



Non-traditional marks in Canada

The Canadian Intellectual Property Office has signaled its intention to allow certain types of non-traditional trademarks to be registered. **Susan J Keri** and **Jonathan Burkinshaw** examine the latest developments

While applications to register non-traditional trademarks such as sound, moving images, holograms, scent, taste and colour *per se*, have met with significant hurdles in Canada, the Canadian Intellectual Property (IP) Office recently signaled its intention to permit registration of certain types of non-traditional marks, namely, motion marks and holograms.

On October 8, 2010, the Canadian IP office launched a consultation on a draft practice notice that would recognise the registrability of moving images and holograms as trademarks. The consultation closed in November and if this practice notice comes into effect, it will be the first official recognition by the Canadian office that such non-traditional marks are registrable as trademarks in Canada.

The Canadian IP office began to consider modernising its practices several years ago and, on February 24, 2005, published a document sent to the trademark profession for consideration entitled *Proposals for Comment Relating to the Modernization of the Trade-marks Act*. The document recognised the necessity to re-think the traditional concept of a trademark in Canada, and noted:

"While trade-marks are traditionally thought of as outgrowths of the ancient use of hallmarks by silversmiths and other craftsmen, modern trade-mark use and protection goes far beyond that. In this age of innovative marketing techniques and electronic commerce, trade-mark rights have developed that do not fit this traditional mold,

such as: sound, motion, animation, holograms, scent, taste and colour *per se*. Indeed, many feel that these so called non-traditional marks are the dominant branding strategies of the future. We are at a critical juncture in the way trade-marks are selected, created and used, and the time for change is approaching rapidly".

It took another five years before more concrete proposals were drafted dealing with the registrability of certain non-traditional trademarks. Many within the trademark office

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and the profession were of the view that the IP office could not recognise the registrability of non-traditional marks without any underlying legislative amendments. By publishing the most recent draft practice notice, the office appears to have taken the position that legislative amendments are not required and, at least with respect to motion marks and holograms, there simply needs to be a more flexible interpretation of the Trademarks Act and Regulations.

Of fundamental significance in the draft practice notice is the office's apparent acknowledgement that any non-traditional

mark is registrable as a trademark in Canada provided that the mark can be or is used as a source identifier. The draft practice notice states, in part, as follows:

"The requirements for registrability of a non-traditional mark are dependent upon whether the mark falls within the definition of trade-mark in section 2 of the Trade-marks Act and accordingly upon whether the mark is used by a person for the purpose of distinguishing or so as to distinguish wares and services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others. The Office considers that motion marks and holograms fall within the definition of a trade-mark under s.2 of the Trade-marks Act."

While the draft practice notice specifically identifies motion marks and holograms as registrable non-traditional marks, it does not exclude other types of non-traditional marks from registrability and, indeed, envisages other marks as long as they are used to distinguish wares or services. As such, the draft practice notice represents a significant departure from previous policy and practice, which specifically excluded certain non-traditional marks from registrability, such as those that could not be seen.

The Canadian trademarks office had, in the past, taken the position that in order to be registrable, a trademark must be capable of being seen. This position was founded on an antiquated definition of the word "mark", reinforced in the 1987 *Playboy* decision of the Federal Court of Canada (*Playboy Enterprises*

Inc v Germain [1987] F.C.J. No. 616), which held that a mark must be something that can be seen. Hence, a verbal description of a mark in association with the sale of wares did not constitute trademark use within the meaning of the Trademarks Act.

While motion marks and holograms are visual and thus, would meet the traditional test imposed by the *Playboy* decision, the draft practice notice nevertheless appears to leave open the possibility of registering other non-traditional marks, including those that cannot be "seen".

Another historical obstacle to the registration of non-traditional marks was the logistic challenge of accurately describing and depicting such marks. The draft practice notice shows how this logistic challenge can be met through a combination of a more flexible interpretation of the applicable legislation and new formal requirements, as well as the adoption of modern technologies.

It states that applications to register motion marks and holograms would be required to include: (1) an accurate drawing or drawings of the mark, (2) a description that clearly defines the scope of the mark and (3) a statement that the mark is either a motion mark or a hologram.

Previously, the office had objected to the registration of motion marks on the basis of at least two provisions in the Act and Regulations. One regulation requires that a separate application be filed for the registration of each trademark. The office had taken the position that applications for motion marks were applications for a multiplicity of marks and thus prohibited. The draft practice notice indicates that this requirement would be met by including in an application for a motion mark the statement that "the subject application covers only one trademark".

The other objection previously raised by the office to applications for motion marks was based on the requirement in the Act that applications for design marks include an accurate representation of the trademark. The office had previously taken the position that this requirement would preclude the registration of motion marks, since the trademark in its entirety (ie, its motion from start to finish) could not be accurately represented by static drawings and a description.

Underlying the requirement for an accurate representation of the mark is the policy rationale that a trademark registration, as a statutory monopoly, should have a clearly delineated scope that can be readily

understood by both competitors and the general public. The draft practice notice suggests that this requirement, and the underlying rationale, can be satisfied by accurate drawings and a detailed written description. Specifically, applications for motion marks and holograms must include drawings in the nature of "freeze frames" showing, for motion marks, the various points of the movement and, for holograms, views of the hologram from different angles. In either case, the number of drawings must be sufficient to "best depict the commercial impression of the mark". The drawings must be clear and precise and not excessive in number. As well, an application for a motion mark must contain an electronic representation, no more than 1MB in size

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of the motion mark on DVD, CD or portable USB flash drive.

While the draft practice notice dealing with the registration of non-traditional trademarks represents a significant development towards the recognition of modern trademark and branding strategies, there are several potential hurdles that brand owners and their counsel should be aware of.

First, Canadian law with respect to what constitutes trademark "use" is stringent. For a mark to be deemed to be used with wares, it must, in the normal course of trade, and at the time of the transfer of the property in or possession of the wares, be marked on the wares themselves, or the packages in which they are distributed, or otherwise associated with the wares so that notice of the association is given to the person to whom the property or possession is transferred. This requirement could prove to be a difficult hurdle for various non-traditional marks.

In addition, applicants who apply to register in Canada non-traditional marks such as motion marks on the basis of use and registration of the mark in a foreign country, should be aware of the requirement that the Canadian application must be for the identical mark registered and used abroad, and that a certified copy of the foreign registration must be filed. Since different countries identify and index motion marks and holograms differently, it may be difficult to support the Canadian application with a claim to use and registration in a foreign country.

Finally, with respect to both motion marks and holograms, the office is likely to strictly enforce the formal requirements for the depiction and description of the mark, and applications will need to clearly delineate the scope of the mark.

Nevertheless, the fact that the Canadian IP office has acknowledged that the definition of a trademark could include, within its scope, other non-traditional indications of source represents a very positive development for brand owners in Canada.

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