Legal update

Trademark distinctiveness: the new examination criterion that is profoundly changing trademark law

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Trademarks and brands

The essence of any trademark is to serve as a guarantee for consumers of the origin of the trademarked goods and services. Section 2 of Canada’s Trademarks Act (the “Act”) states that a "distinctive" mark is a trademark that actually distinguishes – or is adapted to distinguish – the goods or services in association with which it is used from the goods and services of others.

While in many jurisdictions a trademark's distinctiveness has long been taken into account during the examination process, this wasn’t the case in Canada until the major reform of June 17, 2019.

As such, new Canadian applications are no longer substantively reviewed solely from a descriptiveness perspective, or to determine whether there is no possibility of confusion with other trademarks, but also from a distinctiveness standpoint.

Under paragraph 32(1b) of the Act, the Registrar now has the power to raise an objection on the basis that a trademark is not inherently distinctive, according to his preliminary opinion. A trademark is inherently distinctive if it does not refer the consumer to a multitude of sources when it is evaluated in light of related products or services.

The Examination Manual provides a partial list of trademarks that are generally considered to lack inherent distinctiveness:

- geographical names, even if the place is not known for the said goods or services;
- generic designs (an ordinary representation of grapes and vine leaves for wine is not adapted to distinguish one trader’s wine from that of another);
- names of colours (RED in association with fire engines, YELLOW in association with tennis balls);
- one- and two-letter or –number trademarks;
- laudatory words and phrases such as ULTIMATE, AUTHENTIC, ORIGINAL, QUALITY, VALUE, WONDERFUL, WORLD’S BEST, CANADA’S BEST…;
- the combination of unregistrable elements under paragraphs 12(1a), 12(1b) of 12(1c) of the Act (for example, BEST CARROTS in association with "carrots")
• if an objection is raised because the trademark is primarily a surname under paragraph 12(1a) or because the trademark is clearly descriptive or deceptively misdescriptive under paragraph 12(1b);

This new standard of review has been applied for many months now and has given rise to many objections based on this new criterion, making it difficult for applicants and their agents. In addition, if the examiner issues an objection based on the descriptive or misleading nature of the trademark or on the fact the trademark is primarily only a family name, the examiner will automatically issue an objection based on section 32(1b). Finally, the new distinctiveness examination criterion applies to all pending applications, and not only to those filed after the coming-into-force date. This means applications not yet approved by the reform date are subject to a re-examination.

How can we quash this type of objection?

• we would present arguments that the trademark has inherent distinctiveness

Distinctiveness is assessed on a case-by-case basis, and is a matter of "common sense" in the mind of the average consumer. If it is clear in the mind of the average Canadian that the trademark is associated with the products and services covered in the filed application, the chances of quashing this objection will be slim. However, if there exists a doubt, it must be interpreted in favour of the applicant. The examiner will have to explain the trademark’s lack of distinctiveness.

This notion is rather vague. The only decision that can be used to provide a general interpretation is that of the Federal Court in ITV Technologies Inc v WIC Television Ltd, 2003 FC 1056, [2004] 3 FCA 49, in section 119: “The inherent distinctiveness of a mark refers to its originality. A mark that is composed of a unique or invented name, such that it can only refer to one thing, will possess more inherent distinctiveness than a word that is commonly used in the trade”. We are impatiently awaiting more recent decisions on this topic.

• prove the trademark was distinctive at the filing date

A trademark that is not inherently distinctive can acquire distinctiveness through continuous and constant use. To establish this acquired inherent distinctiveness, it must be demonstrated that the trademark became known to consumers as coming from a specific source. The evidence filed under subsection 32(1) of the Act must be provided by affidavit or statutory declaration. The burden of proof is quite high and is similar to the one under subsection 12(2) of the previous Act to prove the trademark acquired distinctiveness or "a secondary meaning" in Canada.

In other words, the chances of reversing the examiner’s position are slim if the trademark was not used prior to filing.

The new Act also provides more circumstances in which the applicant will be required to prove a trademark is distinctive. This is the case for "non-traditional" marks such as the shape of goods, the way goods are packaged, colours, sounds, scents, textures and 3D shapes. The Registrar has the power to require proof of distinctiveness when filing these types of trademarks.

The impact of this amendment is clear and calls for serious consideration.

We strongly recommend that trademark owners consider appropriate filing strategies that take into account this amendment, to avoid facing serious objections, and possibly making obtaining a trademark registration in Canada a longer process.

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