

Federal Court



Cour fédérale

**Date: 20120510**

**Docket: T-711-11**

**Citation: 2012 FC 564**

**[UNREVISED ENGLISH CERTIFIED TRANSLATION]**

**Ottawa, Ontario, May 10, 2012**

**PRESENT: The Honourable Mr. Justice de Montigny**

**BETWEEN:**

**STEPHAN CLICHE**

**Applicant**

**and**

**ATTORNEY GENERAL OF CANADA**

**Respondent**

**REASONS FOR JUDGMENT AND JUDGMENT**

[1] This an appeal under section 56 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) from a decision of the Registrar of Trade-marks (the Registrar) dated March 3, 2011. In its decision, the Registrar rejected the trade-mark registration “North America Trade”, on the basis that the proposed trade-mark was clearly descriptive of the products or services offered.

## I. Facts

[2] The applicant filed a trademark registration application for “North America Trade” with the Registrar on April 27, 2007. The applicant described the proposed services related to this trademark as “Reference service for information on commerce between Canada and the United States”. This application received the number 1345342.

[3] Between October 24, 2007, and March 14, 2010, the Registrar and the applicant exchanged several letters as to the admissibility of the proposed mark. The Registrar made it clear to the applicant that the mark seemed, at first sight, descriptive of the character of the services with which it was to be used. The applicant replied by advancing several arguments that were also raised during this appeal and that I will come back to in my analysis.

[4] On March 15, 2010, after making submissions three times in response to the concerns expressed by the Registrar, the applicant wrote to the Registrar to request a final decision in the matter.

[5] On March 3, 2011, the Registrar found that the mark could not be registered because it provided a clear description of the proposed services, contrary to paragraph 12(1)(b) of the Act.

## II. Impugned decision

[6] In its decision, the Registrar first pointed out that the question of whether the applicant’s mark is clearly descriptive of the services he provides must be assessed from the point of view of the ordinary purchaser of these services. In order to determine this question, it is not proper to

dissect the trademark into its various components; rather, it must be considered in its entirety and as a whole, by considering the consumer's first impression.

[7] Applying this test, the Registrar found that the mark did not comply with paragraph 12(1)(b) of the Act, essentially for the following reasons:

I am mindful that an expression like NORTH AMERICA TRADE is a term which others would be likely to use in the normal course of trade to describe "reference service for information on commerce between Canada and the United States." One of the most important purposes of paragraph 12(1)(b) of the *Act* is to protect the right of all traders to use apt descriptive language. The courts have recognized and held that descriptive words are the property of all and cannot be appropriated by one person for their exclusive use. ...

...

It is my position that the ordinary purchaser of the applicant's services, when faced with the subject application would immediately conclude, as a matter of first impression that the applicant is providing information on North America Trade.

Applicant's Record, Tab 2, pp. 8-9.

[8] Since the mark was found to be clearly descriptive and thus, not registrable, the Registrar refused the applicant's application in accordance with paragraph 37(1)(b) of the Act.

### III. Issue

[9] This appeal essentially raises the issue of whether the Registrar erred in finding that the mark "North America Trade" is clearly descriptive.

#### IV. Analysis

[10] Before discussing the substance of the case, it is appropriate to first determine the applicable standard of review. Subsection 56(5) of the Act provides that evidence other than that submitted to the Registrar may be submitted to the Court as part of an appeal based on subsection 56(1). When an applicant uses this opportunity and the additional evidence submitted is significant and meaningful, the Court is justified in drawing its own conclusions and is not obliged to defer to the Registrar's decision. However, in the absence of new evidence, the reasonableness standard should be applied; the Court must recognize the Registrar's expertise and must show a certain degree of deference to its findings of fact and law.

[11] After reviewing the relevant case law, my colleague Mandamin J. recently summed up the state of the law on this issue in the following paragraph:

If, on the one hand, this evidence could not have materially affected the Registrar's decision, then the standard of the appeal review is reasonableness. If, on the other hand, the evidence could have materially affected the Registrar's decision, then the appeal is de novo based on the record before the Registrar as well as the new evidence and all findings of fact, law and discretion are under consideration: *Molson Breweries v John Labatt Ltd.*

*Ontario Teachers' Pension Plan Board v. Canada (Attorney General)*, 2011 FC 58 at para 21, 382 FTR 237 (*Ontario Teachers' Pension Plan Board*).

[12] In the present case, the applicant submitted two types of new evidence. First, he submitted the affidavit of Maryse Cloutier. She testified that Mr. Cliche asked her which wares or services might possibly be rendered under the name North America Trade, to which she spontaneously stated that they could be transportation, customs clearance, import-export services or similar activities. The applicant also submitted his own affidavit, in which he confirmed his intention of

filing a new application of the mark North America Trade relating to services different from and additional to those described in the original application, i.e. legal services. This new evidence is not very meaningful and would probably have had little impact on the Registrar's decision. First, the affidavit of Ms. Cloutier alone would not be viewed as reflecting the opinion of the average consumer. Second, the affiant's point of view is inextricably flawed in that the question asked by the applicant is not consistent with the applicable test for determining the descriptiveness of a mark, as will be seen a little later. As for the applicant's affidavit, it cannot be assigned much weight as it rests on pure contingency.

[13] The applicant also tried to introduce into evidence improperly, i.e. without an affidavit, computerized statements from the trademark database maintained by the Canadian Intellectual Property Office, to show that suggestive marks comparable to the mark at issue in this case had been registered by the Registrar in the past. During the hearing, the applicant claimed that these documents are in the public domain and he also relied on section 60 of the *Federal Courts Rules*, SOR/98-106, to obtain leave to submit an affidavit at the hearing so as to introduce these items into evidence. The respondent objected to that and the Court accepted the documents with reservations. After giving the matter some thought, it does not seem to me to be useful to address the admissibility of the affidavit submitted *in extremis* by the applicant to remedy the improper introduction of documents. Even assuming that this evidence can be considered, it does not add anything new since the applicant already raised this very argument before the Registrar.

[14] Finally, the applicant also inserted in his file the first few pages from a Google search of the words "North America Trade". Once again, these documents were not introduced in the form of an

affidavit and thus are not admissible as evidence. Further, the applicant did not establish the relevance of this evidence.

[15] Therefore, the applicant not submitted any significant or meaningful new evidence and the Registrar's decision must therefore be reviewed on a standard of reasonableness. Consequently, this Court will only intervene if the Registrar's decision does not fall within a range of possible, acceptable outcomes which are defensible in respect of the facts and law (*Dunsmuir v New-Brunswick*, 2008 SCC 9, at para 47, [2008] 1 SCR 190).

[16] As previously noted, paragraph 12(1)(b) of the Act provides that a trademark cannot be registered if it provides a clear description of the character or quality of the wares or services in association with which it is used. The provision reads as follows:

**12.** (1) Subject to section 13, a trade-mark is registrable if it is not

...

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

**12.** (1) Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :

[...]

b) qu'elle soit sous forme graphique, écrite ou sonore, elle donne une description claire ou donne une description fautive et trompeuse, en langue française ou anglaise, de la nature ou de la qualité des marchandises ou services en liaison avec lesquels elle est employée, ou à l'égard desquels on projette de l'employer, ou des conditions de leur production, ou des personnes qui les produisent, ou du lieu d'origine de ces marchandises ou services;

[17] The applicant acknowledged that a clearly descriptive mark cannot be registered, but argued that a distinction must be made between a clearly descriptive mark and a suggestive mark. In this regard, he cited several decisions where the registrability of the suggestive mark had been recognized, referring more to a mark that makes subtle and indirect reference to the character or quality of a product or service without describing it clearly.

[18] This argument by the applicant does not seem to be very useful and is, at most, a diversion from the real issue to be determined. As the respondent pointed out, the concept of “suggestive mark” is non-existent in the Act and the only issue to be determined is whether the mark is clearly descriptive (or deceptively misdescriptive) of the character or quality of the services in association with which it is used. It does not matter whether the applicant proves that his mark is suggestive. What must ultimately be established is that the decision rendered by the Registrar as to the clearly descriptive character of his mark is erroneous.

[19] The purpose sought by Parliament is that a person cannot give himself exclusive right to the use of generic terms describing a category of wares or services, to the detriment of other traders or manufacturers of similar wares or services. This logic was aptly described by Rand J. in *General Motors Corp v Bellows*, [1949] SCR 678 (available on CanLII). Commenting on a rule adopted under the authority of a previous version of the Act according to which an expression or a word referring directly to the character or quality of wares may nevertheless have been registered when it may have been shown that this word or expression had acquired a secondary meaning through continued and extensive use, the Justice wrote:

The rule quoted illustrates the conflict early recognized by the courts before the subject matter came under legislation, i.e. between the appropriation by a trader of a word within the range of language that would ordinarily be used by traders to describe particular goods, and the right of other traders in the normal carrying on of their business to employ the same or similar words. In the technique of advertising, the more complex and expensive the goods are, the greater the imaginative seeking by those producing them for attractive and arresting words; but in fixing the limits of legislative protection the courts must balance the conflicting interests and avoid placing legitimate competition at an undue disadvantage in relation to language that is common to all.

[20] In this case, the Registrar found that the mark “North America Trade” indeed has a specified meaning. It does not consist of invented or rare words, or of a vague reference to the quality or characteristics of a service, but rather of a mark that is clearly descriptive of the services in association with which it is used, namely, “Reference services for information on commerce between Canada and the United States”.

[21] There is no disagreement between the parties about that a word or expression must be considered as a matter of first impression that it creates in its entirety and not dissected to conduct a meticulous analysis, isolating each word, in the case of an expression. Where the applicant was mistaken, was when he submitted that the person who must be concerned with the first impression is the person of average intelligence, without any other qualification.

[22] It is well settled that the descriptiveness of a word or an expression must not be assessed abstractly, but in association with the wares or services intended by the proposed trademark. The mark must be considered from the point of view of the consumer or average user of the wares or services it is associated with. In other words, the test is to determine which first impression the word



or expression would have on the average retailer, consumer or user of the type of wares or services the mark is associated with. A good example of this review is in *Mitel Corporation v Canada (Registrar of Trade Marks)* (1984), 79 CPR (2d) 202, at p 208 (available on QL) (FCTD):

While the word “SUPER” is clearly laudatory and descriptive, the word “SET” is not as close to the mark: that word, by itself, does not necessarily focus the mind on a telephone set. The word “SET” awakens many and diverse first impressions.

A reasonable man, reasonably conversant with the English language, passing by a tennis court would normally relate the word “SET” to the game of tennis. A customer in a furniture store would associate the word “SET” with a bedroom set or a dining room set, depending on his intentions or the area of the store that he is in. A person interested in the purchase of a telephone might not call the equipment a “SET”. He would most likely, in common parlance, call it a “telephone”. But in a telephone store, or glancing at advertisements of telephone sales, a customer would probably link the mark “SUPERSET” to the telephone sets on display and form the impression that the telephones offered for sale are of a superior quality. Much as other people would link “SUPERWASH” to garments that wash superbly well, or “SUPERSET” (in association with tools) to tools that function in a superior way, or “SUPER-WEAVE” to superfine textile. In short, the mark is not to be considered in isolation; it must be perceived in connection with the wares to which it is associated.

[23] That is why it is not very important that the words “North America Trade” may identify products or services that are each very different, as the applicant argued (relying in particular on the affidavit of Ms. Cloutier). The words draw their meaning from the context in which they are used. Therefore, the real issue is not knowing what products or services may be covered by its expression “North America Trade”, but rather to ask oneself whether the average consumer of services identified as “Reference services for information on commerce between Canada and the United States” could be, as a first impression, that the “North America Trade” brand clearly describes these services.

[24] On this last issue, the Registrar answered in the affirmative:

It is my position that the ordinary purchaser of the applicant's services, when faced with the subject application would immediately conclude, as a matter of first impression that the applicant is providing information on North America Trade.

(Applicant's Record, Tab 2, p. 9.)

[25] The applicant did not persuade me that the Registrar erred in rendering its decision. I think that it could have reasonably found that the registration of the proposed mark gave the applicant an unfair advantage, authorizing the exclusive use of an expression that is clearly descriptive of the services he provides, to the detriment of his competitors working in the same field. Again, the issue is not so much knowing whether this mark may be considered suggestive and, in that sense, receiving little protection. From the time when a mark clearly gives a description of the character or the quality of a service, it cannot be registered.

[26] The applicant submitted that trade-marks as descriptive as those he proposes have been registered in the past and gave a number of them as examples. However, this argument cannot succeed for the following reasons.

[27] Generally speaking, it is irrelevant that a given mark may have been registered in the past. Each application must be assessed on its intrinsic value, the proposed services and its particular context. It must also be noted that the Registrar's practices and policies may change over the years.

[28] This being said, the Court has at times recognized in the past that, to determine the descriptiveness of a trade-mark, the state of the Register may be taken into account. For example,

the following are the comments of Addy J. in *Thomas J. Lipton, Limited v Salada Foods Ltd* (1979), [1980] 1 FC 740, at para 19 (available on QL) (FCTD):

It is true that, generally speaking, the state of the Register is irrelevant and unacceptable as evidence in certain cases, for instance to establish that, because a similar mark was granted previously, the one under consideration should be granted. Each case must be judged on its merits and in accordance with the evidence tendered. The state of the Register, however, is perfectly admissible to establish other relevant facts such as in the present case, where it is tendered for the purpose of showing that for over sixty years the Registrar must have consistently found that the word “Lipton” was distinctive since it was granted in trade marks. ...

[29] In this case, the applicant referred to several trade-marks that did not contain the expression “North America” or the word “Trade”. Therefore, these marks can have no use in assessing the descriptiveness of the proposed mark.

[30] As for the other marks, which associate the expression “North America” or the word “Trade” with other words, they do not seem to demonstrate a longstanding practice of the Registrar. To conclude, as the applicant did, that these examples demonstrate the registrability of a mark despite the suggestion of a vague association with the products or services covered, I would need to know more about the context in which these decisions were made. I am certainly not able to conclude, on the basis of the evidence before me, that the Registrar’s refusal to register the “North America Trade” mark would likely cause inconsistency in the Register.

[31] Even supposing that some of the marks pointed out by the applicant may seem suspicious, at least at first glance, the inferences that the applicant would like to draw cannot be drawn. This Court has repeatedly held that the Registrar is not required to perpetuate its past errors (*Sherwin Williams*

*Co v Canada (Commissioner of Patents)* (1937), Ex CR 205, at para 9, [1938] 1 DLR 318; *John Labatt Ltd v Carling Breweries Ltd* (1974), 18 CPR (2d) 15, at paras 41-45 (available on QL) (CFTD); *Wool Bureau of Canada Ltd v Canada (Registrar of Trade Marks)* (1978), 40 CPR (2d) 25, at para 14, [1978] 2 ACWS 286 (CFTD); *Warnaco Inc v Canada (Attorney General)* (2000), 5 CPR (4th) 129, at para 30, 96 ACWS (3d) 659 (CFTD); *Ontario Teachers' Pension Plan Board*, above, at paras 53, 59 and 81).

[32] The applicant also submitted that the Registrar had erred in failing to consider his offer to disclaim. It is undeniable that disclaiming all the elements of a trade-mark is not acceptable if the trade-mark in its entirety is not registrable and does not contain any distinctive elements. Addy J made the following comments on this topic in *Ingle v Canada (Registrar of Trade Marks)* (1973), 12 CPR (2d) 75, at para 7 (available on QL) (CFTD):

The Appellant ... also claims alternatively that, as he has disclaimed the exclusive use of all of the words apart from the mark, he has the right to have the mark itself registered. This might very well be true if there were a mark or anything sufficiently peculiar in the form or layout of either of the words or of any, of the letters to which a registration might attach. But, the words themselves are spelt out in ordinary everyday-blocks capital letters which are, of course, publici juris and there is no peculiar design or peculiarity or distinguishing feature in the appearance of any part of the words or letters which could be described as a mark.

[33] That is precisely the situation here. The proposed mark consists solely of words. It does not have any particular design or distinctive feature. Therefore, the mark will necessarily be without distinctive character once the words are determined to be clearly distinctive. Disclaiming all of the descriptive words of the mark cannot, in the circumstances, make this mark registrable.

[34] Finally, the applicant's argument that the mark "North America Trade" is a distinctive grammatical element is irrelevant and is insufficient to remove its descriptiveness. Even if a generic and grammatically more correct wording should have read "North American Trade" or "North America's Trade", the average consumer of the type of services covered by the mark as written by the applicant would not miss the link between the mark and the services.

[35] For all of these reasons, the application for judicial review is dismissed with costs.

**JUDGMENT**

**THE COURT ORDERS AND ADJUDGES that** the application for judicial review is dismissed, with costs.

“Yves de Montigny”

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Judge

Certified true translation

Catherine Jones, Translator

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-711-11

**STYLE OF CAUSE:** STEPHAN CLICHE v ATTORNEY GENERAL OF CANADA

**PLACE OF HEARING:** Québec, Quebec

**DATE OF HEARING:** December 6, 2011

**REASONS FOR JUDGMENT AND JUDGMENT:** de MONTIGNY J.

**DATED:** May 10, 2012

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