

## “CHEAP TICKETS” TRADE-MARKS RULED DESCRIPTIVE BY FEDERAL COURT OF CANADA

Stella Syrianos\*  
**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

The Federal Court of Canada recently granted an expungement proceeding after having ruled that the trade-marks CHEAP TICKETS (Reg. no. 564,905) and CHEAP TICKETS AND TRAVEL & DESIGN (Reg. no. 564,432) were descriptive of the Respondents travel agency services (*Emall.ca and Emall.ca Inc. (dba Cheaptickets.ca) v. Cheap Tickets and Travel Inc.*, 2007 FC 243 (Docket T-142-05), O’Reilly J., March 2, 2007)

### **The Facts**

The Respondent, Cheap Tickets and Travel Inc. started using the term “Cheap Tickets” in occasional advertising under its predecessor business, Far & Away, which by 1997 was operating as a retail travel agency in Victoria, British Columbia. In May, 1998, it became incorporated as a British Columbia corporation under the name of Cheap Tickets and Travel (the name Far & Away was phased out of its operations) and subsequently, it was incorporated as a federal corporation, Cheap Tickets and Travel, Inc.

On October 13<sup>th</sup>, 1998, Cheap Tickets and Travel Inc. applied for the trade-mark “Cheap Tickets and Travel & Design” and on May 25<sup>th</sup>, 1999, for the trade-mark “Cheap Tickets”, based on use in Canada since July 1, 1997, in association with “travel agency; travel information; travel tours and charters; ticket agency services in the field of transportation, travel, theatre and sports events”. Both marks were registered in July 2002, despite descriptiveness citations raised by the Registrar.

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\* Lawyer, Stella Syrianos is a member of LEGER ROBIC RICHARD, LLP, a multidisciplinary firm of lawyers, and patent and trade-mars agents. Published at 21-04 *World Intellectual Property Report*. Publication 142.199.

As for the Applicant, Cheaptickets.ca, its main website, EMALL.ca, is considered an 'on-line shopping mall' or 'portal' enabling Internet users to visit different types of on-line businesses. On September 9, 1999, the Applicant registered the domain name "CheapTickets.ca" with CIRA (Canadian Internet Registration Authority).

In December 2004, Cheap Tickets and Travel Inc. commenced an action in the Supreme Court of British Columbia against Cheaptickets.ca, alleging infringement of its CHEAP TICKETS trade-marks. Subsequently, Cheaptickets.ca commenced the present proceeding in the Federal Court of Canada for expungement of these trade-marks.

### ***Issues to be determined***

The issues facing the Court related to the validity of two CHEAP TICKETS trade-marks and whether they were invalid because :

- 1) the trade-marks were not registrable *at the date of registration* because they were clearly descriptive of the character or quality of the services in association with which they were allegedly used; and
- 2) the trade-marks were not distinctive *at the time the expungement proceedings commenced* because they did not actually distinguish, nor were they adapted to distinguish, Cheap Tickets and Travel Inc.'s services from the services of all others, including the services of Cheaptickets.ca.

### ***The Federal Court Judgement***

Justice Strayer was seized of the Application for expungement.

Prior to addressing the descriptiveness issue, Justice Strayer stated that an application for expungement is not an appeal but rather a proceeding for an order that an entry in the register be struck out. Hence, no standard of review needed to be identified. While it was unclear before the Court on what material the Registrar based its decision to register the trade-marks, the correspondence demonstrated that initially, the examiner was of the impression that the CHEAP TICKET marks were clearly descriptive of Cheap Tickets and Travel Inc.'s travel services. However, the objection was withdrawn for no stated reason. In the course of the expungement proceeding, Justice Strayer reviewed evidence on how the CHEAP TICKETS trade-marks were used as well as extensive cross-examination of each party on their respective affidavits.

### ***Descriptiveness***

In analysing the descriptiveness of the CHEAP TICKETS trade-marks, Justice Strayer sided with the examiner's objection and held that they were clearly descriptive of the travel agency services provided by Cheap Tickets and Travel Inc. The Court concluded that the impression conveyed by the marks at issue is that Cheap Tickets and Travel Inc. provides access to travel services at normally advantageous rates. The Court rejected Respondent's argument that it provides other types of services as well such as responding to tourism inquiries or booking hotel accommodations that may or may not involve tickets. In the Court's view, a mark does not become other than descriptive because it may be somewhat inaccurate.

The Court also indicated that Cheap Tickets and Travel Inc. had itself admitted, on several occasions during the cross-examination of its Director and owner, the words "cheap tickets" were used in its advertisements in a descriptive manner insofar as they suggested low fares and lower-priced travel services. In response to one particular question, he agreed that the word "cheap" is a complimentary term to "inexpensive". Based on the foregoing, the Court ordered that both marks be struck from the register.

### ***Distinctiveness***

The Court did not assess the distinctiveness of the CHEAP TICKETS trade-marks, having already concluded they were descriptive. However, the Court stated that if it were to consider this issue, it would have been hampered by the lack of evidence provided by Cheaptickets.ca as to whether these marks had lost their distinctiveness at the time the expungement proceedings were initiated.

### ***Conclusion***

The Court's decision is reminiscent of the dangers associated with registering inherently weak trade-marks, as such types of registrations are more likely prone to expungement proceedings. More importantly, this judgement is a stark reminder of the risks associated with the enforcement of weak marks; plaintiffs in infringement proceedings should take heed of the consequences of their legal actions.

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