

# Overcoming legal obstacles

The requirements to demonstrate distinctiveness at filing, as applied by the Canadian Trademarks Office, pose a significant obstacle to the registration of non-traditional marks

Non-traditional trademarks are protected in Canada by both registration and common law rights. The Trademarks Act covers both regular marks (eg, words, designs, slogans and sounds) and ‘distinguishing guises’ (eg, shapes of goods or packaging), on proof that they are actually distinctive in Canada. This evidentiary burden is difficult and expensive to meet. There is no mechanism by which to easily protect colour or other non-traditional marks, such as taste marks or holograms. The government is aware that Canadian legislation and practice lag behind those of other countries, and in early 2013 introduced amendments to the act to clarify that protection for various non-traditional marks would be permitted, on proof of distinctiveness or reputation. Unfortunately, the draft amendments were the victim of parliamentary procedure that resulted in all bills being dropped, but a new version may be reintroduced in late 2013.

While common law protection can be claimed for non-traditional marks, the onus on the owner of first proving that the mark has acquired the necessary distinctiveness in Canada, or in the territory in which the owner might want to enforce its rights, is an obstacle that has resulted in few successful decisions regarding non-traditional marks.

The Trademarks Act covers “marks” used to distinguish the goods of one party from those of another, “certification marks”, “distinguishing guises” and “proposed trademarks”. Certification marks certify that the goods or services meet a defined standard and cannot be used by the entity that controls the display of the certification mark (eg, safety designations that appear on electronics or electrical products). A proposed trademark is simply the mark identified in an application based on proposed use.

The act does not define what is meant by a ‘mark’, but it is generally viewed as a two-

dimensional feature (eg, words, designs or other common visual symbols). A mark can be protected by filing a regular application, without needing to file additional evidence that the mark has already become distinctive (except in the case of names, surnames or marks with descriptive connotations). A ‘distinguishing guise’ is defined as a shaping of wares or containers, or a mode of wrapping or packaging, used to distinguish the applicant’s wares from others, and is registrable only if:

- it is already distinctive in Canada at the filing date; and
- registration, and specifically the exclusive rights of a registrant, will not unreasonably limit the development of any art or industry (Section 13 of the Trademarks Act).

An applicant for a distinguishing guise must file affidavit evidence, with detailed information on the length of time and extent of use of the mark, along with Canadian sales and advertising details over many years. Such evidence is time consuming and expensive to prepare, and poses a significant obstacle and deterrent to registration. However, Canadian distinguishing guise registrations include chairs, confectionery, perfume bottles, cosmetics, soft drinks, alcoholic beverages and household appliances.

Generally, three-dimensional (3D) shapes can be protected only if they meet the requirements for a distinguishing guise. One possible exception is discussed in a 2000 Trademarks Office (TMO) practice note that distinguishes between distinguishing guises that are wares or packaging, and must thus meet the evidentiary requirements, compared to 3D forms that are not an integral part of a ware or container, but are used to

identify the rights holder. The TMO gave the example of a hood ornament of a car – it is not an integral part of the car, but may still be used as a brand. However, apart from opening up the option of protecting hood ornaments without having to file voluminous evidence of use and advertising, this limited exception has not led to many other shape registrations.

## Distinctiveness versus functionality

The Trademarks Act does not use the term ‘functional’; however, if a design is seen as primarily functional as opposed to distinctive, registration will be refused. For example, the features of the three-headed Philips razor design were originally registered, but then expunged as being primarily functional (*Remington Rand Corp v Philips Electronics NV* (1995), 64 CPR (3d) 467). In another decision before the Supreme Court of Canada, the famous LEGO brick, found by marketing experts to be one of the most recognisable brands in the world, was nevertheless found to be unsuitable subject matter for trademark protection, since the most recognisable features – namely, the knobs on the bricks – were primarily functional in nature (*Kirkbi AG v Ritvik Holdings Inc*, [2005] 3 SCR 302).

The pharmaceutical industry has encountered particular problems with the registration of pill shape/colour combinations. The courts have set a high bar that the shape/colour combination be distinctive for all medications, as opposed to only the specific medication covered by the trademark application, and the generic industry rarely loses an opposition to applications for such marks. Even widely advertised pill shape/colour designs have not met the requirements for registration.

### Colours, sounds and scents

The TMO's position is that colour alone is not registrable. Jurisprudence, particularly from applications for pill colour/shapes, has tended to limit protection to a two-dimensional drawing of the shape of the goods, showing the placement of colour on the shape in question, but not the colour *per se*. Colour can be shown using designated lining (set out in the Trademarks Regulations), by reference to words (eg, blue, yellow), or by use of a Pantone shade and the colour description (eg, the colour turquoise (Pantone 15-5519)). As a result, unlike in the United States – where, for example, the colour pink is registered for insulation – Canadian trademark applicants would have to file a drawing of the wares in question, displayed in dotted outline (since the application is not specifically for the wares, but for the colour of the wares), along with a claim about the colour (eg, applied to all or some of the surface of the wares). Such applications are prosecuted as regular marks, and not distinguishing guises (and need not be accompanied by evidence of distinctiveness). If protection is sought for colour and shape together, the application must be filed as a distinguishing guise.

Until recently, the TMO's position was that sounds alone were not registrable. However, following a court order in 2012 dealing with the registration of MGM's 'roaring lion', the TMO issued a practice notice (March 28 2012) confirming that sounds are registrable and set out guidelines on the contents of a sound application. Since then, sound applications/registrations have included Intel's jingle, the 'Tarzan yell' and a 'yummm' sound for restaurant services. How a sound mark must be used to maintain the registration has not yet been tested in the courts or before the Opposition Board.

Like colour, scents alone are not registrable and there are no Canadian registrations for such marks.

### Holograms and motion marks

While the TMO issued a consultation paper in 2010 seeking views on the registration of both hologram and motion marks, and also proposed amendments to the Trademarks Regulations to deal with applications for such marks, nothing has been formalised yet. The regulation amendments were sidelined by possible amendments to the Trademarks Act. However, the fact that the TMO considered that guidance could be included in the regulations without an amendment to the act suggests that arguments now exist for the acceptance of such marks.



**Cynthia Rowden**  
Partner  
[crowden@bereskinparr.com](mailto:crowden@bereskinparr.com)

Cynthia Rowden is a partner, barrister, solicitor and registered trademark agent with Bereskin & Parr LLP and head of the firm's trademarks practice group. Much of her practice relates to managing the trademark portfolios of large Canadian companies and the Canadian portfolios of international companies, ranging from selection to enforcement of trademarks.

### Other trade dress protection

Several trademark owners have applied for and obtained registrations for storefront designs and internal store layouts. In one, the description of the mark refers to the 3D representation of the interior of a restaurant, with specific colour claims, used in franchises of the rights holder, which successfully sued for trademark infringement (1429539 *Ontario Limited v Café Mirage Inc*, 2011 FC 1290). It is interesting to speculate how the registration issued – it was filed, examined, approved and advertised in less than two months, which is a record for Canada's normally slow examination system.

In 2010 Apple Inc applied to register the design of its retail store layout. Objections were received and the applicant has been extending the deadline since then.

### Registered versus unregistered rights

Canadian registrants are entitled to the exclusive right to use their marks throughout the country, have confirmed access to the Federal Court – whose orders are enforceable across Canada – and have the benefit of a deemed infringement in the event of use of a confusingly similar mark. These advantages encourage use of the registration system. However, the Canadian

registration system has not kept up with the development of innovative identifying indicia, since it limits the registration of many non-traditional marks and burdens applicants significantly in terms of time and expense in order to register shapes of wares and packaging. Unregistered marks are nevertheless enforceable, depending on proof of reputation and likelihood of confusion or error. Most trademark practitioners suggest that provincial courts, as opposed to the Federal Court, are more flexible and willing to accept that passing off will occur if a widely used, but nevertheless non-traditional mark is unfairly used by a competitor. However, in reality, there are still few decisions involving unregistered non-traditional marks. Both the difficulty and costs of establishing a clear reputation in uncommon forms of trademark rights, plus the general uncertainty as to the extent of protection, discourage litigation in this area.

### Proposed changes to the Trademarks Act

In early 2013 Parliament introduced Bill C-56 to amend the Trademarks Act. While the main focus was anti-counterfeiting remedies, it also proposed changes that will have an impact on trademark registrations and prosecution, including new definitions of registrable 'signs' covering colour, figurative elements, 3D shapes, holograms, moving images, modes of packaging, sounds, scents and tastes, textures and positioning. Under the bill, applicants for such marks could be required to submit evidence of distinctiveness at the time of filing, and registration could be limited to the territorial area in Canada where the mark is shown to be distinctive. The concept of 'utilitarian function' was addressed with a new provision stating that a mark was not registrable, and a registration could be expunged if its features were dictated primarily by a utilitarian function. However, due to parliamentary procedural steps taken in the summer, further action on the bill was discontinued.

It is hoped that legislative amendments will be reintroduced later in the year. However, while the bill was still subject to commentary, many organisations welcomed the introduction of broader protection for non-traditional rights, but cautioned that the requirements to demonstrate distinctiveness at filing, as have been applied up to now by the TMO, pose an obstacle to the registration of non-traditional marks. In all likelihood, only widely used or well-known non-traditional marks can attain strong rights. [WTR](#)