

IP Q&A: How to Navigate Canada's Official Marks System

By Anthony Prenol

Running parallel to Canada's trade-mark system is another regime for "official marks". The official mark regime is exclusive to public authorities such as utilities, broadcasters, hospitals and the like that are subject to governmental control and provides rights that, in several respects, exceed those associated with registered trade-marks. While advantageous for eligible entities, official marks can — and have on a number of occasions — come into conflict with the interests of trade-mark owners.

Here's what you need to know about Canada's official marks system.

WHAT IS AN OFFICIAL MARK?

Canada's *Trade-marks Act* (Act) has provided protection to a special category of marks known as "official marks" since the 1930s. Section 9 of the Act, among other things, prohibits the adoption in connection with a business, as a trade-mark or otherwise, of any mark, badge, crest or emblem consisting of, or so nearly resembling as to be likely to be mistaken for an official mark. It also prohibits others from registering a trade-mark that could be mistaken for an official mark.

Courts have given little judicial attention to defining the attributes of official marks, but have set aside official marks for various reasons over the years. Courts may be willing to take a stricter view of what constitutes an official mark in future cases; for example, by requiring that a mark be related to a public authority's core mandate before being recognized as an official mark.



WHO CAN ADOPT AN OFFICIAL MARK?



Only a Canadian public authority, such as government organizations or agencies at the federal, provincial, or municipal level can obtain from the Registrar of Trade-marks (Registrar) the publication of an official mark.

To publish notice of an official mark, the Registrar requires the requesting party to file proof that it qualifies as a “public authority in Canada” and to meet a two-part test, showing:

1. A significant degree of control by the appropriate government over the activities of the requesting party; and
2. That the activities of the requesting party benefit the public.

The Registrar also requires the requesting party to provide evidence of its adoption and use of its official mark. If these conditions are satisfied, the Registrar will publish notice of the official mark in the *Trade-marks Journal*, the same publication that contains advertisements of trade-mark applications for opposition purposes.

If the Registrar is not satisfied that the requesting party is a public authority and thus refuses to publish a section 9 notice, the requesting party may appeal the decision.

WHAT PROTECTIONS DO OFFICIAL MARKS HAVE?

The Act offers broad protections to official marks. For example, official marks are not subjected to the examination by the Registrar that trade-mark applications undergo or to third-party opposition proceedings. Furthermore, an official mark notice is perpetual, unlike a trade-mark registration, which must be renewed every 15 years.

Public authorities are not required to identify goods and services in association with which they have adopted and used their official marks. Although some public authorities voluntarily identify the particular goods and services associated with their official marks, this inclusion does not have any effect on the scope of protection given to the official mark. More particularly, because the Act prohibits the adoption of any mark that too closely resembles an official mark, the inclusion in a section 9 notice of goods and services does not affect the likelihood of a trade-mark being held to violate section 9 of the Act.

The Registrar has also not imposed any requirement that a public authority identify the date on which it adopted and first used its official mark. An application for a section 9 notice will take precedence over a third party’s application to register a similar trade-mark even though the third party may have adopted and used its trade-mark before the public authority’s adoption and use of its official mark.

HOW DO OFFICIAL MARKS AFFECT THIRD PARTIES?



Official marks can provide similar protection to, and in some respects greater protection than, registered trade-marks.

Since official marks need not be limited to particular goods or services, they can be cited against many different trade-marks that are not used, or intended to be used, in association with similar goods and/or services as the official mark.

And while official mark notices do not prohibit a third party from continuing to make the same use of its trade-mark as it had made prior to publication of the official mark notice, they do prohibit a third party from expanding its use of a similar trade-mark to other goods or services. They can also prevent a third party from registering a trade-mark even though the third party first used its trade-mark prior to the owner of the official mark having commenced use of its mark.

CAN THE REGISTRAR REFUSE OFFICIAL MARKS?

The Registrar has taken the position that it has no discretion to refuse to give public notice of an official mark on any grounds other than that the requesting party is not a Canadian “public authority” or it has not adopted and used its mark as an official mark for goods or services.

That said, there is case law where a court has noted that the Registrar could always refuse a request to publish a section 9 notice on a matter of “public order.” The court cited the following as hypothetical examples of official marks being contrary to public order:

- An official mark of one provincial government falsely suggesting that seafood products originating in such province were processed and packed in another province
- An official mark that expressed an obscenity in either of Canada’s official languages.

In another case, however, the court deemed that the Registrar has “virtually no discretion to refuse to give notice of the adoption and use of a mark as an official mark, once the body making the request establishes that the statutory criteria have been met.”

In light of these rulings, parties seeking to attack an official mark would be well advised to frame their argument in terms of non-compliance with the statutory criteria. However, it’s possible that courts will further explore the scope of the exception for marks that are contrary to “public order.”

WHAT IS THE PROCEDURE FOR ATTACKING OFFICIAL MARKS?

Litigants have tried proceeding by one or more of the following procedures: action (i.e., by filing a statement of claim with the court); appeal under the Act; and judicial review under the *Federal Courts Act*. The courts have held that third parties do not have a statutory right of appeal to attack official marks because only the Registrar and the

public authority are parties to the Registrar’s decision. As such, third parties have the option to challenge an official mark by way of action or judicial review.

There are several advantages to proceeding by way of action, such as the ability to obtain discovery and avoid the 30-day time limit associated with judicial review applications.

In view of the 30-day time limit imposed under the *Federal Courts Act* to seek judicial review, a party that finds itself beyond this time limit might either seek an extension of time or, alternatively, seek a declaration in an action that the official mark owner cannot enforce its rights in the mark.



The Federal Court of Canada has held that an extension of time to file an application for judicial review of the publication of an official mark may be granted where it serves the interests of justice. In one case, it held that a party could challenge an official mark notice some 27 years after publication because the party was unaware of the notice when it was originally published and did not have reason to challenge the notice until it was cited against the party during prosecution of its own trade-mark application.

Parties seeking to attack official marks under judicial review must prove they are “directly affected” by the matter in respect of which relief is sought.

In cases to date, the Federal Court of Canada has shown a reluctance to deny standing to a party seeking judicial review on the basis that the party is not “directly affected” by the section 9 notice in question. Given the Act’s prohibitions regarding the adoption, use and registration of marks that, broadly speaking, conflict with official marks, the court will likely grant standing to any party that can demonstrate that it is currently using, or intends to use, a mark that is similar to an official mark. The court will likely also grant standing to a party that can demonstrate that it represents the interests of a section of the public in ensuring that a particular person does not wrongfully appropriate to itself an official mark.

HOW CAN THIRD PARTIES ADDRESS CITATIONS OF OFFICIAL MARKS?

If, during prosecution of a trade-mark application, the applicant receives a citation from the Registrar of a third party's official mark, the applicant has several options for responding.

If the applicant can establish that the owner of the cited official mark is no longer in existence, the Registrar will withdraw the citation of the official mark.

If not, the applicant can seek the consent of the relevant public authority to the applicant's registration of its trade-mark. In many cases, the public authority is primarily interested in protecting itself against third-party use of similar marks in association with competitive goods and services and so will be amenable to providing its consent to the registration of a mark by someone who is not a competitor.



The applicant may also argue that there is not a sufficient degree of resemblance between its trade-mark and the cited official mark so as to prohibit the registration of the applicant's mark.

Given that resemblance is the test under the Act, rather than likelihood of confusion, it will not be possible to overcome through argument the citation of an identical official mark. It is often, however, possible to overcome the citation of a similar, although non-identical, official mark. The Federal Court of Canada has held that the test for resemblance must be determined by considering whether a person, on a first impression, knowing the official mark only and having an imperfect recollection of it, would likely be deceived or confused. The question is whether consumers are likely to be mistaken as between the marks themselves, not whether they are likely to infer a connection between the source of the associated

goods or services. An applicant who is responding to the citation of an official mark notice during prosecution of its application will typically explore the foregoing three options before deciding, if none of these options are likely to be successful, to commence legal proceedings to challenge the cited official mark. In circumstances where a trade-mark owner decides to challenge an official mark through litigation, it will want to consider the various procedural and substantive issues discussed above.

Although there is a significant body of case law that has developed over the years in relation to official marks, it is also very likely that future court decisions will provide greater clarity on issues such as challenges to official marks on grounds other than compliance with the statutory criteria.

CONTACT US

Anthony Prenol

anthony.prenol@blakes.com

416-863-4292