



THE NON DISTINCTIVENESS OF CHEAP TICKETS CONFIRMED ON APPEAL

CATHERINE BERGERON^{*}
LEGER ROBIC RICHARD, LLP
LAWYERS, PATENT AND TRADEMARK AGENTS

Cheaptickets and Travel Inc. v. Emall.ca Inc. et al., 2008 FCA 50 (Federal Court of Appeal, Sharlow J.A.)

This is an appeal of a decision rendered by Justice Strayer granting Emall.ca Inc.'s (hereinafter "Emall") application for the expungement of two trade-marks owned by Cheaptickets and Travel Inc. (hereinafter "Cheaptickets"), namely CHEAP TICKETS and CHEAP TICKETS AND TRAVEL & Design registered in association with, amongst others, travel agency services. The appeal has been dismissed for the following reasons.

Jurisdiction of the Federal Court of Appeal

The Federal Court of Appeal had to deal first with a jurisdiction issue. Given that the Registrar of Trade-marks gave effect to the expungement order approximately 17 days after the order was made, namely before the expiry of the appeal period of the order, Justice Sharlow had to decide whether the Federal Court of Appeal has the authority to order the reinstatement of a trade-mark that has been expunged as the result of an order of the Federal Court.

The Federal Court of Appeal decided quite straightforwardly and unequivocally that it does indeed have such a jurisdiction. On the basis of Section 52 of the *Federal Courts Act*, the Federal Court of Appeal is, amongst others, entitled to allow the appeal and dismiss the application for expungement. If such an order is made after the expungement has occurred, the Registrar of Trade-marks would be required to reverse the expungement and reinstate the registration of the trade-mark.

Descriptive character of Cheaptickets' trade-marks

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^{*} Lawyer, Catherine Bergeron is a member of LEGER ROBIC RICHARD, LLP a multidisciplinary firm of lawyers, and patent and trademark agents. Published in a February Issue of World Trade-mark Report. Publication 293.051.

LEGER ROBIC RICHARD, L.L.P.
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.ca

In first instance, Justice Strayer found that Cheaptickets' trade-marks were clearly descriptive of the character or quality of the services or wares in association with which they were used by the travel agency, and that they were not only merely suggestive as argued by Cheaptickets. Therefore, he concluded that, on the basis of paragraphs 18(1)(a) and 12(1)(b) of the *Trade-marks Act* (hereinafter the "Act"), the registrations at issue were invalid.

In the Federal Court of Appeal's opinion, the Federal Court did not make any legal error nor a palpable and overriding error of fact which would justify the intervention of the Federal Court of Appeal.

Distinctive character of Cheaptickets' trade-marks

On the issue of distinctiveness, the Federal Court of Appeal rejected Emall's position that, during the expungement proceeding, the relevant provision to be considered Julie Bergeron is Subsection 18(2) of the Act and not Subsection 12(2) which may only be invoked during the process of trade-mark registration. On the other hand, Cheaptickets argued that Justice Strayer should have considered the application of Subsection 12(2) of the Act. Both provisions read as follows:

12(2) A trade-mark that is not registrable by reason of paragraph (1)(a) or (b) is registrable if it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration.

18(2) No registration of a trade-mark that had been so used in Canada by the registrant or his predecessor in title as to have become distinctive at the date of registration shall be held invalid merely on the ground that evidence of the distinctiveness was not submitted to the competent authority or tribunal before the grant of the registration.

Although the existence of Subsection 18(2) does not preclude Cheaptickets from invoking Subsection 12(2) during the expungement proceeding, the fact that Justice Strayer did not consider the application of Subsection 12(2), which may be interpreted as an error or oversight on his part, is inconsequential considering that Cheaptickets has not filed any evidence reasonably capable of supporting a submission that the marks CHEAP TICKETS and CHEAP TICKETS AND TRAVEL & Design had acquired distinctiveness as of the date on which the applications for registration were filed (pursuant to Subsection 12(2) of the Act).

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