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IP monitor

That's the way the cookie crumbles… Federal Court finds that "split" decisions are permissible pursuant to section 38(3) of the *Trade-marks* Act

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Trade-marks and branding

The Federal Court recently granted the appeal of Les Marques Metro / Metro Brands SENC of the Trademarks Opposition Board decision dated December 22, 2015. The opponent Metro had alleged that pursuant to paragraph 38(2)(a) of the *Trade-marks Act* (*Act*), 1161396 Ontario Inc.'s (116 Inc) trade-mark application did not conform to the requirements of subsection 30(b) of the Act as the applicant's mark had not been used in association with "cookies and biscuits" since the claimed date of first use.

116 Inc sought to register the word mark IRRESISTIBLES (Mark) for:

> candy and snacks, namely candy bars, chocolate bars, all sugar confectionary, peanut brittle, caramel bars, cookies & biscuits, all gummi confectionary, chocolate confectionary, chocolate mints, assorted chocolate boxes, and marshmallow derivative candy.

Noting the ambiguity regarding whether subsection 30(b) of the *Act* requires all specific goods in the application to have been used, the Federal Court answered in the affirmative. The Federal Court rejected 116 Inc's argument that the test pursuant to subsection 30(b) "merely requires that an [a]pplicant prove use in association with the general class of wares and not with each product listed in an application for registration" and confirmed that the mark must "nevertheless have been used in association with each of the specific goods or services identified in the general class prior to the applicant's filing date."

Finding that 116 Inc failed to demonstrate its use of the Mark in association with the specific goods "cookies and biscuits" prior to applicant's filing date, or any time since, the Federal Court became tasked with determining whether the registrar could issue a split decision in the context of an opposition pursuant to section 38(8) of the *Act*. In other words, the Federal Court had to determine whether an application could be accepted for certain goods and/or services while being refused for others. The Federal Court found that the object of the *Act* and compelling policy reasons indicated that such split decisions were permissible.

Specifically, the Federal Court found that split decisions were necessary for the Canadian trade-mark regime to strike the proper balance between free competition and fair competition. The Federal Court also found that it would be an unreasonable and unfair outcome for a partially successful opposition to result in a complete refusal of the entire application.

Furthermore, the Federal Court noted that split decisions would discourage adopting inefficient practices. For example, if split decisions were not allowed, applicants would have an incentive to register multiple parallel trade-marks to avoid the risk that an entire application would be refused due to the applied-for mark being unregistrable with respect to a single good or service listed in the application.

Norton Rose Fulbright Canada LLP acted for Metro.

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Link to decision:

https://www.canlii.org/en/ca/fct/doc/2017/2017fc806/2017fc806.pdf

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