

A “Distinct” Challenge for Trademark Owners: A Review of the Inherent Distinctiveness Objection in Trademark Examinations

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It has been six years since the June 2019 overhaul to Canada’s *Trademarks Act* (the Act) came into effect, which introduced a wide range of new and amended requirements for how trademark applications are filed, processed, and examined. One of the most substantive changes to affect trademark applicants has been the introduction of the “not inherently distinctive” (NID) ground of objection to registration under subsection 32(1)(b) of the Act, which allows an Examiner of the Trademarks Office to refuse an application for a trademark that fails to distinguish the applicant’s goods and services from the goods and services of others. The concept of distinctiveness is not new to Canadian law: non-distinctiveness has been a recognized ground of opposition and expungement for decades. What is new, however, is that Examiners are now empowered to assess distinctiveness at the prosecution stage, and the results have perplexed many applicants and practitioners alike.

The Trademarks Office has provided some details on how the NID objection is to be applied in the current edition of the *Trademarks Examination Manual* (the Manual). Nevertheless, the broad and subjective nature of the NID objection has led to some unpredictability and inconsistency in how the objection is applied in practice, with a myriad of trademarks now facing objections where they previously would have been registrable in Canada and are registrable in other jurisdictions. This approach has left some trademark applicants in Canada confused—and in some cases quite surprised—as to what to expect when filing an application for a trademark that, on its face, seems unique. In this article, we provide a brief overview of some of the more challenging forms of NID objections that trademark applications have faced and offer some recommendations for how to minimize the risk of facing an NID objection.

Unique Combinations of Otherwise Unregistrable Elements

A common form of NID objection that is often unexpected to trademark owners is an objection raised against a trademark that combines independently unregistrable elements in a unique manner. The Trademarks Office generally takes the position—and the Manual confirms—that if each individual element of a trademark would be objectionable under section 12 of the Act (which speaks to registrability and includes prohibitions on marks that are *primarily merely* a surname, or those that are *clearly descriptive or deceptively misdescriptive* of the associated goods or services), then the full trademark is also objectionable

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for being NID, even if it combines those elements in a unique way. An example provided in the Manual is ALFREDSON'S BEST CARROTS, which is considered objectionable in association with carrots because it combines a surname (ALFREDSON) with a descriptive phrase for the goods (BEST CARROTS).

This approach has resulted in some tension between how trademark case law has generally guided the assessment of a trademark's distinctiveness and how the NID objection is being applied. The Trademarks Opposition Board (the Board) has traditionally emphasized that trademarks which consist of elements that are not inherently distinctive on their own can gain distinctiveness as a result of a unique combination of those elements.¹ That emphasis is consistent with the longstanding principle of Canadian trademark law that trademarks are to be assessed as a *whole* and not parsed into their individual elements. Despite those longstanding principles, many trademark applicants who think they have come up with a unique trademark are now discovering that the bar for uniqueness seems to have been raised.

Trademarks with Multiple Meanings

Other trademarks that continue to be a source of uncertainty in the NID context are marks that are capable of multiple meanings. In the context of descriptiveness objections to registrability, the Board has typically noted that a mark will not be considered descriptive if it has multiple potential meanings (at least some of which are abstract) that would all be plausible in the context of the associated goods or services.² However, perhaps due to the more limited case law to date that specifically speaks to the distinctiveness of such trademarks, NID objections continue to be raised against applications for trademarks that are capable of multiple interpretations.

NID objections raised on this basis can be especially difficult for applicants to address in cases where the objection essentially broadens the existing tests for objections under section 12 of the Act. An example of this is a trademark that could be understood by consumers to refer to a surname *or* to the name of a geographic location. If only applying the narrower tests for those respective grounds of objection under section 12(1)(a) (*primarily merely* a surname) or 12(1)(b) (*clearly* descriptive), a mark of that nature would not be prohibited under either ground, as those prohibitions require the surname meaning or the geographic name meaning to be the *primary* meaning or a *clearly* descriptive (and only) meaning of the mark. However, some trademark applicants now find themselves in a confusing position where their mark overcomes a surname and/or place of origin objection, but it nevertheless receives an NID objection because the Examiner takes the position that a mark which can be understood by a consumer as a surname *or* a geographic name is not distinctive. In essence, the NID objection is being layered overtop of the traditional tests for surname objections and descriptiveness objections and used to refuse marks even when they do not fall under the narrow confines of those tests.

NID Objections Based Entirely on Other Grounds of Objection

Many trademark applicants in Canada are also likely now used to seeing Examiner's Reports that raise an objection based on one ground (e.g., clear descriptiveness), but then also raise an NID objection in which the Examiner relies on the same reasoning (e.g., "a trademark that is clearly descriptive cannot be inherently distinctive"). This is by design—the Manual expressly states that if an Examiner raises an objection based on subsections 12(1)(a) (surname) or 12(1)(b) (descriptiveness) of the Act, they are to also raise an NID objection.

Because the NID objection is based entirely on the reasoning for the "main" objection, in most cases, successfully arguing against the main objection is usually sufficient to lead an Examiner to also withdraw the NID objection. However, there continue to be some cases where an Examiner withdraws the main objection but maintains the NID objection on the basis that the NID objection is subject to a different analysis. This can lead to frustration for trademark applicants who think that they have fully addressed an Examiner's reasons for objection, only to be faced with a second Examiner's Report that introduces a new or revised reason for the NID objection (notwithstanding the requirement under subsection 37(2) of the Act for a first Examiner's Report to contain full explanations for why each objection was raised).

"Non-traditional" Marks

Another significant development in Canada's trademarks laws in 2019 was the explicit recognition of many categories of "non-traditional" marks (i.e., trading indicia consisting of signs *other than* typical words, designs, and slogans). While many applicants and practitioners hailed the explicit recognition of and specific mechanisms to protect marks such as scents, colours per se, textures, 3D shapes, holograms, sounds, and many others, the Trademarks Office's policy surrounding the inherent distinctiveness of these marks remains somewhat opaque.

Both the *Trademarks Act* (Section 32(1)) and the Manual (Section 4.10.1) state that "the Registrar *may* require an applicant to file evidence establishing that the trademark is distinctive at the filing date" if the trademark consists exclusively or primarily of one or more of (i) the three-dimensional shape of any of the goods specified in the application, or of an integral part or the packaging of any of those goods, (ii) a mode of packaging goods, (iii) a sound, (iv) a scent, (v) a taste, or (vi) a texture. This language is permissive rather than mandatory (i.e., it does not say that the Registrar *shall* require evidence), though recent experience has shown that the requirement for the filing of evidence is not consistently applied. In some instances, Examiners seem to apply this requirement across all non-traditional marks, including ones that don't appear "primarily" consist of such elements. The mere fact of a mark being a non-traditional mark—irrespective of how ornate or distinctive the mark may be—seems to engage a NID objection and require the filing of extensive evidence. In other instances, non-traditional marks seem to move directly to approval.

Recommendations for Avoiding NID Objections

The uncertainties and challenges described above will likely require the development of further case law—particularly by the Federal Court or higher—to resolve. In the meantime, businesses seeking to secure trademark registrations can minimize their risk of facing an NID objection by continuing to follow traditional guidance on the strength of trademarks in Canada. For example:

- trademarks that are “coined terms” (i.e., terms without existing meanings) are stronger than trademarks that consist solely of pre-existing words or phrases;
- trademarks with meanings that are unrelated to the associated goods or services are stronger than trademarks that could be interpreted to refer to a characteristic or quality of the goods or services (even if the mark is also capable of other meanings);
- trademarks with prominent visual design elements are stronger than trademarks that consist solely of words; and,
- for marks consisting of three-dimensional shapes, avoid including any goods where the three-dimensional mark is the shape of the goods named in the application.

Finally, while businesses do not often take advantage of this option, it is worth remembering that trademark applicants have the right to appeal a refusal of a trademark application to the Federal Court. In addition to providing applicants with an opportunity to provide more robust arguments, taking advantage of the appeal mechanism will also lead to the development of new case law on how NID objections are to be applied, which should provide all applicants with more clarity. As many Canadian practitioners believe that the NID objection is being applied and sustained too broadly by the Trademarks Office, putting Canada out of line with many jurisdictions, it is hoped that judicial guidance will also narrow the circumstances under which an NID objection will be raised.

¹ For examples of this principle, see: *Manpowerdemolition Inc. v. Punam Pathak*, 2024 TMOB 78 at para. 14; *JCM Professional Mini-Storage Management Ltd. v. Central City U-Lock Ltd.*, 2010 TMOB 211 at para. 36; and *Empress Foods Ltd. v. Holiday Juice Ltd.*, 1989 CarswellNat 1149, 24 CPR 3(d) 330 (TMOB) at para. 7.

² For examples of this principle, see: *Anheuser-Busch LLC v. Molson Canada 2005*, 2016 TMOB 176 at para. 33; *David Oppenheimer Co. LLC v. Imagine IP LLC*, 2011 TMOB 84 at para. 72; *Canadian Council of Professional Engineers v. Alberta Institute of Power Engineers*, 2008 CarswellNat 4576, 71 CPR (4th) 37 at para. 53; and *Effem Foods Ltd. c. Sonafi S.A.*, 2004 CanLII 71727 (TMOB) at paras. 21-22.