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The claim to fame

Canada requires a case-by-case determination of fame within the context of an infringement proceeding or opposition. Where fame is established, relief is available

Famous marks enjoy a high degree of consumer recognition and uniqueness, and are often among the most valuable assets of their owners. For this reason, owners of famous marks are highly motivated to prevent the distinctiveness of their famous marks from being whittled away by unrelated and unauthorised use. While some jurisdictions allow a trademark owner to apply for certification that its mark is famous, with concomitant legal effect on the scope of protection, Canada requires a case-by-case determination of fame within the context of an infringement proceeding or opposition.

Such a determination is often not clear-cut. Some marks are unquestionably famous or well known in certain jurisdictions without the need for proof – for example, COCA-COLA, VIAGRA, IMAX and ADIDAS. Many other marks may not be instantly recognised as famous and will instead require evidentiary support for the claim.

In Canada, fame is a factor in assessing likelihood of confusion, but not necessarily a determinative factor. In dilution cases, proof of likelihood of association between the famous mark and an accused mark is of paramount importance.

Types of evidence

Trademark owners alleging that their marks are famous in Canada may benefit from providing more than traditional types of evidence in order to establish their respective brand's fame.

For example, in *Remo Imports Ltd v Jaguar Cars Ltd* (2006 FC 21), Jaguar Cars adduced an array of evidence to prove that JAGUAR was famous in Canada. In addition to evidence of significant worldwide promotion, Jaguar Cars showed that it had been advertised and promoted in Canada for over 60 years, including through print advertisement, Yellow Page advertisements, sales bulletins, press

releases, calendars, banners, car show brochures and displays for accessories, billboards, flags, direct mail videos, films and videos loaned to Jaguar car clubs, annual automobile shows in major cities, showroom displays, charitable events, racing events, the Internet and manuals. Jaguar's well-known reputation was also evidenced through testimony, as well as extensive documentation circulated to the Canadian public referring to Jaguar cars, including newspaper articles since the 1940s, books, magazines, films with Jaguar cars in them, websites, birthday cards, CD ROMS, car clubs dating back to 1959, newspaper articles stating: "Jaguar, a famous name in the luxury car market" (among other similar quotations), and over 100 books about the history of Jaguar Cars.

In *Allergan Inc v Toutoungi* (2009 74 CPR (4th) 243 (TMOB)), Toutoungi filed an application to register BELLATOX based on proposed use in Canada in association with an anti-wrinkle cream and related services. Allergan Inc, the owner of the BOTOX mark, opposed the registration on the basis of confusion. The Trademarks Opposition Board found that the family of BOTOX marks had become very well known in Canada, based in large part on Allergan's evidence that it held the largest market share in Botulinum toxin Type A therapy in Canada during the relevant period. The board also relied upon the affidavit of a medical professional who attested to carrying out more than 4,000 BOTOX treatments – typically 20 to 40 treatments per week – and that he purchased over C\$1 million's worth of Allergan's BOTOX product. The opposition was successful as the board found a likelihood of confusion between the parties' respective marks.

While Canadian case law indicates that creativity in the type of evidence adduced may pay off, a diverse collection of evidence does not replace the need to show

significant sales and advertising figures.

In *Mattel USA Inc v 3894207 Canada Inc* (2006 SCC 22), Mattel relied on its extensive worldwide reputation for dolls and accessories in its action against the defendant's Barbie's restaurant chain. Mattel provided evidence that by 2001, sales, promotion and advertising of BARBIE products across Canada generated annual sales revenue of approximately C\$75 million, annual licensing revenues of approximately C\$5 million and annual advertising expenses of approximately C\$5 million. In addition to these figures, Mattel filed survey evidence that was deemed by the court to be deficient and was excluded. However, even without the survey the court of appeal and the Supreme Court of Canada on appeal were satisfied that BARBIE is a well-known if not famous mark.

In *McDonald's Corp v Chung-Kee Noodle Shop Ltd* (2008 TMOB No 215), the applicant applied to register the trademark MCNOODLE based on proposed use in association with various food items, restaurant services and related services. McDonald's opposed the application and submitted evidence that it operated or licensed 1,300 restaurants in Canada, and over 30,000 restaurants worldwide under the MCDONALD'S name, and that its revenue from sales at Canadian McDonald's restaurants was over C\$2 billion per year for the relevant years. In addition, it proved that it spent tens of millions of dollars annually on marketing campaigns that ran at least six times per year and were designed to reach between 75% and 90% of Canadian households. Given these figures, the opposition board found that McDonald's was famous in association with restaurant wares and services, and the parties' respective marks were found to be confusing.

Similarly, in *Apple Computer Inc v Richardson* (2009 TMOB No 172), the

opposition board found that the APPLE trademark was famous in association with computers and peripheral equipment due to the significant evidence adduced by Apple Computer – including use of the APPLE trademark for over 25 years in association with computers and related goods, annual billion-dollar revenues, and tens of millions of dollars spent on print advertising and point of sale displays in Canada alone. In addition, Apple Computer submitted evidence that its online Apple store operated in 20 countries, including Canada, and in the first 30 days of operation generated US\$12 million in orders. In addition to online stores, Apple had at least 112 Apple stores throughout the world, including one in Toronto, Canada.

However, in *Empressa Cubana del Tabaco v Tequila Cuervo, SA de CV* (2008 TMOB No 158), the opposition failed because the opponent had significant deficiencies in its evidence regarding the alleged fame of its registered mark COHIBA for tobacco and related products. In this case, the applicant applied to register the mark LAZARO COHIBA in association with alcoholic beverages, namely rum, based on proposed use. The opponent submitted evidence showing that its exclusive distributor in Canada, Havana House, had sold over 730,000 cigars in Canada since 1994 under the COHIBA brand, at an average price of C\$14 to C\$15 per cigar. However, the opposition board was not persuaded that such sales rendered the mark well known to Canadians. Specifically, no advertising of the mark could be proven, since Canada prohibits the advertising of tobacco products. Moreover, Empressa's affiant admitted on cross-examination that only several thousand Canadians would in fact have purchased COHIBA cigars from the exclusive Canadian distributor, since the average purchaser of COHIBA cigars smokes two to four cigars per week.

Ambit of protection

As famous marks may be afforded a broader ambit of protection, there is often a lot riding on the ability (or inability) to prove the fame of a mark in the context of an infringement or opposition proceeding. However, the scope of protection afforded to famous marks in Canada is fluid and decided on a case-by-case basis according to the evidence of fame presented.

In 2006 the Supreme Court of Canada rendered concurrent decisions in *Mattel* and *Veuve Clicquot*. These decisions reversed earlier rulings requiring a connection between the respective wares and services of the plaintiff and defendant in order to find a likelihood of



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confusion – even in the case of a famous mark. Nevertheless, owners of famous or well-known marks should still be cautioned that fame alone may not be enough to secure a broad zone of exclusivity covering all or most wares and services. As stated by the Supreme Court of Canada in *Mattel*:

No doubt some famous brands possess protean power (it was submitted, for example, the distinctive red and white 'Virgin' trademark has now been used in connection with such a diversity of wares and services that it knows virtually no bounds), but other famous marks are clearly product specific. 'Apple' is said to be a well-known trademark associated in separate markets simultaneously with computers, a record label and automobile glass. The Board's conclusion that BARBIE's fame is limited to dolls and dolls' accessories does not at all mean that BARBIE's aura cannot transcend those products, but whether it is likely to do so or not in the context of opposition proceedings in relation to restaurant, catering and banquet services is a question of fact that depends on "all the surrounding circumstances".

In *Wrangler Apparel Corp v Big Rock Brewery Partnership* (72 CPR (4th) 16 (aff'd 2010 FC 477)), the opposition to the registration of the mark WRANGLER in connection with "brewed alcoholic beverages" – on the basis of

the WRANGLER mark registered with various clothing items, watches and outdoor equipment – was rejected despite the finding that the opponent's WRANGLER mark was indeed well known to Canadians. The court held that fame in the WRANGLER mark was limited to a niche market of jeans and possibly apparel in general – and was thus insufficient to prove a likelihood of confusion with use of the mark for different goods.

It is thus important to consider that the evidence filed to establish fame may have a direct bearing on the scope of protection afforded in each case. While a court may be satisfied that the plaintiff has proven that a mark is well known or famous, unless the evidence shows that there is such scope to the famous mark that it is capable of transcending a specific set of goods or services, establishing fame may not be enough to prevent use in an unconnected market. This suggests that if the evidence shows a broad scope of use of the famous mark in question, which extends beyond a specific set of wares or services, the chances are higher that transcendence may be achieved. In the age of cross-market branding, this reasoning may be sound: it is not enough to become famous for something; the brand itself must be more famous than any specific goods or services associated with it. It could be deduced that in a case where fame extends to multiple markets, even in the absence of a direct overlap between goods or services, a likelihood of confusion could be found. It is easy to imagine that the use of DISNEY with almost any product or service could give rise to a reasonable likelihood of confusion with Disney. After all, if a brand is already doing a lot, it is reasonable to contemplate that in time, it may do it all.

Fortunately, brand owners that have not yet achieved transcending fame and are unable to prove a likelihood of confusion may still find relief in Canada's dilution laws. In *Veuve Clicquot*, the Supreme Court stated that depreciation of goodwill (under Section 22 of the Trademarks Act) could be found in cases where, among other criteria, use by the defendant evokes a mental connection to the plaintiff's mark, even in the absence of consumer confusion. Therefore, *Veuve Clicquot* presents an invitation to owners of marks deemed famous, or even considered well-known in niche markets, to draw upon Canada's dilution provision to protect the good will attached to their marks. [WTR](#)

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