

Trademarks: 2023 Year in Review

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Draft Regulations Clarify Some Bill 96 Amendments to the Charter of the French Language

2022 saw the passage of Québec's "Bill 96" — *An Act respecting French, the official and common language of Québec* — which included a number of important changes to the *Charter of the French Language* (Charter) affecting brand owners. As we recently reported, on January 10, 2024, the Québec government released draft regulations (Draft Regulations).

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- Non-French trademarks can be used on products if they are either registered *or there is a pending application to obtain registration*.
- Non-French generic terms and descriptions of a product that are included in a registered trademark *or a trademark that is the subject of a pending application* must be translated into French, and the French translation must be at least as prominent as the non-French text.
- Products that do not comply with these requirements can still be sold in Québec until **June 1, 2027**, provided they are made before **June 1, 2025**.
- Street Visible Signs include those that can be seen from outside a space, closed or not, or inside a shopping centre.
- “Markedly predominant” means the French text has a much greater visual impact than the text in the other language (i.e., the French text in the same visual field as the non-French must be at least twice as large and must be of at least equivalent permanency and legibility).
- A registered non-French trademark on Street Visible Signs must be “accompanied by” terms in French to ensure that French is still markedly predominant.
- The markedly predominant analysis does not factor in certain elements, including certain basic information in French; a family name or a place name, where permitted to be in a language other than French; and a non-French trademark on public signs and posters and commercial advertising that are not Street View Signs.
- Unfortunately, for section 58.1, the Draft Regulations do not define “registered trademark” as including pending applications as they do for section 51.1.

The Trademarks Office’s Recovery Plan, Amendments to Opposition and Section 45 Practice, and New Fees

CIPO’s Recovery Plan – Optimizing Turnaround Times

As part of its five-year 2023-2028 Business Strategy, the Canadian Intellectual Property Office (CIPO) identified as a priority the “Timely delivery of quality IP services through operational excellence and a modern client experience.”

within 18 months

within 28 months

Goods and Services Manual

Amendments to Opposition and Cancellation Practice

here

CIPO Fee Increases Effective January 1, 2024

new fees

Fee Type	2023 Fee	2024 Fee
Filing	\$347.35 for the first class \$105.26 for each additional class	\$434.19 for the first class \$131.58 for each additional class
Renewal	\$421.02 for the first class \$131.58 for each additional class	\$526.28 for the first class \$164.47 for each additional class
Assignments/ Transfers of Ownership	\$100.00	\$125.00
Statement of Opposition	\$789.43	\$986.78
Section 45 Notice	\$421.02	\$526.28

Limitations on Value of Co-existence Agreements and State of the Register Evidence in Confusion Analysis: *Tweak-D Inc. v. Canada (Attorney General)*, 2023 FCA 238

In *Tweak-D Inc. v. Canada (Attorney General)*, 2023 FCA 238, the Federal Court of Appeal (FCA) reinforced that the confusion analysis is first and foremost concerned with the consumer, regardless of any co-existence agreements between the parties. It also highlighted the limitations of state of the register evidence — when used, it should include a substantial number of registrations of analogous marks *and* evidence of their use to allow the decision maker to make inferences about the likelihood of confusion.

- the Registrar is not obligated to perpetuate past errors;
 - evidence of the state of the register must generally involve far more than three relevant registrations to be compelling;
 - there was no evidence of actual use of these marks that would help to demonstrate an absence of a likelihood of confusion in the marketplace; and
 - the Registrar did not err in its consideration of the co-existence agreement.
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- with Justice Manson's comments on state of the register evidence, stating that, while such evidence may, in some cases, demonstrate a pattern of registrability of similar marks, inferences based on the register should only be drawn if there is a large number of relevant registrations and evidence of

actual use;

- that the Registrar's past practice is not binding on it and that each application must be assessed on its intrinsic value, the proposed services, and its particular context; and
- that the Court agreed that it was open to the Registrar to conclude that the co-existence agreement did not override the confusion analysis and stated that a registered trademark owner's consent to the registration of a competing trademark is not dispositive of registrability.

Control Over Goodwill in a Trademark is Essential: *Dragona Carpet Supplies Mississauga Inc. v. Dragona Carpet Supplies Ltd.*, 2023 FCA 228

A case involving rivalry in a family flooring business highlights the importance of maintaining control over the goodwill in trademarks and the relevance of commercial realities in disputes before the courts. In *Dragona Carpet Supplies Mississauga Inc. v. Dragona Carpet Supplies Ltd.*, 2023 FCA 228, the FCA dismissed an appeal from a summary trial decision of the FC, which had dismissed the plaintiff's claims for passing off and expunged the plaintiff's trademark registrations.

- the use of the DRAGONA marks by Dragona Mississauga had at all material times been under licence from Dragona Scarborough, and so any goodwill in the mark belonged to the latter; and
- the alleged agreement dividing the parties' territory to be an "artificial construct" not affecting the actual goodwill.

Trademarks Act

and

Enhanced Remedies Available to Brand Owners in Counterfeiting Cases: *Burberry Limited and Chanel Limited, et al v. Ward et al*, 2023 FC 1257

We recently wrote about how *Burberry Limited and Chanel Limited, et al v. Ward et al*, 2023 FC 1257 marked a significant enhancement in the remedies available to rights-holders against purveyors of counterfeit goods.

Trademarks Act

Copyright Act

- an order requiring the defendants to provide the names and contact information of the manufacturers

- and suppliers of their counterfeit merchandise;
- an order restraining third parties with notice of the judgement from knowingly assisting the defendants and requiring such third parties to provide information regarding the defendants infringing activities; and
- a rolling injunction for future shipments, which allows additional names used by the defendants, and shipments otherwise linked to the defendants, to be included in the delivery up from the CBSA without a new signed relinquishment or court order.

Comprehensive Discussion of Comparative Advertising: Energizer Brands, LLC v. Gillette Company, 2023 FC 804

In one of the most comprehensive discussions of comparative advertising under Canadian law, *Energizer Brands, LLC v. Gillette Company*, 2023 FC 804, the FC considered whether a comparative advertising campaign that made both direct and indirect references to a competitor's brand violated the *Trademarks Act* or *Competition Act*. We wrote about that decision, involving leading consumer battery brands Duracell and Energizer, in detail [here](#).

Trademarks Act

Trademarks Act

Competition Act

- Duracell's stickers displaying the registered trademarks ENERGIZER or ENERGIZER MAX violated section 22(1), but that those that did not display the trademarks were not violations;
- stickers with references to "the bunny brand" did not violate section 22(1) because there were too many additional mental steps that the average consumer would have to go through for these stickers to impact the goodwill of Energizer's bunny registrations; and
- stickers referring to "the next leading competitive brand" were not sufficiently similar to any of Energizer's registered trademarks to satisfy the first step of the section 22(1) test since, while they might depreciate the goodwill in Energizer's *business* generally, there was no evidence that they would depreciate the goodwill in Energizer's *trademarks*.

Trademarks Act

Competition Act

materially

Arbitration Clauses Should be Honoured in All But the Clearest Cases: General Entertainment and Music Inc. v. Gold Line Telemanagement Inc., 2023 FCA 148

In *General Entertainment and Music Inc. v. Gold Line Telemanagement Inc.*, 2023 FCA 148, the FCA upheld a FC decision that reinforced that courts are generally unwilling to depart from the terms of commercial agreements and will favour arbitration where parties have agreed to arbitrate their disputes. Except for clear cases where the question of an arbitrator's jurisdiction is a pure question of law that requires nothing more than a superficial examination of the evidence in the record, a court will refer the matter to arbitration. We discussed the case in detail [here](#).

Radiocommunication Act

Importance of Use by the (Actual) Owner in the Face of Cancellation Proceedings: Kiva Health Brands LLC v. Limoneira Company, 2023 FC 774

In *Kiva Health Brands LLC v. Limoneira Company*, 2023 FC 774, an appeal from a Section 45 cancellation decision from the TMOB, the FC held that the TMOB erred in refusing to consider certain evidence assessing who the real owner of the registered trademark KIVA, the subject of the proceeding. The case is a reminder that, in a Section 45 proceeding, it is essential that evidence of use be evidence of use *by the owner* of the mark at issue. The TMOB will look at evidence relating to the ownership of a registration and will not rely merely on the information on the Register.

Puma Loses Final Appeal in Attempt to Register PROCAT: Puma SE v. Caterpillar Inc., 2023 FCA 4

Since 2012, Puma SE (Puma) has sought to register the PROCAT trademark in Canada in association with “footwear, namely athletic, sports and causal shoes and boots; headgear, namely hats and caps.” In *Puma SE v. Caterpillar Inc.*, 2023 FCA 4, was the final bar to that attempt, with leave to appeal to the Supreme Court denied.



Trademarks Act

de novo

- holding that the laudatory meaning of PRO did not make the PROCAT mark distinctive;
- focusing on the similarities between the CAT elements, noting that despite the fact that marks consisting of commonly used words are deserving of a smaller ambit of protection, this generally requires some evidence that the word is so commonly used in the trade that a consumer will be sensitive to smaller differences in the mark, of which there was none here; and
- not drawing an inference against Caterpillar given the lack of evidence of actual confusion. The FCA noted that there was no evidence of use of the PROCAT mark and that the burden to show common use of the term CAT with footwear and headgear was on Puma.

material

de novo

When is Use of a Trademark not Use as Registered? North Brewing Company Ltd. v. DLA Piper (Canada) LLP, 2023 FC 1188

“Use” is fundamental to trademark law and to maintaining an owner’s trademark rights. In *North Brewing Company Ltd. v DLA Piper (Canada) LLP*, 2023 FC 1188, the FC considered the extent to which variations of a registered trademark used by the trademark owner will constitute use of the registered trademark. In this appeal from a Section 45 proceeding, the FC reversed the Registrar’s decision and maintained the registration, albeit amended, for the trademark NORTH BREWING.

1. Examine whether the differences in the versions of the mark under consideration likely would deceive the public as to the origin of the applicable goods (or services); and
2. If not, whether the mark was used in such a way that the mark did not lose its identity and remained recognizable in spite of the differences between the form in which it was registered and the form in which it was used.

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COMPANY

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NORTH BREWING CO. 🍺🍺🍺🍺🍺



Knowledge of Prior Trademark Rights May Support a Finding of Bad Faith: Cheung's Bakery Products Ltd v Easywin Ltd, 2023 FC 190

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We have previously written that a registered trademark can be invalidated if it is found to have been filed in bad faith. In *Cheung's Bakery Products Ltd v Easywin Ltd*, 2023 FC 190 the FC expunged two trademark registrations owned by Easywin Ltd. (Easywin), a direct competitor of Cheung's Bakery Products (Cheung's Bakery) in the field of bakery goods and related services, including on the ground of bad faith. This case highlights the fact-specific and flexible interpretation of "bad faith" under section 18(1)(e) of the *Trademarks Act* and that knowledge of a party's prior use and rights may in some cases suffice to invalidate a registration.

Trademark

ANNA'S CAKE HOUSE

安娜餅屋

安 Anna's 娜 Cake 餅 House 屋

安娜

Reg./App. No. and Date

TMA354194 March 31, 1989

TMA480506 August 14, 1997

TMA667403 July 12, 2006

2026952 May 6, 2020

Trademark

香港聖安娜

香港聖安娜

Reg. No. and Date

TMA1044058 July 23, 2019

TMA1044062 July 23, 2019

Cessation of a Business Evidence of Intention to Abandon a Trademark: Travel Leaders Group, LLC v. 2042923 Ontario Inc. (Travel Leaders), 2023 FC 319

A trademark registration is invalid where it has been abandoned by the owner. In *Travel Leaders Group*,

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LLC v. 2042923 Ontario Inc. (Travel Leaders), 2023 FC 319, the FC expunged the trademark registration for TRAVEL LEADERS, owned by 2042923 Ontario Inc. (Ontario Inc.) on this basis. Notably, the FC was prepared to infer an intention to abandon the trademark from the cessation of Ontario Inc.'s business. It also considered the types of activities that can amount to "bad faith."

How to Stay Tuned for More in 2024

here

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.