

PROTECTING INTELLECTUAL PROPERTY IN A WORLD GETTING SMALLER: THE TREATMENT OF WELL KNOWN TRADE-MARKS IN CANADA

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INTRODUCTION: Faster communication, faster flow of information.

As a lawyer, when I started my practice, most written communications with clients and colleagues were done through mail. In exceptional cases resort was made to the telex machine. In my office not everyone knew how to operate the telex machine, we had a special clerk whose job was to operate that machine.

Generally, when a letter was sent by mail we could expect not to have to reopen the file before the following week when a response would come back by mail.

Then came the fax machine, at first it was used somewhat like the telex machine, in exceptional cases, especially to reach people abroad. Then, the use became more friendly to a point where today letters are sent by fax even next door . Nevertheless, when using the fax, a letter needs to be dictated, it needs to be typed, it needs to be brought to the fax machine. Under normal circumstances, we could expect not to have to reopen the file before two or three days.

Today, with the increasing use of e-mail and the Internet, a message is sent and the reply comes back within minutes directly from the person the message is addressed to without any time lost.

Shortly, we will have no paper files to reopen or close, everything will be done electronically.

What we, as lawyers, experiment in this fast moving world is true for everyone. Communication of information is faster and better than anyone could have dreamed 10 years ago. The potential of the Internet and what it can offer as a medium to carry information is yet unknown. What is certain is that communication of information on the Internet will be even faster and better in years to come.

When television was introduced in Montreal in the fifties, there was one channel, it was bilingual, then we had two channels, one English speaking, the other French speaking. After a few years, two other channels were added and for many years it remained that way. With cable TV access was given to American channels, maybe 4 or five, today with satellite TV dishes, one can

have access to more than fifty channels. What will it be in 10 years from now, I do not even want to know. One thing is sure, we will not have less channels.

In this context, trade-marks have not escaped the fast track movement, trade-marks such as "Viagra" became famous in Canada within a few days of being put on the market in the USA. It only became available in Canada a few weeks ago, but communication of information of all kinds had already made it a famous trade-mark before it could be sold in Canada.

Hence, the paper I will be delivering you today will discuss to define what and when is a trade-mark considered to be well-known and how have the Canadian Courts interpreted and applied the laws to protect primarily the consumer public as well as the owners of such economically valuable intellectual property known as well-known trade-marks.

2. WHAT IS A WELL-KNOWN TRADE-MARK?

There is no definition in the *Trade-Marks Act* (R.S.C. 1985, Ch.T-13, hereafter referred to as the Act) of what constitutes a well-known trade-mark. Section 5 *in fine* talks of foreign trade-marks which have become "well-known" in Canada, but nowhere in the Act is it said when a trade-mark will have become well-known. To assist us in determining what constitutes a well-known trade-mark, it will be useful to refer to international agreements wherein member states such Canada have undertaken to grant to foreign well-known trade-marks some protection. We assume that the concept of "well-known" trade-marks in treaties to which Canada has adhered is the same as the concept of "well-known" trade-marks for national purposes.

It must first be said that the primary function of a trade-mark is to indicate the origin of the goods or services, however, a trade-mark is no longer merely an indicator of source but is also a means of communication, a message bearer, a carrier of goodwill and an asset. Although indication of origin is still the primary function of a trade-mark, the existence of the additional functions no longer can be ignored.¹ They may represent the survival or death of a company whose goodwill is its most valuable asset.

1.1 General criteria to determine when is a trade-mark famous or well-known?

¹ See Roncaglia, P. L., "Should we use guns and missiles to protect famous trade-marks in Europe?" (1996) 86 *T.M.R.* 103.

The protection of foreign well-known trade-marks has been introduced in our national legislation following treaty obligations. As for Canadian well-known trade-marks, the broader scope of protection comes from the jurisprudence and section 6 of the Act which recognises that the extent to which a trade-mark has become known is one of the criteria to take into consideration when evaluating whether two trade-marks are confusing, whether or not the wares or services are of the same general class (see para. 6(2), (3), (4) and (5)(a)).

With respect to Canada's treaty obligations, reference can be made to article 6bis of the *Paris Convention*, to article 16 of the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (TRIPS Agreement) and to article 1708(6) of the North American Free Trade Agreement (NAFTA), those three articles read as follows:

Article 6bis of the *Paris Convention*:

"(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith."

Article 16 of the TRIPS Agreement:

"1. The owner of a registered trademark shall have the exclusive right to prevent all third parties not having his consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

2. Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-

known, account shall be taken of the knowledge of the trademark in the relevant sector of the public, including knowledge in that Member obtained as a result of the promotion of the trademark.

3. Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use."

Article 1708(6) of NAFTA:

"Article 6bis of the Paris Convention shall apply, with such modifications as may be necessary, to services. In determining whether a trade-mark is well-known, account shall be taken of the knowledge of the trade-mark in the relevant sector of the public, including knowledge in the Party's territory obtained as a result of promotion of the trade-mark. No Party may require that the reputation of the trade-mark extend beyond the sector of the public that normally deals with the relevant goods or services".

With respect to Canadian national legislation, reference can be made to different sections of the Act dealing with "the making known" of trade-marks in Canada such as: section 3, section 5, section 6, para. 16(1) (2) (3) (5) and para. 30(c).

It must be presumed that Canada does respect its treaty obligations and that the provisions of the Act are compatible with the *Paris Convention*, the TRIPS Agreement and NAFTA.

Many authors have written on this subject. The most recent and thorough work (1997) dealing with famous trade-marks is the work of Frederick W. Mostert². In that work, Daniel R. Bereskin has written on the Recognition and Protection of Famous and Well-known Marks in Canada. This work is authoritative and my paper has greatly been influenced by it.

The criteria listed in this paper do not pretend to be exhaustive and do not in any way represent a complete listing of all possible criteria that may be used

² F.W. Mostert, *Famous and Well-Known Marks, an international analysis*, (Toronto: Butterworths, 1997), at 11.

in order to determine if a trade-mark is well-known. Here are some of the criteria generally recognised by the courts and the authors.

2.1.1 The Degree of recognition and reputation acquired by the mark.

This criterion refers to the direct recognition of the mark by third parties. The recognition, by the relevant sector of the public of the mark is the fundamental attribute of a famous or well-known mark.

Daniel R. Bereskin in his paper³ presented at the 1995 INTA meeting talks about the degree of notoriety and asks what is the precise degree of notoriety that is required in order to prove that a trade mark has become "well known" in Canada? The author mentions that there is very little case law on the subject of the required degree of making known but that some cases suggest that establishing making known is very difficult, for example, in *Wian v. Mady*,⁴ Mr. Justice Cattanach expressed the view that making known suggests:

"such well known trade marks as "Coca-Cola", "Esso", "Chevrolet", and "Frigidaire", names that are seen in magazine advertising in homes in every part of the country, or are heard or seen on radio or on television in every part of the country."

Mr. Justice Cattanach indicates that in order to prove making known, a trade-mark must have become well-known across Canada among potential dealers or users of the wares or services with which it is associated. A trade-mark cannot be regarded as "well-known in Canada" when knowledge of it is restricted to a local area in Canada. Is this standard of making known higher than what is provided in article 16(2) of the TRIPS Agreement to which Canada is a party which refers only to of the "relevant sector of the public"? Could such "relevant sector of the public" be restricted to a local area in Canada? Is geography a limiting factor under article 16(2) of the TRIPS Agreement? The same questions can be asked with respect to article 1708(6) of NAFTA with the additional comment that under NAFTA, no party may require that the reputation of the trade-mark extend beyond the sector of the public that normally deals with the relevant goods or services.

Now, the degree of reputation acquired by a trade-mark may refer to various aspects of the products or services involved, one of which being the quality of

³ D. R. Bereskin, "The protection of famous foreign trade-marks in Canada", 117th International Trade-mark Association Annual Meeting Coursebook, 1995 at 187.

⁴ (1965) 2 Ex. C.R. 3.

the product or services, *i.e.* ROLEX for superior quality watches, MONT BLANC for one of the most renowned quality fountain pens, Louis VUITTON for expensive leather hand bags. The fact that a mark symbolises a specific quality may be particularly relevant in cases under section 22 of the Act where depreciation of goodwill is alleged. A trade-mark may be well-known in a given geographical area of Canada such as a province or a region of Canada and not well-known elsewhere in Canada. Such a trade-mark should be awarded a broad ambit of protection in the geographical area where it is well-known⁵.

Another question is by whom does the trade-mark need to be well-known? One answer is to be found again in article 16(2) of the TRIPS Agreement *i.e.*, the relevant sector of the public. The relevant sector of the public will vary according with the type of goods or services being dealt with. We suggest that the relevant sector of the public should be those persons who normally deal with the relevant goods or services. This would seem to be a fair interpretation of article 1708(6) of NAFTA. These persons would include those who buy or consume the goods or services, it could also include others, such as persons who recommend the purchase or consumption of given goods or services, such as physicians, dentists or pharmacists for prescription drugs⁶.

2.1.2 Extent and duration of use, publicity and advertising.

The volume of sales during past years and their progression, the amounts spent on publicity and promotion are all elements to be considered when evaluating whether a trade-mark is well-known or not. In the case of foreign trade-mark not distributed in Canada, section 5 of the Act restricts the type of advertising admissible as evidence to printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the wares or services, or radio broadcasts ordinarily received in Canada by potential dealers in or users of the wares or services. This could be qualified as "spill over advertising".

With fast and wide spread communication, a trade-mark may become famous and well-known almost overnight through modern advertising and advanced technology. However, more frequently, a mark will become well-known with the passage of time and after investments in money, time and effort.

⁵ Valle's Steak House v. Tessier (1981) F.C. 441, Marceau J.

⁶ Ciba – Geigy Canada Ltd. v. Apotex Inc. 44 C.P.R. (3d) 289. This case is not directly on the point but it discusses who are the persons part of the public to be misled in a passing off action concerning a prescription drug.

2.1.3 Geographical recognition of the trade-mark and the trading area where the mark is used.

This criteria goes hand in hand with the extent of advertising and exposure that a mark may enjoy. A trade-mark may be well-known in parts of Canada and not known in other parts. This is particularly true with the trade-marks well known in the province of Quebec where for cultural, political and language reasons the people of Quebec could give high recognition to certain trade-marks which are not known to other Canadians. On the other hand, some trade-marks not yet used in Canada but used in other parts of the world are well-known to the relevant sector of the Canadian public because of spill over advertisement. The fact that a trade-mark is well know in other part of the world should not be ignored by our courts when determining whether or not a trade-mark deserves some degree of protection in Canada. This is particularly true of trade-marks well-known in countries sharing the same languages, similar cultures, similar consumer habits or having physical proximity with Canada. All of these elements may tend to show, depending on the circumstances, that the trade-mark is also well-known in Canada. In a world of fast communications, it is harder than before to consider Canada as isolated from foreign influences and propaganda.

Should Parliament amend para. 5(b)(i) to make sure printed publications will include communications by Internet? Or will the courts give to this paragraph a dynamic interpretation and consider the Internet as a medium equivalent to printed publications? These questions are open for debate, it is however sure that the Internet is a powerful means of communication which knows no boundaries and should not be ignored. Television broadcasts which are not mentioned in para. 5(b)(ii) of the Act also pose a problem.

"Section 5 refers to radio broadcasts but does not refer to television broadcasts. Section 5(b)(ii) previously referred to "radio broadcasts, as defined in the Radio Act". It was accepted that television was included in "radio" as defined in the Radio Act. Section 5(b)(ii) has been amended to omit any reference to the Radio Act. It might be argued that television broadcasts are no longer included, but there seems to be no good reason why that should be so"⁷.

3.1.4 Degree of inherent or acquired distinctiveness and the degree of exclusivity.

⁷ Trademark Law in Canada, Henderson, Carswell on "Acquisition of Trade-mark Rights" by Donald H. MacOdrum p.153.

Distinctiveness refers or points out to some quality in the trade-mark which earmarks the goods so marked as distinct from those of other producers of such goods.⁸ Inherent distinctiveness refers to marks which are invented, arbitrary or coined such as the KODAK and XEROX brands and are inherently distinctive of the products they are affixed to. Acquired distinctiveness refers to marks which are not inherently distinctive and which could be suggestive or could have been descriptive but became distinctive pursuant to having been used (see para 12(2) of the Act). A trade-mark which is not inherently distinctive but which has acquired distinctiveness through use, is generally a trade-mark which has come a long way. This acquired distinctiveness is proof of its strength on the market place and for that reason, it may deserve a wider ambit of protection.

However, a famous coined trade-mark such as "KODAK" , may more easily obtain protection against use of an identical or similar trade-mark, even if the wares or services used in association therewith are different. The scope of this protection will depend on many factors, one of which is the extent to which the coined trade-mark has become known. On the other hand, it may not be as easy for a famous suggestive mark or a famous descriptive mark which has acquired distinctiveness to achieve the same result. It may encounter more difficulty to obtain protection beyond the scope of the classes of wares and services in association with which it has been used.

Exclusivity is an other factor which is intimately link to the distinctiveness of a trade-mark. Some words are used by different owners as trade-marks for different wares and services; *e.g.* the trade-mark DELTA for which there are 309 entries on the Trade-Marks Register, many of which in reference to different owners. The fact of having more than one trade-mark using a given expression opens the door to others to do the same. It is, under such circumstances very difficult to prevent the use of an identical or similar trade-mark if the trade-mark is already used by many owners. Conversely, an owner who has policed the use by others of his trade-mark and has been able to keep the exclusivity of the use of a given expression as his trade-mark, will be in a much better position to prevent third party use of his trade-mark.

The strength of the mark is obviously its distinctiveness, i.e. a combination of vowels, syllables and sound which has an inherent quality that conjures a direct association not only with the specific wares which might otherwise be

⁸ Fox, H. G., *The Canadian Law of Trade Marks and Unfair Competition*, (Toronto: Carswell), 1972, at 25.

listed in the mark's registration, but with the proprietary image of all the diverse operations of its owner⁹.

1.1.5 Commercial value of the mark.

In some cases, the economic value placed on a mark could be reflective of its reputation and fame. If the mark is worth billions solely as intellectual property assets as is the case of Coca-Cola and Marlboro brands, it becomes difficult to pretend some are not very famous. However, this criterion is impossible to define as it is unthinkable to place a minimum value at which trade-mark must be evaluated in order to be considered famous or well-known. There are different methods used to evaluate trade-marks but until a trade-mark is actually sold in an arm's length transaction, any evaluation of a trade-mark should be subject to caution.

1.2 Famous/well-known: synonyms?

Famous, well-known, very well-known, highly renowned, highly reputed, exceptionally well-known and notorious are only some of the adjectives used to qualify a trade-mark. These many adjectives seem to be used with no particular order in the legislation, doctrine and jurisprudence. Are they only synonyms used by creative writers or do they actually possess a distinctive and fundamental meaning?

The adjectives below have the following meaning according to The Collins English Dictionary:¹⁰

- Famous: Known to or recognised by many people; renowned.
- Well-known: Widely known; famous; celebrated.
- Notorious: Generally known or widely acknowledged.
- Renowned: Widespread reputation, esp. of a good kind; fame.
- Reputation: The estimation in which a person or thing is generally held; opinion. A high opinion generally held about a person or thing; esteem. Notoriety or fame, esp. for some specified characteristics.

⁹ Polysor Ltd. v. Gesco Distributing Ltd. (1985), 6 C.P.R. (3d) 289 (F.C.T.D.) at 298-9, cited with approval by McDonald J. in United Artists v. Pink Panther (1998), 80 C.P.R. (3d) 247 at 273.

¹⁰ Collins Dictionary of the English Language, 2nd ed. (Glasgow: William Collins & Sons Co. Ltd, 1986).

Many authors have attempted to make distinctions between these different adjectives of qualifications. They have written long dissertations on the subject only to come to the conclusion that they have no specific meaning and mean basically the same thing. The Paris Convention, the TRIPS Agreement, GATT and the Act speak of well-known trade-marks, if anything, this expression seems to be, from a legal point of view, preferable.

An author from France refers to the following distinctions between "well-known" and "famous" marks: (1) The "well-known" brand proper, which is a "trade mark recognised by a large fraction of the circle concerned with the production, sale or use of the goods in question and which is clearly perceived as indicating a particular origin of these goods" and (2) The "famous" (*renommée*) or "very famous" (*de haute renommée*) brand which would, so to speak, be a trade mark known internationally or world-wide." It is submitted that to define either "famous" or "well-known" marks along the lines that they are known domestically or internationally is a red herring which can only serve to increase confusion. The geographical extent of a mark's reputation is a factual determination which will differ from case to case. Both "famous" as well as "well-known" marks may be known either in the domestic jurisdiction only or in a number of countries throughout the world (i.e. internationally). The more appropriate enquiry seems to be whether the particular mark is "famous" or "well-known" in the jurisdiction where relief is sought to qualify for the relevant protection granted to "famous" marks on non-competing goods or services on the one hand and "well-known" marks with a reputation but no use in relation to similar goods or services on the other. It is also suggested that the dichotomy between "famous" and "well-known" marks is sufficient and that any further permutations on the degrees of reputation required would be superfluous.¹¹

This attempt as other attempts to distinguish well-known trade-marks from famous trade-marks is a relative failure. Article 16(3) of the TRIPS Agreement speaking of a well-known trade-mark (and not of a famous trade-mark) says that it should be protected against use in association with goods or services which are not similar to those in respect of which the trade-mark is registered. It would seem that the authors of the TRIPS Agreement did not know of the theory proposed above, since they use the expression "well-known" marks in relation to marks which should be protected beyond the classes of goods or services in association with which the "well-known" marks are used.

¹¹ See André Bertrand (1993) "French Trade Mark Law: From the Well-Known to the Famous Brand", 4 EIPR 142.

4. THE RECOGNITION AND PROTECTION OF WELL-KNOWN TRADE-MARKS IN CANADA.

2.1 Supranational and National Law:

2.1.1 TREATIES

The Paris Convention for the Protection of Intellectual Property is the basis for the world's legislation on the protection of well-known marks and same is found in Article 6bis of the Paris Convention.

This article does not provide any definition or criteria for establishing which trade-mark is well-known and which is not.

The TRIPS Agreement forms part of the General Agreement on Tariffs and Trade (GATT) and recognises the well-known trade-mark doctrine. More specifically, the TRIPS Agreement is part of the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations (Uruguay GATT) on which agreement was reached in December 1993.

Article 16(3) of the TRIPS Agreement extends the provisions of article 6bis of the Paris Convention (1967) so that they will apply to goods or services which are not similar to those in respect of which a well-known trade-mark is registered, provided that the use of that trade-mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the well-known registered trade-mark and provided that the interests of the owner of the well-known registered trade-mark are likely to be damaged by such use.

Article 16(3) of the TRIPS Agreement has no direct legal force in Canada. It creates an obligation on the government of Canada to adopt legislation which complies with the provisions of the Agreement, there is no need to adopt new legislation if the already existing legislation complies with the Agreement. It is submitted that our legislation which has not been amended in that regard pursuant to the signing of the TRIPS Agreement had already the flexibility needed to comply with the provisions of the Agreement. Paragraph 6(2), (3) and (4) already provided that there could exist confusion between two trade-marks and a trade-mark and a trade-name, whether or not the wares or services were of the same general class. Article 16(3) of the TRIPS Agreement simply puts more emphasis on this aspect of section 6 of the Act which seems not to have always been fully taken into consideration by our courts.

Article 16(3) of the TRIPS Agreement adds two elements which the Act does not specifically deal with, *i.e.* that there has to be an indication of a connection between the goods or services sold by the alleged trespasser and the owner of the registered trade-mark. Furthermore, the registered owner must have suffered damages by such use. These two elements are not incompatible with the Act and should be considered to be implicitly included in the provisions of section 6 as further surrounding circumstances to which the court or the Registrar should have regard to.

North American Free Trade Agreement (“NAFTA”), article 1708(6) expressly incorporates Article *6bis* of the Paris Convention and is otherwise very similar to article 16(3) of the TRIPS Agreement.

According to article 1708(6) of NAFTA, in order to determine if a trade-mark is well-known in Canada, one must take into consideration the knowledge of those persons who normally deal with the goods or services in question in Canada, including the knowledge they have obtained as a result of promotion of the trade-mark.

It must be taken into consideration that NAFTA and TRIPS provisions represent the minimum standards required of the signing parties for the protection of intellectual property. Canada could by legislation limit the recognition or knowledge to an even smaller group of persons, such as: manufacturers or wholesalers, but could not expand the recognition to the public at large.

2.1.2 WIPO

WIPO (the World Intellectual Property Organisation) in 1995 convened a meeting of experts to discuss the creation of an international register of well-known trade-marks.

At such meeting, many countries showed their disagreement with the idea of setting up an International Register for well-known marks however, a positive response was given to the establishing of guidelines and criteria to determine if a mark is or not well-known¹².

Article 2 of the Draft Provisions establishes the conditions of protection and read as follows:

¹² Extracts from WIPO Draft Provisions on Well-Known Marks reproduced from Mostert, F.W., Famous and Well-Known Marks, at 597.

- (1) For the purposes of determining whether a mark is to be protected as a well-known mark, registration or use of the mark in, or in respect of, the territory in which it is to be protected as a well-known mark may not be required.
- (2) For the purposes of determining whether a mark is to be protected as a well-known mark, it shall suffice that the mark be well-known by the relevant sector of the public in the territory in which it is to be protected as a well-known mark.
- (3) For the purposes of determining whether a mark is to be protected as a well-known mark, at least the following shall be taken into account:
 - (i) the potential customers of the goods and/or services to which the mark applies;
 - (ii) the channels of distribution of the goods and/or services to which the mark applies;
 - (iii) the duration, extent, and geographical area of any use of the mark;
 - (iv) the duration, extent, and geographical area of any advertising of the mark;
 - (v) the market share, in the territory in which the mark is to be protected as a well-known mark and in other territories, of the goods and/or services to which the mark applies.

Article 3 of the Draft Provisions establishes the contents of protection and reads as follows:

1. (a) The protection of a well-known mark shall be granted against any mark or other business identifier which is in conflict with the well-known mark.
 - (b) A mark or other business identifier shall be deemed to be in conflict with a well-known mark where that mark or other business identifier, or an essential part thereof, constitutes a reproduction, an imitation or a translation, liable to create confusion, of the well-known mark and is used, filed for registration or registered in respect of goods and/or services which are identical or similar to those goods and/or services to which the well-known mark applies.
 - (c) Notwithstanding subparagraph (b), a mark or other business identifier shall also be deemed to be in conflict with a well-known mark where that mark or other business identifier, or an essential part thereof, constitutes a reproduction, an imitation or a translation, liable to create confusion, of the well-known mark and is used, filed for registration or registered in respect of goods and/or services which are not identical or similar

("dissimilar goods and/or services") to those to which the well-known mark applies, where at least one of the following conditions applies:

- (i) use in relation to dissimilar goods and/or services would indicate a connection between the owner of the well-known mark and those goods and/or services;
- (ii) use in relation to dissimilar goods and/or services is likely to impair the distinctive character of the well-known mark;
- (iii) use in relation to dissimilar goods and/or services would take unfair advantage of the distinctive character of the well-known mark or is otherwise likely to damage the interests of the owner of the said mark.

2.1.3 INTA

The International Trade-mark Association's ("INTA") Resolution on Well-known Marks was adopted on September 18, 1996.

This Resolution first describes the situation of the protection of well-known marks in the world, such as the lack of consistency in their protection, the imposition of use requirements in certain jurisdictions, the existence of public deception and commercial dishonesty, the risk that a company may be precluded from doing business under its own mark in certain jurisdictions because of piracy, the fact that many countries do not extend sufficient protection to well-known marks and the wide application of different and conflicting criteria for determining what constitutes a well-known mark.

The Resolution then goes on to resolve that INTA endorses the protection of well-known marks without requiring registration and / or actual use in the form of sales of goods or services bearing the mark in the jurisdiction in question if such mark has sufficient local reputation to be considered "well-known".

INTA's Resolution finally lists the criteria that are to be considered in order to determine if a mark is well-known, same are as follows:

- (a) The amount of local or world wide recognition of the mark;
- (b) The degree of inherent or acquired distinctiveness of the mark;
- (c) The local or world wide duration of use and advertising of the mark;
- (d) The local or world wide commercial value attributed to the mark;
- (e) The local or world wide geographical scope of the use and advertising of the mark;
- (f) The local or world wide quality image that the mark has acquired;
- (g) The local or world wide exclusivity of use and registration attained by the mark, and the presence or absence of identical or similar third

party marks validly registered for or used on identical or similar goods or services.

2.1.4 CANADA

Now, the Canadian national legal provisions to be considered are Sections 5, 6 and 7(b) of the Trade-marks Act. Same read as follows:

Section 5. A trade-mark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with wares or services, and

- (a) the wares are distributed in association with it in Canada, or
- (b) the wares or services are advertised in association with it in
 - (i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the wares or services, or
 - (ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the wares or services,

and it has become well known in Canada by reason of the distribution or advertising.

Section 3 of the Act says that a trade-mark is deemed adopted in Canada if it is, *inter alia*, made known in Canada. Section 5 of the Act defines how a mark is deemed "made known" in Canada. This section restricts the proofs to advertising and distribution. Now, the international conventions do not limit the proof of the "making known" of a mark to solely advertising and distribution. Section 5 of the Act is too narrow and should be amended. As Bereskin mentions, the important consideration is whether the mark is well-known to the public, not how the trade-mark became well-known.¹³

Furthermore, as we have seen above from the texts of TRIPS and NAFTA, the "public" to which a mark is a well known does not refer to the population of Canada as a whole but only the "relevant sector of the public". This is an important factor to be considered in each and every case in order for well-known marks to obtain the protection they deserve in Canada and also for Canada to comply with its Treaty obligations concerning well-known marks.

Paragraph 6(2). The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed

¹³ See Bereskin 117th INTA Annual Meeting Coursebook, 1995 at p. 219.

by the same person, whether or not the wares or services are of the same general class.

Paragraph 6(5). In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all surrounding circumstances including;

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

Section 7. No person shall

(b) direct public attention to his wares, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his wares, services or business and the wares, services or business of another.

Paragraph 7(b) of the Act is considered to be a broad codification of common law's tort of passing.

5. DISCUSSION OF SELECTED CANADIAN CASES:

3.1 Orkin Exterminating Co. Inc. v. Pestco of Canada Ltd.¹⁴

3.1.1 SUMMARY

A U.S. company named Orkin Exterminating Company operates in most states, including a number on the Canadian border. It has customers in Canada who use its services for their American residences. Orkin has not yet commenced doing business in Canada but intends to do so. Orkin has an outstanding reputation, it advertises extensively in the United States; Canadians travelling in the U.S. can see its trucks on which appears the Orkin trade-mark. Orkin's advertising on radio and television is received in Canada.

The defendant Pestco listed its business in the alphabetical and Yellow Pages under the name Orkin. It filed a declaration of intention to carry on business in the name Orkin. Customers who called Orkin had their business looked after by Pestco employees. It attempted to adopt the Orkin name in a red diamond as a logo.

The defendant submits that any goodwill in Canada in the name Orkin belongs to Pestco and as the plaintiff has not carried on business in Canada, it does not have any goodwill which the court can protect.

¹⁴ (1985) 5 C.P.R. (3d) 433 (Ont. C.A.).

The Ontario Court of Appeal dismissed the appeal and found in favour of Orkin. Even though the plaintiff did not carry on business in Canada, it did have a reputation in Canada which deserved to be protected. The Court of Appeal wrote:

"The spectr of Orkin having a monopoly in Ontario in its name and distinctive logo, even though it is not now carrying on business here, is considerably less troubling than the deceptive use of its name and symbol by another".¹⁵

3.1.2 COMMENT

The Orkin case could be qualified as a landmark case, since it is the first case where a non-resident party was able to obtain an injunction in a passing off action without having established use of its trade-mark in Canada or without having established that its trade-mark was well-known in Canada by reason of the distribution or advertising of its wares or services pursuant to section 5 of the Act.

3.2 Enterprise Car and Truck Rentals Ltd. v. Enterprise Rent-A-Car Company¹⁶

3.2.1 SUMMARY

This is a decision of the Federal Court of Appeal confirming a judgement rendered in 1996 by the Trial Division which decided of two actions for "passing-off" under s. 7(b) of the Act concerning the use of the unregistered trade-mark ENTERPRISE for car and truck rental and leasing services.¹⁷

The complaint in Enterprise was based on s. 7(b) of the Act since the Federal Court has jurisdiction only in respect of federal statutes and not common law. The plaintiff ("Enterprise US") had established a successful chain of automobile rental locations through the United States. Enterprise US had many Canadian customers who rented or leased automobiles during trips to the United States, and had granted some leases for automobiles that were operated in Canada. The court found that the defendant, the owner of a

¹⁵ (1985) 5 C.P.R. (3d) 433 (Ont. C.A.).

¹⁶ (1996) 66 C.P.R. (3d) 453 (F.C.T.D.).

¹⁷ S. J. Keri, "Canada: Deeming Clauses in the Trade-mark Act Confirmed as Interpretation Tools only in Passing Off Action", (1998) INTA Bulletin, August 5, Vol. 53, No. 14, p. 3.

chain of automobile rental companies in Canada, had deliberately adopted the plaintiff's trade-mark with the intention of diverting competition. This appreciation of the facts appears to have been a factor which the court took into consideration in making its determination. The trial judge cited with approval a statement from Restatement of the Law of Torts as follows:

*"If he imitates the other's trade-mark or trade name knowingly and acts in other ways to convey the impression that his business is associated with the other, the inference may reasonably be drawn that there are prospective customers to be misled."*¹⁸

3.2.2 COMMENT

In finding for Enterprise US, the court expressly rejected the defendant's submission that in the absence of actual use in Canada, a foreign plaintiff cannot rely on s. 7(b) unless the plaintiff is able to prove that the mark has become "well-known" within the meaning of s. 5 of the Act, i.e. well-known across Canada.

3.3 United Artists Corp. v. Pink Panther Beauty Corp. ¹⁹

3.3.1 SUMMARY

In Pink Panther Beauty Corporation v. United Artists Corporation, the Federal Court of Appeal concluded that Pink Panther Beauty Corporation's application to register the trade-mark "Pink Panther" in association with hair care and beauty supplies was not confusing with United Artists Corporation's registered mark "The Pink Panther" in association with motion picture films.

In this case, the respondent first opposed the application to register the trade-mark Pink Panther before the Registrar. The Registrar found there was no confusion between appellant's and respondent's marks since the respondent's mark was not a well-known mark in Canada and each mark was used on dissimilar products.

In the appeal before the Trial Division, the Registrar's decision was overturned. The Trial Judge found that there was indeed a likelihood of confusion and that the appellant's mark would be confused in the mind of the average consumer with that of the respondent's. The Trial Judge found the respondent's mark to be famous and thereby worthy of a wide ambit of

¹⁸ (1996), 66 C.P.R. (3d) 453 at 478.

¹⁹ (1998) 80 C.P.R. (3d) 247 (F.C.A.).

protection. This wide ambit of protection, in the Trial Division judge's mind extended well beyond motion picture films to include the appellant's beauty and hair care products. The Trial Division's decision was appealed and in an interesting split decision, the Federal Court of Appeal overturned the Trial Judge's decision, holding there was no likelihood of confusion based on the difference in the nature of the wares associated with the marks but recognised that indeed the registered trade-mark The Pink Panther was a famous mark.

The majority opinion was rendered by Linden J.A.. Linden J.A. refers to the line of thinking in *Berry Bros. & Rudd Ltd. v. Planta Tabak-Manufactur Dr.*(1980),53 C.P.R. (2d)130 (F.C.T.D.), where it was stated that a connection between the wares and services, in this case scotch whisky and pipe tobacco, may lead consumers to presume that the producer of Cutty Sark Tobacco was the same as the producer of Cutty Sark Whisky²⁰. This was further developed in the Seagram's case. Seagram Real Estate Ltd. wished to register a trade-mark using the title Seagram Real Estate Ltd. along with a designed logo. The Trial Judge found that the various trade-mark registered by the opponent, the well-known liquor producer called Seagram's, all incorporated the word Seagram, were very famous. Nevertheless, this did not automatically result in protection of that mark "over every conceivable field of activity" (emphasis added). He stated:

"In my view, unless in their over-all assessment I should conclude there is likelihood of confusion, the appellant's marks are not entitled to extended protection simply because they have become well-known, indeed famous, in association with the manufacture and sale of alcoholic beverages". (supra at 466.)

The court found this conclusion to be consonant with the overall purpose of the Act, which is to provide the registered owner of a trade-mark with its exclusive use in association with specified wares and services²¹.

The Trial Judge in the Seagram case went on to say that:

"Under the Trade-mark Act the correspondence of the classes of goods or services in association with which the disputed trade mark is used is no longer the vital question it once was. It is one of the matters to be taken into consideration with the other factors set out in s. 6. Nevertheless, some regard must be had to the class of goods or services to which the mark is applied, and it is still pertinent

²⁰ 37, (1998) 80 C.P.R. (3d) 247 (F.C.A.) at 266.

²¹ (1998) 80 C.P.R. (3d) 247 (F.C.A.) at 266.

*whether the goods are cheap or expensive and whether they are purchased quickly or after careful consideration.*²²

Linden J.A. further analysed the case of Playboy Enterprises, Inc. v. Germain²³, where the applicant Germain wanted to register PLAYBOY MEN'S HAIR STYLIST for services defined as "un salon de coiffure pour hommes." In this case, Marceau J. upheld the decision of the Registrar that this proposed mark was not confusing with the opponent's mark PLAYBOY, used in relation to magazines. He stated:

*"In dealing with these facts and the evidence as a whole, the Registrar found nothing therein that could be taken as establishing any reputation or involvement on the part of the appellant with services similar or related to those of the respondent. There was no proof whatsoever of any use, or making known, of the opponent's trade mark PLAYBOY in association with barbering or hairdressing services in Canada at any time prior to the applicant's adoption of his trade mark".*²⁴

Linden J.A. went on to say that the fact that the opponent's mark was world-renowned could not be a factor so important as to make the differences in wares and services irrelevant. In another case involving Playboy Enterprises, that company was also unsuccessful in preventing the registration of the trade-mark PLAYBOY for use in association with automobile tires. Fame is not everything, apparently. It is possible to use a famous mark for a different product in a different context without infringing.²⁵

Linden J.A. clearly accepted that The Pink Panther is a famous and inherently distinct trade-mark. He had no doubt that The Pink Panther is a famous and strong trade-mark. If it does not have inherent distinctiveness, then it certainly has acquired great deal of distinctiveness in the thirty years or so that it has been part of popular culture. However, the issue to be decided is not how famous the mark is, but whether there is likelihood of confusion in the mind of the average consumer between United Artists' mark and the one proposed by the appellant with respect to the goods and services specified. That question must be answered by the negative. There is no likelihood of confusion as to the source of the products. The key factor is the gaping divergence in the nature of the wares and in the nature of the trade.

²² (1998) 80 C.P.R. (3d) 247 (F.C.A.) at 266.

²³ (1979) 39 C.P.R. (2d) 32 (F.C.T.D.).

²⁴ (1998) 80 C.P.R. (3d) 247 (F.C.A.) at 267.

²⁵ *Ibid* pp 267-268.

Shampoo is not sold in movie theatres or video stores and videos are not available in beauty parlours.²⁶

The dissenting opinion was rendered by Justice McDonald. It is a strong opinion. He states that it is precisely because of the fame and goodwill associated with the name Pink Panther that the Appellant has chosen that name for its business. What the Appellant seeks to do is profit financially from the goodwill associated with the Respondent's trade name. The Appellant anticipates that the average consumer will associate its products with the name Pink Panther and be more apt to buy them. To come to any other result in the case of such a famous and widespread trade name as the Pink Panther, in the dissenting judge's opinion, tips the balance too far in favour of the copycat artist seeking to profit financially from someone else's creative fortune.²⁷

Subsection 6(2) of the Act sets out when trade-marks or trade names are confusing. It provides that: The use of a trade mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired, or performed by the same person, whether or not the wares or services are of the same general class.²⁸

The factors to be considered when making a determination as to whether or not a trade-mark is confusing are found in subsection 6(5) of the Act. These are: (a) the inherent distinctiveness of the trade-mark or trade-names and the extent to which they have become known; (b) the length of time the trade-mark or trade-names have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and, (e) the degree of resemblance between the trade-mark or trade-names in appearance or sound or in the ideas suggested by them. The onus is on the applicant to show no reasonable likelihood of confusion.²⁹

One example of confusion found despite a dissimilar setting is the Carson v. Reynolds³⁰ case where Mahoney J. found that the use of the mark "Here's Johnny" for portable toilets, outhouses and lavatory facilities would suggest to a "significant number of people in Canada, a connection with the Appellant." The Appellant, of course, was Johnny Carson from the Tonight Show.³¹

²⁶ Ibid pp. 268-269.

²⁷ Ibid pp 271-272.

²⁸ Ibid pp 272-273.

²⁹ Ibid p 273.

³⁰ (1980) 49 C.P.R. (2d) 57 (F.C.T.D.)

³¹ (1998) 80 C.P.R. (3d) 247 (F.C.A.) at 274.

Similarly, in *Danjaq S.A. v. Zervas*³², Luffy J. refused to allow the registration of the trade marks 007, 007 PIZZA & SUBS Design and 007 SUBMARINE & Design on the ground that it might lead to confusion with the Respondent's trade mark in the James Bond character agent 007. In that case Luffy J. extensively reviewed the law surrounding the issue of the trade marks in dissimilar settings. The following remarks at page 303-4 of his decision are apt:

"At first glance, one might be attracted to the disparity between the parties' goods and services and decide that the respondent's trade mark is distinctive. The respondent proposes, however, to use the trade mark with other promotional products. More significantly, the respondent acknowledges that he is "...reasonably well aware of the movies featuring BOND or 007 and in those movies, I never did see any restaurant services performed by 007." From this, I find that the respondent adopted 007 with knowledge of the prior use of the appellant's trade marks. The respondent's choice of 007 was deliberate and not unrelated to the mark's fame. In my view, a chain of 007 pizza, pasta and submarine sandwich outlets would not necessarily be distinguished, within the meaning of section 2, by the public from the appellant's wares and services. In those circumstances, I cannot conclude that the respondent's marks are distinctive even though they have been used with substantially different wares".³³

In his decision, Luffy J. quotes from a decision of Joyal J. in *Glen-Warren Productions Ltd. v. Gertex Hosiery Ltd*³⁴. That case also dealt with completely dissimilar wares and services: ladies hosiery business and a beauty pageant. Joyal J. found that despite this fact, there might still be confusion in consumers minds to the extent that they might believe the Miss Canada Pageant endorsed the Applicant's hosiery product (at p.12):

"In my view, in the case at bar, even if sales of hosiery would not appear at first blush to be related to a beauty pageant, it is likely that consumers might assume the organisers of the Miss Canada Pageant had in some way approved, licensed, or sponsored the use of its trade mark by a business which markets hosiery under Miss Canada trade mark, or that there was some business connection between hosiery and the Miss Canada pageant...Therefore, I must conclude that Hosiery has not discharged the legal burden upon it

³² (1998) 75 C.P.R. (3d) 295 (F.C.T.D).

³³ (1999) 80 C.P.R. (3d) 247 (F.C.A.) at 274.

³⁴ (1990) 29 C.P.R. (3d) 7 (F.C.T.D.).

of establishing that its trade mark MISS CANADA is really distinctive of its wares".³⁵

Given the popularity of the Respondent's trade mark, the extent to which it has prevailed in the Canadian market (over 30 years) and its widespread diversification (from comic books to advertisements of Fiberglas), I am of the view that allowing the Appellant to use the name Pink Panther will almost certainly be confusion for the average consumer. The average consumer is likely to believe that there is an association with the beauty products sold by the Appellant and the Respondent's mark to the extent that the products are being sold by, approved by or endorsed by the Respondent.³⁶

The Appellant surely believes, just as the dissenting judge believes, that the average consumer will, at the very least, upon seeing the name Pink Panther on its beauty products be reminded of and associate its products with the Respondent's mark. Seeing the words alone will leave the average consumer wondering if the Respondent is the promoter behind these new products.³⁷

In the dissenting judge's view, this judgement can only be viewed as a warning to the creators of these names and the associated images to beware, as the balance between trade mark protection and the free market has tipped in favour of the infringer.³⁸

3.3.2 COMMENT

Rendering such a decision, the majority of judges of the Court of Appeal held it was permissible to register and use a famous trade-mark in association with wares or services which are not of the same general class without infringing that mark.

In trade-mark law, not all trade-marks are equal. There are those trade-marks which are given somewhat broader scope of protection because they are "well-known" marks. The question is, however, how much extra protection should they be given and for how long. At the outset of the reasons, Linden J.A. for the majority of the court noted that the courts must be careful when they determine property rights so that the line is drawn fairly between the right to the exclusive use of an idea and the right of individuals to compete and earn a livelihood. This appears to be what the Court was doing in accepting

³⁵ (1998) 80 C.P.R. (3d) 247 (F.C.A.) at 274-275.

³⁶ *Ibid* pp 276-277.

³⁷ *Ibid* p 277.

³⁸ *Ibid* p 277.

the mark as a famous one, but ensuring that its notoriety did not extend the scope of protection of the trade-mark too far.

Nevertheless, if there was no bad faith and no intention at all to get a free ride off someone else's fame and all the hard work invested in making such a trade-mark famous than why choose a "pink panther" for hair care and beauty products? Why not use "blue tiger" or "green giraffe" or even "purple elephant"? The only answer I can come up with is that the colourful animals listed before are not famous, whereas the Pink Panther trade-mark is famous and consumers will obviously associate the defendant's products with that image.

A comment which immediately comes to mind when reading the reasons of Linden J.A., is that little weight is given to the fact that for the use of a trade-mark or a trade-name to cause confusion with a trade-mark, the wares or services in association with which the trade-mark or the trade-name is used need not be of the same general class (see section 6(2) of the Act).

It is true that under section 19 it is stipulated that the exclusive use granted to the owner of a registered trade-mark, is limited to the wares and services in association with which the trade-mark is registered. It can be inferred from section 19 that any third party who uses a trade-mark identical to a registered trade-mark in association with identical wares or services listed in the registration will, subject to sections 21, 32 and 67, infringe the registered trade-mark. Section 19 has nothing to do with confusion.

Under section 20 paragraph 1, things are quite different. Here reference is made to the sale, distribution or advertisement of wares or services in association with a confusing trade-mark. Nowhere does it say that the wares need to be identical. On the contrary, the trade-mark need only be confusing. This expression is defined in section 6 where, as we have seen, the wares and services need not be of the same general class for confusion to arise between two trade-marks or a trade-mark and a trade-name.

The same rational will apply wherever the Act makes reference to a confusing trade-mark such as in section 7(b), section 12(1)(d), section 14(1)(a), section 15, section 16, section 21(1), section 24, section 37, etc...

Wherever the Act makes reference to confusing trade-marks or trade-names, reference should be made to section 6 of the Act in order to determine whether or not the use of a trade-mark causes confusion with another trade-mark or a trade-name whether or not the wares or services are of the same general class.

The next item which needs to be commented upon is the reference to what Madame Justice McLachlin wrote which is reproduced at page 257 of the judgment. We submit that the comments of Madame Justice McLachlin are more properly applicable to such statutes as the *Patent Act*, the *Copyright Act* or the *Industrial Design Act* where, one way or the other, the protection is applied to or is attached to a thing which has a material form. It is the thing which is protected under the statute. Under the *Trade-Marks Act* and the common law principles underlying the *Trade-Marks Act*, the thing *per se* is not protected. It is the mark which the thing bears which is protected or the mark in association with which a service is offered which is protected. The same thing and the same service can be sold by anyone if it does not bear the mark. We do not believe that the comments of Madame Justice McLachlin apply to trade-marks. Where a trade-mark is concerned there are really no creators, inventors, research or creativity. There are no ideas *per se* attaching to a trade-mark. Ultimately, a product or a service could be sold without any reference to any trade-mark. Basically, a trade-mark, from the point of view of its owner, is a carrier of goodwill. If Pink Panther Beauty Corporation had been prevented from using the Pink Panther trade-mark, it could have continued to sell the same products under another trade-mark, and there is an infinite possibility of trade-marks which it could have chosen. Therefore, we fail to understand how a prohibition to use the Pink Panther trade-mark could have affected the livelihood of anybody unless the fact of using the Pink Panther trade-mark gives its user an advantage of some kind, if it does then it is because it carries goodwill, goodwill which belongs to United Artists.

Another comment which comes to mind is in reference to page 268 where Linden J.A. writes:

"The trade-mark owned by United Artists is clearly a famous and inherently distinct one. It has been in use in Canada for thirty or more years. While this may not be a very long time, it cannot be denied that it is a longer time than the mark proposed by the appellant, which has not been used at all".

How can it be said that use of a trade-mark for more than 30 years is not a very long time? We submit that on the contrary, 30 years is a very long period of use for a trade-mark and should be appreciated as such in the overall evaluation of the surrounding circumstances.

The next comment we wish to make is with respect to the question which is being asked at page 269:

"However, the issue to be decided is not how famous the mark is, but whether there is a likelihood of confusion in the mind of the

average consumer between United Artists' mark and the one proposed by the appellant with respect to the goods and services specified".

We suggest that the question should have been asked differently, as follows: "However, the issue to be decided is not how famous the mark is, but whether there is a likelihood of confusion in the mind of the average consumer between United Artist's mark and the one proposed by the appellant whether or not the wares or services are of the same general class?"

Another question which also could have been asked is: "Does the use of the mark proposed by the appellant in relation to beauty supplies indicate a connection between the beauty supplies and United Artists, and are the interests of United Artists likely to be damaged by such use?"

We are comforted in this interpretation of what the right question should have been by the provisions of articles 16(2) and 16(3) of the TRIPS Agreement to which Canada is a party.

It is to be noted that an application for leave to appeal to the Supreme Court of Canada was granted in December 1998. It will be interesting to see how this appeal will be resolved.

3.4 Baylor University v. Governor and Co. of Adventure trading into Hudson's Bay (c.o.b. Hudson's Bay Co.)³⁹

3.4.1 SUMMARY

In 1992, Baylor University, of Waco, Texas, applied to register the trademark BAYLOR in Canada on the basis of proposed use in relation to clothing items such as sweaters, sweatshirts, t-shirts, jackets and the like. The application was opposed by Hudson's Bay Company, relying on its registered marks BAYCREST, BAY CLUB, THE BAY, BAYMART, and others, in association with a wide range of clothing items, encompassing those sought by Baylor University.

The Registrar refused the application, and Baylor University appealed to the Federal Court. In *Baylor University v. The Governor and Company of Adventurers Trading into Hudson's Bay, commonly called Hudson's Bay Company* (December 15, 1998, yet unreported, Federal Court no. T-2590-97, Justice Francis Muldoon), the Court considered the parties' evidence, as it is

³⁹ Unreported, (1998) F.C.J. (F.C.T.D.) Case No. T-2590-97.

entitled to do on appeal. (In an appeal from the Registrar's decision in an opposition matter, the parties' proof consists of the evidence filed before the Opposition Board, plus any complementary evidence filed on appeal.)

The appellant Baylor University submitted evidence to the effect that the Canadian register contains over 90 marks with the prefix and word "bay", in order to show that the market may be inferred to abound in this word. However, upon closer review of this state-of-the-register evidence, there were fewer than ten marks with the initial element BAY, apart from Hudson's Bay's marks, in association with clothing.

On appeal, Baylor University filed evidence from D.E. Warrington, the exclusive licensing agent in Canada of some U.S. colleges, including Baylor University, to the effect that his annual Canadian retail sales of collegiate merchandise average well over \$10 million (C.).

Mr. Warrington stated *inter alia* that the popularity of U.S. collegiate merchandise is attributable to the increased popularity in Canada of U.S. college athletics, and its media coverage. While the sales of wares bearing the trademarks of Baylor University had been limited over recent years, according to the affiant, Baylor is a well-known school, and a renewed success of its football team in the future would lead to increased sales of licensed merchandise in Canada.

Justice Muldoon qualified this view of the state of the marketplace as "almost impressionistic". The familiarity of Canadians with Baylor University was not proven, and without the apposition of the word "University", "BAYLOR" alone "so lacks distinction in Canada as to be good only, or largely, for confusion with the respondent's many, already historically famous marks."

Fatal to the appellant's case was evidence filed (before the Registrar) by an Hudson's Bay sales person in The Bay's Calgary department store. Sandra Rick recounted that between 1989 and 1991, on average once every two weeks, an individual would come into the store and ask that his or her BAYLOR brand watch be repaired or serviced. The BAYLOR watch was not a product of Hudson's Bay, but of Peoples Jewellers Limited. Ms. Rick observed that in many instances, these customers "expressed surprise that the "BAYLOR" watch was not a product of The Bay, and often pointed to the "BAY" portion of the name of the watch".

Ms. Rick also indicated that in her (presumably subsequent) position as sales person in the store's women's wear department, customers frequently asked her for The Bay's brand-name clothing. She speculated, based on her

previous experience with the BAYLOR watches, that clothing marked with a BAYLOR trademark would lead to the same type of confusion.

The Court found that, in terms of the ultimate issue of confusion, this evidence was credible and telling, and the speculation fact-based and plausible. The instances of actual confusion reported had not been challenged by cross-examination. It did not matter that the BAYLOR line of watches did not originate from the appellant: the word Baylor was objectively confusing with Hudson's Bay's trademarks, in the judge's view.

The Court, therefore, found that the Registrar had correctly attributed weight and significance to this evidence, among all laid before the Court on appeal.

In concluding that the appellant's proposed trademark would cause confusion with the respondent's marks, Justice Muldoon pointed out that the result might be different if the applied-for mark were BAYLOR UNIVERSITY. He also reiterated the wide scope of protection afforded to famous trademarks when there is a connection between an applicant's and an opponent's trade and services, in accordance with the Federal Court of Appeal's judgment in *United Artists Corp. v. Pink Panther Beauty Corp.* (1998), 80 C.P.R. 247 (see 12 WIPR 221, July 1998).

However, on January 13, 1999, Baylor University filed a notice of appeal of the decision.

3.4.2 COMMENT

The consequence of this decision is that a University called Baylor cannot use its name in the marketing of its collegiate merchandise in Canada. Could Baylor University have requested the Registrar to give public notice of the adoption and use of the mark Baylor under section 9(n)(ii) of the Act? This would create an interesting debate: which should prevail, the official mark or the famous mark?

4 CONCLUSION

It is clear that guidelines and a global approach to protecting well-known trade-marks is greatly needed to ensure the protection of the consumer public and the owners of such valuable assets against piracy. It is not clear whether Canada has complied to all its treaty obligations, for instance in section 5 of the Act, proof of making known has to be through distribution of wares or the advertisement of wares or services. Such limitations do not exist

under article 6bis of the Paris Convention, under the TRIPS Agreement nor under GATT. In paragraph 5(b)(i), only printed publication circulated in Canada in the ordinary course of commerce is admissible to prove that a trade-mark became well-known in Canada. This is a limitation which is not compatible with the broad terms used in article 16(2) of the TRIPS Agreement which refers to "promotion of the trademark" without indicating the medium.

Leave to appeal to the Supreme Court of Canada has been granted in the Pink panther case. The Supreme Court will have to decide if in Canada famous trade-marks will enjoy a wide ambit of protection which includes wares and services not of the same general class as suggested by the dissenting judge or a more narrow ambit of protection which reaches only identical or similar wares and services. There would be a lot more to say about famous trade-marks, but considering the time given to me I believe I should now thank you for your attention and for the invitation to deliver this paper to you today.

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