

## FICPI ABC 2013 New Orleans, May 18, 2013

### A. IS E-COMMERCE CHANGING THE DEFINITION OF TRADE-MARK “USE” IN CANADA?

#### I. Introduction

Several recent decisions of the Canadian courts and the Trade-marks Opposition Board (“the Board”) have addressed the impact of e-commerce on claims of trade-mark “use” in Canada. “Use” is critical to both registering and maintaining a trade-mark registration in Canada. These decisions are of particular importance to foreign trade-mark owners seeking and preserving trade-mark protection in the absence of a physical presence in Canada (e.g., a retail establishment or hotel). In both opposition and non-use proceedings, the Board seems to be closely scrutinizing the nature of services offered in Canada when the primary contact with consumers is via the Internet; the scrutiny from Canadian courts appears, however, to be less particular and possibly not as problematic for trade-mark owners.

#### II. Trade-mark “Use” In Canada

In *Masterpiece Inc. v. Alavida Lifestyles Inc.*, Justice Rothstein of the Supreme Court of Canada clarified the relationship between the rights conferred through trade-mark use and trade-mark registration, underlining that use is the cornerstone of Canadian trade-mark law:

“It is important to recall the relationship between use and registration of a trade-mark. Registration itself does not confer priority of title to a trade-mark. At common law, it was use of a trade-mark that conferred the exclusive right to the trade-mark. While the *Trade-marks Act* provides additional rights to a registered trade-mark holder than were available at common law, registration is only available once the right to the mark has been established by use. As explained by Ritchie C.J. in *Partlo v. Todd* (1888), 17 SCR 196 at p. 200: [i]t is not the registration that makes the party proprietor of a trade-mark; he must be proprietor before he can register.”<sup>1</sup>

To both obtain and maintain registered trade-mark rights in Canada, the trade-mark owner must “use” the mark (use, either in Canada or elsewhere (when in combination with a foreign registration), is a prerequisite to registration in Canada, and recent problems with foreign registration and use based applications is being addressed by Toni Ashton in a separate paper). “Use” is defined at section 4 of the Canadian *Trade-marks Act*: a trade-mark is used in association with services if it is “used or displayed in the performance or advertising of those services.”<sup>2</sup> This has been interpreted to require performance of the services in Canada. For goods (or “wares”), the trade-mark must be displayed on the wares themselves, or possibly on point-of-purchase materials, and the wares must be sold in Canada in the ordinary course of trade.

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<sup>1</sup> *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27 at para 35.

<sup>2</sup> *Trade-marks Act*, RSC 1985, c. T-13.

Ensuring there is proper trade-mark use is relevant throughout the life of an application and registration. Applicants must select the correct filing basis, and cannot obtain a registration until there is use in Canada, or there is use elsewhere, together with a home country (“country of origin”) registration. Evidence of use will also be relevant in opposition, cancellation or enforcement proceedings.

### III. Retail Store Services

Historically, “use” of a mark in association with retail store services required a physical presence in Canada – advertising was not enough. The cases had held that a foreign trade-mark owner without a brick and mortar store in Canada could only claim use if it could perform normal retail services, such as taking orders from and shipping goods to Canadians. Listing prices in Canadian dollars on a website or in a catalogue, having a Canadian phone number,<sup>3</sup> advertising regularly in Canadian magazines or media with a large Canadian circulation, displaying the Registrant’s name on invoices confirming delivery in Canada, or customizing the website or catalog for Canadians would also help to show “use”.<sup>4</sup>

In 2011, Justice Simpson of the Federal Court issued what has since been regarded as a surprising decision in *TSA Stores Inc. v. Registrar of Trade-marks*.<sup>5</sup> In an appeal from a decision of the Trade-marks Registrar expunging six trade-marks for non-use, the Federal Court reversed, holding that “services” should be given a rather liberal interpretation; as long as some members of the public, consumers, or purchasers receive a benefit from the activity, it should be considered a service.

TSA, the owner of the trade-marks at issue, is the second largest sporting goods retailer in the world, operating approximately 400 retail stores in the United States. For a time, it also operated retail stores in Canada, but those stores closed in 2000. TSA also operates its website, which is accessible to Canadians.

At the hearing before the Trade-marks Opposition Board in a non-use section 45 cancellation proceeding, TSA argued that the SPORTS AUTHORITY website and retail store provided a wide range of retail store services during the relevant period, despite the fact that Canadians could neither make purchases on the website nor have any items shipped to Canada. Specifically, TSA pointed to the “Help Me Choose Gear” tool, which, it argued, provided a retail store experience by providing visitors to the website with detailed information and assistance, such as sizing, fit types, care information, identifying suitable equipment, and providing product availability, relating to virtually all items available for purchase at SPORTS AUTHORITY retail stores in the United States. TSA also noted that the Store Finder tool on its website allowed Canadian visitors to enter their Canadian postal code and identify the SPORTS AUTHORITY store located closest to them in the United

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<sup>3</sup> *Cassels, Brock & Blackwell v. Sharper Image Corp.* (1990), 33 CPR (3d) 198 (TMOB).

<sup>4</sup> See *Saks & Co v. Canada (Registrar of Trade-marks)* (1989), 24 CPR (3d) 49; *McCarthy Tetrault v. AutoZone Parts Inc.*, 2011 TMOB 73; *Law Office of Philip B. Kerr v. Face Stockholm Ltd.* (2001), 16 CPR (4<sup>th</sup>) 105 (TMOB).

<sup>5</sup> (2011), 91 CPR (4<sup>th</sup>) 324, 2011 FC 273.

States. TSA also submitted evidence that hundreds of thousands of Canadians visited the SPORTS AUTHORITY website during the relevant period. These arguments were, ultimately, not accepted by the Board.

On appeal, Justice Simpson began by noting that the word “services” is not defined in the *Trade-marks Act*; instead, the word “services” should be given a “liberal interpretation”. She also noted that prior precedent made no distinction between the types of services provided:

“It has also been recognized that the *Act* makes no distinction between primary, incidental or ancillary services. As long as some members of the public, consumers or purchasers, receive a benefit from the activity, it is a service.”<sup>6</sup> [emphasis added]

Justice Simpson noted the large numbers of Canadians who made use of the website. Evidence showed that over 360,000 Canadians visited the website in each of 2005 and 2006, and more than 210,000 Canadians visited in the first six months of 2007.

She also found that the “Help Me Choose Gear” and “Shoe Finder” functions provided a significant volume of information and guidance about a wide variety of products. In her view, using this service on the website was “akin to visiting a brick and mortar store and benefitting from a discussion with a knowledgeable salesperson”.

Given that these services benefitted the public, including the hundreds of thousands of Canadians who visited the site, Justice Simpson concluded that THE SPORTS AUTHORITY trade-mark was used in Canada in association with retail store services during the relevant period, and the registration was maintained.

Subsequent cases suggest, however, that the Trade-marks Opposition Board appears to be strictly construing the *TSA Stores* decision. In *Lapointe Rosenstein LLP v. West Seal Inc.*,<sup>7</sup> also a section 45 cancellation proceeding, the Board clarified what it saw to be the evidential requirements to support use of a mark in association with wares and retail store services in the absence of a brick and mortar retail store in Canada.

The trade-mark at issue – ARDEN B DESIGN – was registered in association with jewelry, handbags and purses, and with retail apparel store services in the field of women’s clothing, footwear, hats and fashion accessories. West Seal, the Registrant, conceded that it did not have a brick and mortar store in Canada, and did not have facilities to ship merchandise internationally. However, West Seal submitted print outs from its website during the relevant period and argued that it operated a retail website “available for access by persons located in Canada.” During the relevant period, Canadian customers ordering from the website used a third-party shipping company to deliver the purchased items to Canada. Business records showed at least 140 individual sales through the website to Canadian customers, based on records indicating a Canadian telephone number and/or an email address ending in “.ca”. Email survey questions and responses from Canadian customers were also provided, as well as charts showing web traffic from Canadians during the relevant period.

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<sup>6</sup> *TSA Stores, Inc. v. The Registrar of Trade-marks*, 2011 FC 273 at para. 17.

<sup>7</sup> (2012), 103 CPR (4<sup>th</sup>) 136 (TMOB).

The Board found that even with a generous reading of the Registrant's evidence, the Registrant did not ship the wares directly to Canada during the relevant period. The fact that customers may have had purchases delivered to a U.S. address and then forwarded to them in Canada did not benefit the Registrant; a sale to a Canadian in the U.S. does not amount to use of a mark in the normal course of trade. The third party shipping company was not an agent of the Registrant, and the Registrant was not responsible for delivery of the wares to Canada. Absent evidence that the registrant itself shipped orders made through its website to Canada, the services were not performed in Canada.

The Board stressed that a fundamental aspect of "retail store services" is the ability to purchase and take delivery or possession of such purchases. In the absence of a brick and mortar store in Canada, evidence showing that the goods available on the website were in fact purchased or delivered in Canada during the relevant period is required. If no evidence of shipment to Canada is provided, the Registrant must show a certain level of interactivity with potential Canadian customers in order for there to be a benefit to Canadians sufficient to support such a registration. This level of interactivity is satisfied where the registrant operates a retail website and ships goods purchased via the website to Canada. In the absence of sales and deliveries to Canada, ancillary services providing interactivity must exist. This interactivity cannot be inferred. Evidence of a "store locator" was seen as not sufficiently akin to the similar ancillary services accepted in the *TSA Stores* decision, as no direct evidence was provided that Canadians have and did avail themselves of such a service.

The Registrar also held in the *Poltev v. MMI-GOC LLC*<sup>8</sup> section 45 cancellation proceeding relating to the registration for GEEKS ON CALL that the mere registration and operation of a ".ca" domain name does not, in itself, constitute use of a trade-mark for services in Canada. Rather, "use" with services requires that a trade-mark owner offer and be prepared to perform the services in Canada.

The GEEKS ON CALL registration covered services related to computer software and hardware installation and maintenance; network installation, maintenance and repair; computer design and custom manufacture; computer-related consulting; and virus protection, data backup and recovery services. The Registrant produced evidence showing ownership of the domain name [www.geeksoncall.ca](http://www.geeksoncall.ca), and telephone records showed calls made from Canada to the Registrant's helpline. However, the Registrant did not operate a physical business in Canada.

The Registrar expunged many of the services encompassed by the GEEKS ON CALL registration because the evidence failed to show that the services advertised on the website were performed in Canada during the relevant period, or could be provided over the telephone. Notwithstanding that services are generally granted a generous interpretation, the Board was not convinced that the Registrant was actually able to perform on-site services for Canadian customers in the absence of a physical location in Canada.

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<sup>8</sup> 2012 TMOB 167.

#### IV. Hotel and Travel-related Services

A recent section 45 cancellation proceeding decision, *Bellagio Limousines v. Mirage Resorts Inc.*,<sup>9</sup> adds a new wrinkle to issues of trade-mark use for hotel and travel-related services in the absence of a physical location in Canada.

At issue was whether two trade-mark registrations owned by Mirage Resorts Incorporated (“Mirage Resorts”) relating to the Bellagio Hotel property in Las Vegas were used in Canada. One registration covered: (1) promotional and guest relations services, namely hotel and casino reservation and booking services; (2) casinos and live entertainment services; and (3) hotels, beauty salons, and health spas. The other covered certain wares.

Mirage Resorts’ evidence showed that it operates the Bellagio Hotel in Las Vegas, and spent significant sums to advertise and promote the BELLAGIO mark in Canada, particularly through its website. The evidence showed that numerous Canadians visit the hotel each year and book vacations through the website. Further evidence from a Toronto-based travel agent attested that he had visited the Bellagio hotel and booked vacations there for Canadian clients.

Even though the BELLAGIO mark was found to be well known in Canada (“It is clear that the Mark is well known in Canada.”), Mirage Resorts’ advertising and promotion was not seen to be enough to amount to use of “hotel services”, since it did not actually operate a hotel in Canada. According to the Board:

“[W]hile technology has progressed to the point where one can enjoy the retail experience without ever having to leave one’s home, there is no evidence that hotel services have made such progress; a brick-and-mortar presence in Canada is required for hotel services. A hotel cannot operate via the internet or a 1-800 telephone number.”<sup>10</sup>

Distinguishing the *TSA Stores* decision on the basis that the Registrant “needs to show that it performed or was prepared to perform the Services in Canada during the relevant period”, the registration was maintained only for “promotional and guest relation services, namely hotel and casino reservation and booking services.” This decision indicates that the Board will now take a narrow view of hotel services: a trade-mark owner must be able to show that it is ready, willing, and able to perform the services in Canada.

Earlier decisions suggested, however, a less strict approach. For example, in *Venice Simplon-Orient-Express, Inc. v. Société Nationale des Chemins de fer Français SNCF*,<sup>11</sup> the Registrar maintained the registration ORIENT EXPRESS covering “travel services, namely railway and passenger service” despite the fact that the Registrant did not have a place of business in Canada, and operated the rail service only in Europe. The Registrant delivered seminars to Canadian travel agents, who then made reservations for their Canadian customers on the Registrant’s European trains. The Federal Court maintained the registration on appeal, holding that “travel services, namely railway passenger service,”

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<sup>9</sup> 2012 TMOB 220.

<sup>10</sup> *Bellagio Limousines v. Mirage Resorts Inc.*, 2012 TMOB 220 at para. 17

<sup>11</sup> (2000), 9 CPR (4<sup>th</sup>) 443.

encompass incidental or ancillary services such as train ticketing and train reservation services, even when provided through an intermediary Canadian travel agency.

And in contrast to the *Mirage Resorts* decision, the Registrar maintained in 2006 (in a section 45 cancellation proceeding) another registration for “hotel services” in *Borden Ladner Gervais LLP v. WestCoast Hotels, Inc.*<sup>12</sup> The Registrant showed that Canadians made reservations on its website for WESTCOAST hotels in the United States, and participated in the Registrant’s loyalty program in Canada. Importantly, from the Board’s perspective, the Registrant had recently licensed the mark as a secondary or house mark for hotels in Canada. The Board found that “hotel services” should not be narrowly interpreted; the performance of reservation services and of loyalty program services both constituted the performance of hotel services.

A quite different approach to that of the *Mirage Resorts* decision was taken by Justice Hughes late last year in *Homeaway.com, Inc. v. Hrdlicka*.<sup>13</sup> Homeaway.com sought in an expungement application to expunge the mark VRBO for “vacation real estate listing services” on the basis of its prior use of the identical mark for identical services, and on the basis of the trade-mark owner’s fraudulent statements to the Trade-marks Office.

Homeaway.com operated a website offering vacation home rental services, and the trade-mark VRBO would appear on computer screens of visitors to the homeaway.com website. Given that Homeaway is a Delaware corporation, Justice Hughes assumed that the information displayed on the website is inputted through one or more computers in the United States; however, the website could be displayed on computer screens throughout the world, including Canada.

Justice Hughes noted that there has been very little jurisprudence to date regarding “use” of computer accessible information. Justice Hughes, relying in part on his own prior decision in *eBay Canada Limited v. Canada (Minister of National Revenue)*<sup>14</sup>, found that information, although stored electronically outside of Canada, cannot be said to reside solely in one place:

“It is irrelevant where the electronically stored information is located or who as among those entities, if any, by agreement or otherwise asserts “ownership” of the information. It is “both here and there...”<sup>15</sup>

Justice Hughes concluded that computer information which is stored in one country can be said to exist in another, in this case in Canada. On this basis, he found that:

“A trade-mark which appears on a computer screen website in Canada,  
regardless of where the information may have originated from or be stored,

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<sup>12</sup> (2006), 53 CPR (4<sup>th</sup>) 361.

<sup>13</sup> 2012 FC 1467.

<sup>14</sup> 2007 FC 930 at para. 17.

<sup>15</sup> *Homeaway.com, Inc. v. Hrdlicka*, 2012 FC 1467 at para 18, citing *eBay Canada Limited v. Canada (Minister of National Revenue)*, 2007 FC 930 at para 23.

constitutes for purposes of the Trade-marks Act use and advertising in Canada.<sup>16</sup> [emphasis added]

The evidence showed that Homeaway.com advertised homes, apartments, and other vacation properties owned by individuals who wished to rent them out. Any person interested in renting a vacation home could visit the website, see the VRBO trade-mark, locate the desired country and community in which the person is interested, and view potential properties. The Court noted that many Canadian properties were listed, and that Canadians had used the website to book vacation rentals. Moreover, articles about Homeaway.com appeared in Canadian newspapers.

Relying on his finding that appearance on a screen constitutes use, Justice Hughes found that Homeaway.com had used the VRBO trade-mark in Canada and that Mr. Hrdlicka was thereby not the person entitled to registration. He also found that the trade-mark was distinctive of Homeaway.com and not of Mr. Hrdlicka. These findings formed the basis for the expungement.

Justice Hughes also found that Mr. Hrdlicka had not used the trade-mark in Canada as of the date that he filed a declaration of use relating to the mark, and was endeavouring to sell his registration to Homeaway.com for a large sum of money and/or for employment or royalties. He saw this bad faith conduct as having cost consequences:

“I find that Hrdlicka, in filing the application for registration, had no *bona fide* intent of using it in a legitimate commercial way in Canada. His intent was to extort money or other consideration from HomeAway. Such activity should not be condoned or encouraged.”<sup>17</sup>

## **V. Recommendations for Trade-mark Owners**

While the Federal Court’s decision in *TSA Stores* suggests that “services” be broadly construed, in opposition and non-use section 45 cancellation proceedings, the Registrar requires that trade-mark owners be ready, willing, and able to perform the registered services in Canada. For retail services, trade-mark owners should show that a customer purchased and took delivery of goods in Canada – items purchased online, by catalogue, or telephone must be delivered to Canadians, in Canada, by the registrant or its agent rather than by a third party. Other factors, such as listing prices in Canadian dollars on a website or catalogue, having a Canadian phone number, advertising regularly in Canadian magazines or media with a large Canadian circulation, displaying the Registrant’s name on invoices confirming delivery in Canada, or customizing the website or catalog for Canadians should also help to show “use”. In the absence of sales to Canadians and a Canadian retail location, a foreign registrant bears a heavy burden to show that its website is directed to Canadians, and mimics a traditional retail store experience with significant interactivity akin to visiting a brick-and-mortar store.

Website advertising, and even offering reservation services online, may be insufficient to obtain or maintain a trade-mark registration for “hotel services” without an actual hotel

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<sup>16</sup> *Homeaway.com, Inc. v. Hrdlicka*, 2012 FC 1467 at para 22.

<sup>17</sup> *Homeaway.com, Inc. v. Hrdlicka*, 2012 FC 1467 at para 37.

presence in Canada. Even registrations for well known and famous marks could be subject to cancellation if the registrations cover only “hotel services”. Trade-mark owners who do not operate Canadian properties should ensure that their applications specifically include “reservation services”, and might also consider strategies to meet “use” requirements, such as licensing their mark to local businesses. Evidence of registered Canadian website users, or Canadians enrolled in loyalty programs may also benefit foreign trade-mark owners.

## **B. GUIDELINES FOR PROPER TRADE-MARK USE IN CANADA**

### **I. In General**

The proper use of trade-marks under Canadian law does not differ whether the trade-marks are displayed on packaging, on advertising or in the performance of services, or are displayed on the Internet. Canada does not have any specific legislation regarding the use of trade-mark notices such as ® or ™ or <sup>MC</sup>. However, the use of such notices is recommended, especially if the mark in question is used in Canada by licensees of the trade-mark owner.

A fundamental principle of Canadian trade-mark law is that a mark must distinguish the source of the goods, although the public need not be able to specifically name the source for the mark to be valid. However, if a mark is used in such a way that the public is left in doubt as to the owner of the mark, a mark may be found to be non-distinctive, and thus invalid.

### **II. Avoid Generic Uses**

Any generic use of a trade-mark should be avoided. A trade-mark should never be used as a noun or a verb. Instead, when a trade-mark is used, it should be coupled with the common name of the product.

For example, in the case of the mark TRADE-MARK, you should not employ sentences such as "TRADE-MARK is a great product". However, you could say "TRADE-MARK'S line of cosmetics are great products".

### **III. Emphasize the Trade-mark**

Whenever possible, a trade-mark should be emphasized in such a way that it can easily be distinguished from surrounding text or design matter.

For word marks, this can be done by displaying the trade-mark in upper case letters, or, at the very least, capitalizing the first letter of the trade-mark. Alternatively, a stylized font or quotation marks can be used.

### **IV. Use the Trade-mark Consistently**

It is important to the distinctiveness of the trade-mark (in terms of reinforcing its impact on the mind of the public as a trade-mark) that the trade-mark always be presented in a consistent form. For example, the spelling of a trade-mark should not be changed, nor should hyphens be added or deleted.

## **V. Product Labels**

### **i. Use of ®, ™, and <sup>MC</sup> Symbols**

There are no marking requirements under the *Trade-marks Act*.

If the trade-mark is registered, it is common to employ the symbol ® in close proximity with the mark. If the trade-mark is not registered, the symbols ™ and <sup>MC</sup> may be used, whether or not a trade-mark application has been filed for the trade-mark.

In the United States, use of the ® symbol is generally prohibited unless the trade-mark has been registered in that country. The TM symbol may be used with unregistered trade-marks. However, once a trade-mark has been registered in the United States, in order to recover profits or damages in an infringement action, the defendant must have received notice of the registration (one way to do this is to use the ® symbol).

If the same label or advertising will be used in both Canada and the United States, it is important to consider the status of the trade-mark in both countries. For example, if the trade-mark is registered in both countries, it would be advisable to use the ® symbol. However, if a trade-mark is registered in Canada but not in the United States, the safest approach would be to use the TM and MC symbols.

It is not necessary, and in fact would be cumbersome, to use the ® or TM and MC symbols with each separate use of the trade-mark in advertising or labeling text. However, we recommend that the appropriate symbol be used with the first occurrence of the trade-mark in the text, and that in the remainder of the text the mark be set apart by use of upper case letters or italics.

For example, on packaging, you might show the ® symbol immediately after the word mark that is being. The use of the ® and ™/<sup>MC</sup> symbols (and the display of registered and unregistered trade-marks in different font, size, etc.) would help to communicate to the consumer that two trade-marks are being used – (1) the registered trade-mark and (2) the unregistered composite trade-mark. This message would be reinforced by the use of an appropriate legend (see below).

### **ii. Use of Notices or Legends Identifying the Trade-mark Owner**

There is no specific format for trade-mark notices. The nature of the use, the size of the packaging, and aesthetic concerns often have an impact on the specific form of notice that is given. There is similarly no need to use a notice after all references to a trade-mark. Instead, a symbol, such as ®, ™/<sup>MC</sup>, or \*, with a suitable notice identifying the owner name and, if necessary, the licensee information, should appear at least once on labels, on packaging, or in advertising.

There is no need to use a notice that indicates that a mark is registered, although the use of the ® symbol is widely used, and would be recognized by many as indicating a registered trade-mark, its use should be restricted to marks that are actually registered. Similarly, there is no specific form of notice to indicate that a mark is used by a licensee. Language such as

"used under license", "used with permission", "licensed use", or "licensed user" are all common and acceptable.

Nonetheless, it is desirable to have a legend indicating the owner of the trade-mark. For example, the following bilingual legend could be used for a registered trade-mark.

TRADE-MARK is a registered trade-mark of/est une marque de commerce déposée  
Acme Inc.

If the label displays the registered trade-mark and a composite mark, the following bilingual legend could be used:

[Registered trade-mark] and [composite trade-mark] are trade-marks of/sont des  
marques de commerce de Acme Inc.

After a prominent display of the mark on packaging, or in advertising, one of ®, <sup>TM</sup>/<sup>MC</sup> or \* should be accompanied at least once on the packaging or in the advertisement by one of the following options:

- (1) Registered trade-mark of Acme Inc./Marque déposée d'Acme Inc. (for registered marks only); or
- (2) Trade-mark of Acme Inc./Marque de commerce d'Acme Inc. (for registered and unregistered marks); or the notice can be abbreviated to one of the following:
- (3) Reg. TM/MD – Acme Inc. (for registered marks only); or
- (4) TM/MC – Acme Inc. (for registered or unregistered marks).

### **iii. Licensed Use of a Trade-mark**

Where marks are used by licensees or distributors whose names appear on packaging, often to comply with Federal packaging or labeling laws, unless a trade-mark notice is used there can be confusion about the owner of the marks or the relationship between the owner and the licensee. Canadian trade-mark law has focused for many decades on the importance of ensuring that use by licensees does not adversely affect trade-mark validity, and current Canadian law states that where the owner of a mark controls the character and quality of the goods or services associated with the mark, then the use by the licensee is deemed to be use by the mark's owner.

Where a trade-mark is used under license (even by a related company), the licensee should be licensed in writing to use the trade-mark and notice that the use is licensed should be added to the ownership legend. Because the *Trade-marks Act* provides that where public notice is given of the identity of the trade-mark owner, and the fact that the use is licensed, then the use is deemed to be under the control of the trade-mark owner (section 50(2)). To be able to take advantage of this deeming provision, some form of trade-mark notice is required.

After the mark, one of the following: ®, <sup>TM</sup>/<sup>MC</sup> or \* followed by one of:

- a. Registered trade-mark of Acme Inc., used under license (or with permission) by Acme Canada Inc./Marque déposée, utilisée sous license par Acme Canada Inc. (for registered marks only), or
- b. Trade-mark of Acme Inc., used under license (or with permission) by Acme Canada Inc./Marque de commerce de Acme Inc., utilisée sous license par Acme Canada Inc. (for registered and unregistered marks), or
- c. Reg. TM/MD – Acme Inc. - lic. User/usager lic. Acme Canada Inc. (for registered marks only), or
- d. TM/MC Acme Inc., lic. user/usager lic. Acme Canada Inc. (for registered and unregistered marks).

Similar language can be used if the product will name a distributor, which is common for imported goods, or for other regulatory reasons, a local name must appear, in which case, instead of referring to a "licensed use", the notice may refer to "distributed by/distribuée par...."

There may be specific marketing reasons to refrain from using the name of the trade-mark owner on packaging, and Canadian laws do not require that name to appear. However, if the trade-mark owner's name does not appear, it becomes more important to ensure that the owner is in a position to demonstrate that the licensee's use is under the control of the trade-mark owner, since it will not be able to rely upon the deeming provision discussed above. Also, any notice identifying the licensee should not mislead consumers to believe that trade-marks on the packaging or advertising belong to the trade-mark owner.

## **VI. Winning the Brand War – Use of a Trade-mark as a Noun or Verb**

While a trade-mark owner generally wants to avoid using its trade-mark in a generic fashion, some brands and trade-marks have transcended this, where the brand name itself is synonymous with a given action or activity. Common examples include "googling" something (instead of "searching the internet" or "conducting a GOOGLE search"), or "skyping" (when are we going to "skype?" rather than "when will we videoconference using the SKYPE website or program").

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