will not be reading the reasons of Canada's Supreme Court in the case of *United Grain Growers Ltd. v. Lang Michener*, Supreme Court of Canada docket 28544, a trade-mark case which would have joined the handful of cases concerning trade-marks heard over the last two decades by the Supreme Court and the first concerning Canada's expungement proceedings under Section 45 of the *Trade-marks Act*, (R.S.C. 1985, c.T-13)

The matter in *United Grain Growers Ltd. v. Lang Michener* was scheduled to be heard during the Fall 2002 term of the Supreme Court; however, discontinuance of the appeal was filed on May 15, 2002, while the trade-mark at issue was assigned from United Grain Growers Ltd. to the client of attorneys Lang Michener. This being said, the issues raised by the appeal continue to be of interest.

The facts originate from a Section 45 notice issued by the Registrar of Trade-marks on March 4, 1997, at the request of Messrs. Lang Michener (on behalf of their client), to United Grain Growers Ltd. («United Grain Growers»), the registered owner of the trade-mark COUNTRY LIVING, seeking proof of use of such mark.

Section 45 of Canada's *Trade-marks Act* provides inter alia: "The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the wares or services specified in the

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registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date". Failure to establish use may lead to expungement of the mark.

United Grain Growers' trade-mark COUNTRY LIVING was registered in association with "printed periodicals, namely magazines". In response to the Section 45 notice, it filed the affidavit of its Managing Director of Publications which purported to show use of the trade-mark COUNTRY LIVING in association with magazines.

In her decision, the Registrar considered the evidence submitted and determined that the issue was whether such evidence showed use of the words "COUNTRY LIVING" as a *trade-mark* for magazines.

According to the Registrar, the evidence revealed that COUNTRY LIVING was a section among many identified sections in the table of contents in a magazine entitled "*Country Guide*".

Other sections of the magazine also appeared in the table of contents, for example, *Labor Relations*, *Weed Control*, *New Sprayer Technology* and *Country Living*; All these words including "Country Living" had the same size and script. The Registrar also found that it was *Country Guide* which was used to distinguish the registrant's magazine and that the words "Country Living" did not play that role i.e. distinguish the registrant's magazine from the magazines of others. "Country Living" was simply a section in the magazine.

The Registrar concluded that the use that had to be demonstrated in section 45 proceedings is a use complying with section 2 of the Act which provides the definition of a trade-mark i.e.: "a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others." As the Registrar concluded that the words "Country Living" were not used to distinguish the registrant's magazines from the magazines of others, she found that no use as a trade-mark had been shown and ordered the registration expunged in her decision dated December 23, 1998 (reported at (1998) T.M.O.B. 222 (QL)).

United Grain Growers appealed the Registrar's decision before the Trial Division of Canada's Federal Court. However, in a short order dated April 26, 2000, Mr. Justice Campbell dismissed the appeal, stating he agreed with the Registrar's reasons.

United Grain Growers further appealed to the Appeal Division of the Federal Court and in its decision reported at (2001) 3 F.C. 102 (Rothstein, Sexton and Malone JJ.A.), the Court allowed the appeal and ordered that the COUNTRY LIVING registration be maintained on the Register.

In allowing the appeal, the Court wrote that in embarking upon an inquiry as to whether the words "County Living" were used to distinguish the registrant's magazine, the Registrar misinterpreted her function under Section 45 and therefore erred in law. In the Court's view, no words in Section 45 direct the Registrar to re-examine whether the registered trade-mark is used for the purpose of distinguishing, or so as to distinguish wares. Rather, the Registrar's duty under Section 45, according to the Court, is only to determine whether the trade-mark as it appears on the register has been used.

It is from that decision that Lang Michener sought and obtained leave to appeal before the Supreme Court.

This matter raised interesting issues: If a trade-mark is a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares manufactured by him or her from those manufactured by others, should there not be an investigation as to that aspect when evaluating whether a trade-mark is in use, including in Section 45 proceedings? In the Court of Appeal's view, these were seen as two distinct issues. The practical effect of the final decision rendered by the Court of Appeal appears to lower the bar for registrants who must establish use of their trade-mark in association with magazines or other similar publications: As long as the trade-mark appears inside the magazine, as a section for example (during the inquiry carried out in Section 45 proceedings for a registration covering such items), then use would appear to be established. It will be interesting to see whether this reasoning will be extended to other wares or services and in other circumstances.

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