

INTELLECTUAL PROPERTY LAW

TRADE-MARKS

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A. Legislation

There were no significant amendments in 2005 to either the *Trade-marks Act*, R.S.C. 1985, T-13 (the "Act"), or the Trade-marks Regulations.

B. Administrative Practice

1. Practice Notices

There were two significant practice notices issued by the Canadian Intellectual Property Office ("CIPO") which is responsible for trade-mark registrations in Canada.

- (a) On February 16, 2005, CIPO published a practice notice concerning composite marks. Composite marks are marks that contain both word and design elements.

A practice developed amongst practitioners to try to register otherwise clearly descriptive or deceptively misdescriptive word marks by adding design elements to such word marks and then registering such marks as composite marks.

This practice was brought under scrutiny in the Federal Court (Trial Division) case of *Best Canadian Motor Inns Ltd. v. Best Western International, Inc.* 2004 F.C. 135 wherein the Court examined Section 12(1)(b) of the *Trade-marks Act* in light of the composite mark set out below:



The Federal Court found that the words BEST CANADIAN MOTOR INNS were the dominant feature of the composite mark and that these words were clearly descriptive of the character or quality of the applicant's services such that when the mark was sounded out in its entirety, it was unregistrable pursuant to Section 12(1)(b) of the Act.

Accordingly, CIPO has concluded that changes were required to the current examination practice when applying provisions of Section 12(1)(b) to composite marks. Accordingly, CIPO will consider that a composite mark, when sounded, is not registrable pursuant to Section 12(1)(b) of the Act if such a composite mark contains word elements that are:

- (i) clearly descriptive or deceptively misdescriptive of the character or quality of the wares or services in association with which it is used or proposed to be used or conditions of the persons employed in their production or of their place of origin; and
- (ii) the word elements are the dominant feature of the mark

The practice notice refers to the Canadian Oxford Dictionary definition of the word "dominant" as being " ... prevailing, most influential ... prominent ... the most influential or conspicuous factor in ... ".

In applying this test, Examiners in the Trade-marks Office will consider whether a prospective consumer would, as a matter of first impression, perceive the word element as being the most influential or prominent feature of the mark. In doing so, its Examiners will look at the mark in its totality, and compare the visual impression created by the word element of the mark to the visual impression created by the design element of the mark. Where the design element of the mark does not stimulate visual interest, the word element will be deemed to be dominant. Factors that may be considered include the size of the words and of the design, the font, style, colour and layout of the lettering of the words, as well as the inherent distinctiveness of the design element.

The practice notice identifies that a composite mark will not be registrable if the design elements are mere embellishments of the letters comprising the words it cannot be disassociated from the words themselves. Further, in situations where the word element and the design element are considered to be equally influential or prominent in the mark or where there is doubt concerning whether the word element is the dominant feature of the mark, the composite mark is unregistrable.

Where it is determined that clearly descriptive words are not the dominant feature of the composite mark, CIPO may require a disclaimer of these words pursuant to Section 35 of the Act.

It is important to note that Sections 12(2) and 14 of the Act may be used to overcome an objection under Section 12(1)(b) of the Act. In other words, if the composite mark containing clearly descriptive words acquires through long use and promotion distinctiveness, it may be nonetheless registrable.

- (b) On May 19, 2005, CIPO published another important practice note. This practice note followed shortly after the decision in the Federal Court of Appeal in *Effigi Inc. v. The Canada (Attorney General)*, 2005 FCA 172.

Briefly, the *Effigi* case dealt with the situation of two pending trade-mark applications for registration that are confusing. The conventional practice in the Trade-marks Office prior to *Effigi* was that the Examiner would refuse the application of the pending trade-mark application that does not set out the earliest first date of use on the face of the application.

As a result of the *Effigi* decision, during the examination process, the Examiner will no longer consider the dates of first use set out in the co-pending trade-mark applications or the dates that the trade-marks are made known in Canada. In this situation, the trade-mark with the earlier filing date or priority date, will be considered to be the party entitled to proceed to registration of its trade-mark.

It is important to note that the Trade-marks Office in this situation will allow the applicant of the later filed application who wishes to oppose the earlier filed application to request extensions of time pending the completion of the opposition process so as not to prejudice unduly its own trade-mark application.

C. Case Law

Set out below are summaries of some of the more significant cases relevant to trade-marks that were decided in 2005:

1. Passing Off

The Supreme Court of Canada heard the long-running dispute between *Kirkbi AG and Lego Canada Inc.* ("Lego") and *Ritvik Holdings Inc.*, now known as Mega Bloks Inc. ("Mega Bloks").

Kirkbi AG, Ritvik Holdings Inc. 2005 S.C.C. 65 concerned a passing off action by Lego against Mega Bloks over the orthogonal pattern of raised studs found on the top of Lego's interlocking playing blocks (the "Pattern"). Lego, while having no registered trade-mark for the Pattern, asserted that the Pattern was distinctive of Lego products such that it had acquired trade-mark protection at common law. As a result, Lego commenced a passing off action pursuant to section 7(b) of the Act against Mega Bloks as Mega Bloks produced a playing block with virtually the same pattern on top of its interlocking playing blocks as the Lego Pattern.

It is important to note that Lego was forced to pursue a trade-mark action in passing off against Mega Bloks as Lego's patent protection for its interlocking playing blocks had long since expired.

In rejecting Lego's claims against Mega Bloks, the Supreme Court of Canada cited the trade-mark law doctrine of functionality. The doctrine holds that where a mark goes beyond distinguishing the wares of its owner into the area of protecting the functional structure of the wares, this transgresses the legitimate bounds of protection of trade-mark law. Lego's argument that the doctrine of functionality did not apply to unregistered trade-marks such as the Pattern was firmly rejected. Further, the court stated that trade-mark law should not be used to perpetuate monopoly rights enjoyed under expired patents.

In *Dow Agrosciences Canada Inc. v. Philom Bio Inc.* 2005 A.B.Q. 491, the Alberta Court of Queens Bench dealt with a passing off action where the problem before the court concerned continued use of a trade-mark after the licence to use was terminated.

Philom Bio Inc. ("Philom") was a manufacture of a crop for which it registered the trade-mark PROVIDE. *Dow Agrosiences Inc.* ("Dow") was the exclusive distributor of the product sold in association with PROVIDE (the "Product"). However, there was no written agreement governing this relationship in the early years. By 1996, a quantity of Product was purchased by Dow from Philom under a written agreement (the "Agreement"). Pursuant to the terms of the Agreement, Philom was entitled to determine whether the Product sold to Dow met its quality assurance specifications. Later in 1996 Philom terminated the Agreement.

In response, Dow made a public announcement stating that its exclusive distributorship with Philom was at an end. However, Dow issued an offer to sell the inventory of the Product it held on hand to other distributors.

Philom's reaction was to sue for, among other things, passing off against Dow for selling the inventory of the Product it held on hand.

Philom claimed that, by making the limited offer of the inventory it held on hand of the Product, Dow misrepresented that it had an ongoing association with Philom and accordingly Dow was trading on the goodwill of Philom without permission constituting passing off.

The court dismissed Philom's claims. It held that there was no material misrepresentation as the Product sold by Dow in its limited offer in association with trade-mark PROVIDE was the actual product sold by Philom. There was no pirating or pretending by Dow that its goods were those of another.

Further, the court noted that Dow had made it clear in its public announcement that its distributorship was at an end. Finally, the court held that Dow had a right to sell the limited offer for the Product because termination of the exclusive distributorship arrangement between the parties required reasonable notice to be given for the termination which would cover the time it took to sell the inventory held by Dow.

Another passing off decision of note released in late December of 2004 is that of the interlocutory injunction decision of the British Columbia Supreme Court in *Hermes Canada Inc. v. Park (C.B.) Henry High Class Kelly Retail Store*, (2004) B.C.S.C. 1694.

In this case Hermes Canada Inc. ("Hermes") sought an injunction as a consequence of Younghul Park, carrying on business as Henry High Class Kelly Retail Store ("Park") selling nearly identical handbags to those of Hermes. However, Park did not use the mark HERMES on any of its handbags or anywhere in its store. Further, Park placed the mark HENRY HIGH CLASS KELLY on the front or inside of its handbags. Park sold his handbags at significantly cheaper prices than Hermes.

The court determined that Hermes had met the test for granting an injunction: there was a serious issue to be tried, there was a potential for reparable harm because of the loss of reputation which resulted to Hermes from Park's sales, and the balance of convenience favoured Hermes. With respect to the balance of convenience the court was not convinced that Park would suffer financial ruined if the injunction was granted.

In dealing with whether there was a serious issue to be tried, the court made some interesting findings.

The court found that Hermes had a reputation in goodwill, its handbags designs rejecting Park's claims that as many others had copied Hermes' handbag designs, Hermes could not have a reputation or goodwill in them. The court stated that few merchants were copying the entire line of Hermes handbags as Park had done and that the mere fact that copying was so wide spread was no argument that such actions should be condoned.

However, with respect to the issue of misrepresentation or confusion to the public by Park, the court was not convinced that based on the evidence before it a person purchasing a hand bag in Park's store would be fooled that it was a Hermes handbag or that Park's handbags were an authorized second line of cheaper Hermes handbags. Nonetheless, the court concluded there was a serious issue to be tried with respect to confusion as the "entire point of [Park's] business is to sell handbags which a customer will either believe to be a Hermes second line product or which, at least, a customer will believe to be a Hermes copy of sufficient quality as to lead others to believe that the customer has purchased the genuine product."

2. Proposed Use

In *Kraft Canada Inc. v. Happy Planet Foods, Inc.* [2005] T.M.O.B. No. 118, the Trade-marks Opposition Board dealt with the issue of applications to register trade-marks on the basis of future proposed use of the trade-mark by the applicant.

In this case, *Happy Planet Foods, Inc.* ("Happy Planet"), applied to register the trade-mark HAPPY PLANET based on proposed use in association with, among other things, clothing.

Interestingly, one of the grounds of opposition by *Kraft Canada Inc.* ("Kraft") was that Happy Planet was not entitled to register the trade-mark HAPPY PLANET as Happy Planet did not itself use or intend to use HAPPY PLANET in association with clothing pursuant to section 30(e) of the Act.

While there is no ground to object to an application to register a trade-mark simply because it is based on proposed use of the trade-mark, Kraft put forward a novel argument. Kraft argued that four years had passed and Happy Planet had not yet commenced use of the trade-mark HAPPY PLANET in association with clothing and, as such, it showed no intention to use the trade-mark as required by section 30(e) of the Act.

However, the Registrar rejected this argument and held that the "fact that almost four years have elapsed since the filing of the application and the Applicant has not yet used the mark is not conclusive by itself of the Applicant's intention to use the Mark".

There was no discussion from the Registrar as to what evidence would be required to show that the applicant, Happy Planet, had no intention to use the trade-mark HAPPY PLANET in association with clothing.

3. Injunctions

The Federal Court in *The Vintage Car & Truck Rentals v. 1611864 Ontario Inc.* 2005 F.C. 325 held that there is no presumption against an injunction issuing with respect to use of a registered trade-mark.

It has been assumed by many practitioners that since the registration of a trade-mark provides an absolute defence against a claim for trade-mark infringement until such time that the registration is found to be invalid, there is no basis for issuing an injunction against the holder of a registered trade-mark.

However, the Federal Court rejected that view without citing any cases on the point. The court found that to arrive at any other conclusion would "constrict the court's powers to issue injunctions too greatly and broaden the protection provided by the act too far".

4. Living individual

In *Villeneuve v. Mazsport Garment Manufacturing Inc.*, the Trade-marks Opposition Board heard a case involving the famous Canadian race car driver, Jacques Villeneuve. However, the issue was which race car driver named Jacques Villeneuve.

Mazsport Garment Manufacturing Inc. ("Mazsport") applied to register the trade-mark JACQUES VILLENEUVE RACING and JACQUES VILLENEUVE SPORTS based on proposed use in Canada in association with various clothing items. The exclusive right to the use of the words JACQUES VILLENEUVE, SPORTS and RACING, were disclaimed in the applications.

Jacques Villeneuve ("Villeneuve Jr.") and Goldstar Holding Corp., who owned the exclusive rights to exploit worldwide the name, fame, reputation and likeness of Villeneuve Jr., opposed the applications of Mazsport. They did so on the basis that:

- (a) section 9(1)(k) of the Act prohibits registration of a trade-mark that "may falsely suggest a connection with a living person"; and
- (b) section 12(1)(a) of the Act prohibits registration of a trade-mark that is "primarily the name...or surname of an individual who is living".

Mazsport defended the opposition by, in part, claiming that the trade-marks referred to the uncle of Villeneuve Jr., who was also named Jacques Villeneuve ("Villeneuve Sr."). Mazsport alleged that Villeneuve Sr. consented to the registration of the trade-marks applied for by Mazsport.

The Registrar dismissed the opposition to registration pursuant to section 12(1)(a) of the Act as the trade-marks involved the words JACQUES VILLENEUVE in combination with either of the words RACING or SPORTS. Accordingly, the Registrar found that when these marks are considered as a whole, they are not "*primarily* merely the name of a living individual" (emphasis added).

With respect to section 9(1)(k) of the Act, the Registrar agreed that since Villeneuve Sr. was a living person who consented to the registrations by Mazsport, they do not "falsely" suggest a connection with a living individual. However, he went on to hold that this provision prohibits registration where a mark "*may* falsely suggest a connection" (emphasis added). Accordingly, section 9(1)(k) was found to be a basis to reject the registration by Mazsport.

It appears that the Registrar found as a decisive factor that Villeneuve Jr. had a significant reputation as a race car driver among the Canadian public so that the trade-marks JACQUES VILLENEUVE RACING and JACQUES VILLENEUVE SPORTS would suggest a connection with Villeneuve Jr. and not Villeneuve Sr.

5. Co-Existence

Last year we report on the case of *Alticor Inc. v. Nutravite Pharmaceuticals Inc.* heard by the Federal Court (Trial Division) 2004 F.C. 235. In 2005 the Federal Court of Appeal heard the appeal of this decision (see 2005 F.C.A. 269).

The trade-marks in question, NUTRILITE and NUTRAVITE, had co-existed for 10 years and there was an absence of evidence of any instances of actual confusion. This factor appears to have been important in rejecting the claim of confusion by the Federal Court (Trial Division) along with the finding that NUTR in trade-marks are common such that small differences in the marks served to distinguish them.

The Federal Court of Appeal agreed with the lower court's decision in finding no confusion between the marks.

6. Confusion

An interesting decision of the Trade-marks Opposition Board arose out of *R. Griggs Group Ltd. v. 359603 Canada Inc.* [2005] T.M.O.B. No. 83 concerning the issue of confusion.

359603 Canada Inc. ("359 Canada") filed an application to register the trade-mark DOC MARVELLS based on proposed use for "footwear, namely, shoes, slippers and boots, ice treads, magnetic knee, elbow, back and ankle supports, slimming briefs and belts".

"Dr. Martens" International Trading GmbH and "Dr. Martens" Marketing GmbH, a partnership ("Dr. Martens") owned the registrations in Canada to DR. MARTEN which licensed the right to use DR. MARTEN in Canada to R. Griggs Group Ltd. ("Griggs").

The DR. MARTENS trade-mark was registered in association with clothing and clothing accessories and separately in a design mark in association with footwear and parts thereof.

Dr. Martens and Griggs opposed the registration of DOC MARVELLS by 359 Canada.

In reviewing the factors assessed in determining confusion, the Registrar held that both marks in issue did not possess a high degree of inherent distinctiveness. Further, the Registrar held that the nature of the wares overlapped. With respect to the nature of the trade, the Registrar found that the statement of wares of the parties did not contain restrictions as to the channels of trade and that it was not necessary to prove that the wares were sold in the same outlets as long as the parties were entitled to do so. The evidence in this regard was that Dr. Martens' products were sold in retail establishments whereas 359 Canada's products were sold through its mail order business.

As for the degree of resemblance, the Registrar found that there were differences between the mark when sounded. However, the Registrar held that the overall appearance of the trade-marks were similar even though the first components of each of the trade-marks were not identical. Further, the Registrar determined

that each trade-mark suggested a medical doctor or podiatrist was associated with the trade-marks resulting in a high degree of resemblance in this regard.

Accordingly, the Registrar held that he was not satisfied that 359 Canada had shown on a balance probabilities that there was no reasonable likelihood of confusion between the trade-marks.

The Federal Court (Trial Division) heard in 2005 a novel argument concerning confusion in the trade-mark infringement case of *A&W Food Services of Canada v. McDonalds Restaurants of Canada Inc.*

The case of arose out of the registered trade-mark CHICKEN GRILL owned by *A&W Food Services of Canada Inc.* ("A&W") which A&W had used in association with its grilled chicken sandwich since 1989. A&W alleged that *McDonalds Restaurants of Canada Inc.* ("McDonalds") infringed this trade-mark by selling in 2001 a grilled chicken sandwich in association with McDonalds' registered trade-mark CHICKEN MCGRILL.

Interestingly, A&W argued that the McDonalds trade-mark CHICKEN MCGRILL created reverse confusion by causing consumers to believe that A&W's grilled chicken sandwich originated with McDonalds. A&W did not argue that McDonalds' trade-mark caused direct confusion by having consumers believe that McDonalds' product originated with A&W.

The court noted that there were no Canadian cases dealing with reverse confusion but that this concept was well-accepted in the United States. Further, the courts saw nothing in the Act that would preclude a claim for reverse confusion.

However, the court found that there was very weak evidence of actual confusion in that in only a handful of instances were A&W customers identified as having mixed up the names CHICKEN GRILL and CHICKEN MCGRILL.

As a result, the case turned on a battle of the experts for A&W and McDonalds. The McDonalds' marketing expert successfully challenged A&W's marketing expert's report showing confusion between the trade-marks on a key point. Almost as many people believed that the CHICKEN GRILL sandwich of A&W

came from KFC or Burger King as from McDonalds. In short, there was little likelihood that consumers believed that A&W's CHICKEN GRILL sandwich came from McDonalds.

Accordingly, the court rejected A&W's claim of infringement and found there was not any confusion regarding the competing products among consumers. Further, the court found that the prefix "MC" on the McDonalds' trade-mark was significant making it unlikely that consumers would confuse the source of the grilled chicken sandwich sold in association with CHICKEN MCGRILL and the grilled chicken sandwich sold in association with CHICKEN GRILL.

It should be noted also that the court did state that the intent of a party who has allegedly infringed the trade-mark of another is a relevant factor in determining the issue of confusion. It remains to be seen how the law in this regard will develop.

7. Contempt Proceedings

The case of *New Era Cap Co. v. Hip Hop Inc.* 2005 F.C. 918 provides an interesting example of the potential problem of dealing with counterfeiters and pursuing contempt of court proceedings.

In this case *New Era Cap Co.* ("New Era") obtained an Anton Pillar order following an *ex parte* motion claiming that *Hip Hop Inc.* ("Hip Hop") and others were dealing in unauthorized or counterfeit New Era merchandise. The Anton Pillar order required Hip Hop to disclose the whereabouts of all such unauthorized or counterfeit merchandise along with related equipment and records.

After service of the court order, New Era determined that Hip Hop was in contempt of the court order. New Era's lawyer attended at the Hip Hop store and determined that the caps on the shelves were counterfeit. However, the lawyer did not purchase any merchandise and met with the owner of the store, who was not present in the store, in a restaurant to discuss the Anton Pillar order. The store owner took calls on a cell phone and conversed in a language unfamiliar to New Era's lawyer. When the lawyer returned to the store all of the alleged counterfeit merchandise had been removed. The store owner denied any

knowledge of counterfeit merchandise. New Era pursued a contempt of proceedings motion against Hip Hop and the store owner.

The Federal Court (Trial Division) dismissed the contempt motion holding that it was not satisfied beyond a reasonable doubt that the store owner knew there were unauthorized or counterfeit New Era caps in his store. The key failing of counsel appears to have been his failure to purchase a counterfeit cap when he was in the Hip Hop store and show how the cap was counterfeit.

8. Standard of Review

The Federal Court of Appeal heard the appeal of the decision of the Trial Division in 2004 in *Footlocker Group Canada Inc. v. Steinberg* 2005 F.C.A. 99 with respect to the expungement from the Trade-mark Register of the well-known trade-mark WOOLWORTH owned by Footlocker Group Canada Inc., formerly Venataor Group Inc. ("Venataor"), pursuant to section 45 of the Act for non-use of this trade-mark. The Trial Division decision was reviewed in the trade-mark chapter of last year's annual review (see 2004 F.C. 717).

The appeal arose out of the decision by the Trial Division court to reverse the Registrar's decision to refuse expungement of the trade-mark under section 45 of the Act. The Trial Division was not satisfied that the evidence filed by Venataor connected Venataor to the sales figures relating to the WOOLWORTH trade-mark.

The Federal Court of Appeal overturned the Trial Division's decision holding that the Trial Division Judge erred in reviewing the Registrar's decision on the basis of the correctness standard rather than the proper standard of reasonableness.

While the Federal Court Appeal warned trade-mark registrants to be explicit in their affidavits in expungement proceedings for non-use before the Registrar concerning the timing and use of their trade-marks, it was not prepared to uphold the Trial Division's expungement.

It is worth noting that the Federal Court of Appeal cited the Supreme Court of Canada decision in *The Law Society of New Brunswick v. Ryan* [2003] 1 S.C.R. 247 which stated:

"A decision will only be found reasonable only if there is no line of analysis within the given reasons that could reasonably lead the Registrar from the evidence be forwarded to the conclusion at which it arrived. If any of the reasons that are sufficient to support the conclusion are tenable in the sense that they stand up to a somewhat probing examination, then the decision will not be unreasonable and a reviewing court must not interfere (see Southam at para. 56). This means that a decision may satisfy the reasonable standard if it is supported by a tenable explanation even if this explanation is not one that the review in court finds compelling (see Southam at para. 79)."

Vivat Holdings Ltd. v. Levis Strauss & Co. 2005 F.C. 707 is another decision in 2005 where the Federal Court made comment on the standard review from a decision of the Registrar in administering the Trade-mark Registry.

This case arose out of a decision of the Trade-marks Opposition Board's rejection of the application for registration by *Vivat Holdings Ltd.* ("Vivat") of its double arch pocket stitch design trade-mark, based on proposed use, for clothing and footwear. *Levis Strauss & Co.* ("Levis") was the party opposing Vivat's application for registration and it filed evidence of confusion with respect to its decorative double arch stitching on jeans and other clothing garments.

However, the Trade-marks Opposition Board found that the evidence was evenly balanced on the issue of confusion and that since the onus was on Vivat to show on a balance of probabilities that there was no confusion, it failed to do so.

On appeal by Vivat to the Federal Court (Trial Division) of the Trade-marks Opposition Board's decision, Vivat and Levis filed additional evidence. However, the court found that the evidence was strikingly similar to the evidence before the Trade-mark Opposition Board and the court upheld its decision.

It is important to note that the court stated that the decisions of the Trade-marks Opposition Board are reviewed on the standard of reasonableness, which is synonymous with clearly wrong, unless additional evidence is provided on appeal that would have materially affected the decision. Where additional evidence is found that would have affected the Trade-marks Opposition Board's finding in factor law, or exercise a discretion, the test is one of correctness. The court further noted that to effect the standard of review, the review evidence must be

sufficiently substantial and significant. If it is merely supplementary or repeats existing evidence, it is not sufficient and the less deferential standard is not warranted. The test is one of quality not quantity.

9. Deceptively Misdescriptive

Once again in 2005, a prominent professional body was active with respect to trade-marks it believes are deceptive to the public. In the case of *The Canadian Medical Association v. Physicians' Choice of Arizona, Inc.* [2005] T.M.O.B. No. 84, the Trade-marks Opposition Board dealt with the opposition of The Canadian Medical Association (the "CMA") to the application to register the trade-mark PHYSICIANS' CHOICE by Physicians' Choice of Arizona Inc. ("PCA") in association with skincare products.

The CMA objected to the trade-mark application based on, among other things, section 9(1) of the *Ontario Medicine Act* which states that "no person other than a member shall use the titles Osteopath, Physician or Surgeon, a variation or abbreviation or equivalent in another language.

The Registrar rejected the CMA's opposition on this ground as it was not clear to the Registrar that section 9(1) of the *Ontario Medicine Act* had any application to PHYSICIAN'S CHOICE as the term "physician" is used in the possessive form as component of a trade-mark for the purposes of identifying the source of wares. Further, it appears that the Registrar believed that it was necessary that PCA was aware of section 9(1) of the *Ontario Medicine Act* for it to succeed on this basis in its opposition.

However, CMA also pursued the opposition on the basis of section 12(1)(b) which precludes registration of a trade-mark if it is deceptively misdescriptive of the character or quality of the applicant's wares.

The Registrar found that the primary public perception of the meaning of PHYSICIAN as applied to skincare products, to be that of a doctor of medicine. Further, the Registrar found that "the public would not respond to the applied for mark PHYSICIAN'S CHOICE as mere puffery or indicative of source, but as being an endorsement by the medical profession". Accordingly, the Registrar

rejected that the application for registration of PCA for the mark PHYSICIAN'S CHOICE.

10. Prohibited Marks

A rare case dealing with section 9(1)(d) of the Act with respect to the prohibition against adopting a trade-mark suggesting an association of royal or vice-regal patronage, approval or authority was heard by the Trade-marks Opposition Board in *Distillerie Stock U.S.A. Ltd. v. Maple Leaf Distillers Inc.* [2005] T.M.O.B. No. 81.

Maple Leaf Distillers Inc. ("Maple Leaf") filed an application to register the trade-mark ROYAL STOCK CANADIAN CELLARS based on proposed use of this trade-mark in association with rye whiskey. *Distillerie Stock U.S.A. Ltd.* ("Distillerie") opposed the trade-mark application of Maple Leaf. Among the grounds of opposition Distillerie cited section 9(1)(d) of the Act as a consequence of the inclusion of the word "royal" in the trade-mark of Maple Leaf.

However, the Registrar in making her decision rejected this ground of opposition. She held that given the "plethora of other marks that used the word 'royal' and the multiple dictionary meanings of the word 'royal'", the word 'royal' does not of itself lead to the belief that wares have been produced, sold or performed under royal, vice-regal or governmental patronage, approval or authority. Further, the Registrar also concluded that the trade-mark ROYAL STOCK CANADIAN CELLARS does not sufficiently resemble the word 'royal' to invoke the prohibition in section 9(1)(d) of the Act.

D. Miscellaneous

The issue of the scope of protection under trade-mark law in Canada for famous marks is before the Supreme Court of Canada in two cases which were argued in 2005 but have not been yet decided: *Mattel, Inc. v. 3894207 Canada Inc.* [205] S.C.C.A. No. 142 and *Veuve Clicquot Ponsardin C. Boutique Clicquot Ltee* [2004] C.S.C.R. No. 324. These cases respectively concerned the famous registered trade-marks for BARBIE and BARBIE'S used in association with dolls and various other wears, and VEUVE CLICQUOT used in association with champagne.