Making the most of passing-off protection

While registration brings a number of advantages, brand owners in Canada can utilise the action of passing off to protect unregistered rights.
remedies in a passing-off action as in an
matter of the complaint might not be
infringement action involving a registered
mark brought in the provincial courts
is whether a passing-off claim relying on a
mark, owners of unregistered marks suffer a
number of impediments. As noted above, the
starting point of all passing-off actions is the
use or advertising of the unregistered mark
or trade name is significant, it may be used
to challenge both the entitlement of an
applicant to register its mark and the
distinctiveness of the applied-for mark.

In Canada, owners of unregistered
trademarks and trade names may oppose an
application for registration of a confusingly
similar mark, relying on previous use in
Canada or use elsewhere that has resulted in
the mark or name becoming well known in a
significant region of the country. Even
without meeting the threshold of showing
that a mark has become well known, if the
use or advertising of the unregistered mark
or trade name is significant, it may be used
to challenge both the entitlement of an
applicant to register its mark and the
distinctiveness of the applied-for mark.

Masterpiece Inc v Alavida Lifestyles Inc
((2005) 43 CPR (4th) 385 (SCC)) considered an
unregistered trademark in the context of an
expungement proceeding. The applicant
relied on its prior rights in an unregistered
trademark to argue that the respondent had
not been entitled to registration of its mark
at the time of registration. In Masterpiece
the Supreme Court clarified that the test for
confusion is based on the hypothetical
assumption that both trade names and
trademarks are used “in the same area”,
whether or not this is actually the case, and
therefore geographical separation does not
play a role. It was therefore not relevant that
one party used its mark in Alberta while the
other used its mark in Ontario (although
geography is relevant in passing-off cases).
Further, the court did not require that the
applicant’s mark have been used to a
particular extent (eg, to become distinctive)
in order for the applicant to argue that it
had used its mark before the respondent,
and therefore that the applicant, rather than
the respondent, was entitled to registration
of the mark. The applicant was required to
file only evidence that its mark had been
used before the relevant date.

Unregistered trademarks and trade
names are frequently relied on in opposition
cases, often in association with registered
trademarks. What matters is not so much
the status of the rights relied on (ie, registered
or unregistered) as the quality of the evidence
introduced by the opponent to show that its
mark or name has been used or made known
in Canada. The issues of use and valid marks,
as discussed above, apply equally in
opposition proceedings.

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there to be infringement by unauthorised use
of a registered mark on the same goods or
services as covered by the registration (Section
19). Similarly, a claim of depreciation of
goodwill, as set out in Section 22 of the act, is
available only for misuse of a registered
trademark. The bottom line is that
enforcement will be easier, cheaper and
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