

FOCUS ON INTELLECTUAL PROPERTY

Federal Court rules whether U.S. mark negated Canadian mark's distinctiveness

By Arnold Ceballos



Trade-marks are generally territorial in nature and are subject to a particular country's laws when it comes to their protection and enforcement. However, with globalization and the far-reaching impact of the Internet, some of these principles are being challenged. Canada's close relationship with the much larger United States further magnifies this, and a recent Federal Court decision has looked at the effect that use of a trade-mark in the United States will have in Canada.

The essence of a trade-mark is that it is distinctive of one source. In *Bojangles International, LLC v. Bojangles Café Ltd.* [2006] F.C.J. No. 843, the Federal Court was called upon to rule whether the

reputation of a mark used in the United States could negate the ability of another mark to be distinctive in Canada.

Bojangles International is a company with restaurants in a number of countries, including the United States, Ireland and Jamaica. However, it does not do business in Canada. A Canadian company called Bojangles Café Ltd. applied to register the trade-mark "Bojangles Café" in Canada in association with a restaurant and food-related products. Bojangles International opposed the application, arguing that, even though it did not do business in Canada, its mark "Bojangles" was well-known in Canada, such that the Canadian company was not entitled to register its confusing mark.

To back up its claim, Bojangles International filed evidence showing, among other things, that Canadians viewed its website, visited its restaurants, and that it advertised in magazines and newspapers which Canadians read.

An issue which the court had to deal with involved just what the appropriate test was for determining the level of reputation needed to negate another mark's distinctiveness. The Trademark Opposition Board below had held that the opponent's mark must be well known in at least one part of Canada or widely known. The Federal Court disagreed, holding instead that the mark must be known to some extent and its reputation should be substantial, significant or sufficient, a seemingly lower standard.

The court then proceeded to review the evidence tendered by Bojangles International and found it wanting. It found that some of the evidence post-dated the relevant time to consider awareness of the Bojangles International mark. As for the publications which referred to the Bojangles International mark, the court found them unconvincing several reasons, including the fact that many were not targeted to the public at large and others had a very small Canadian distribution and limited specialized readership.

As for exposure of Canadian travellers to the Bojangles International mark in the United States, the court found that this evidence was not enough to prove that Bojangles International had a substantial, sufficient and significant reputation in Canada. The court also gave little weight to 19 affidavits sworn by people associated with two law firms and an accounting firm which did business with Bojangles International. Among its criticisms, the court

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found that some of the affiants became aware of the Bojangles International mark after the material time, and others were franchise lawyers, who the court said could hardly be considered to be representative of the Canadian public. The court also noted that only four of the 19 deponents actually ate at a Bojangles restaurant.

Finally, the court gave little weight to the survey evidence submitted by Bojangles International, criticizing the questions, the lack of a control, and the fact that survey questions were drafted by the lawyer for Bojangles International. The court added that, even if it were to admit the survey evidence results as an accurate assessment of awareness of the mark, it would not be determinative, given that, using the best scenario possible, only a handful of respondents were aware of the opponent's mark during the rele-

vant time (by the court's estimation, between six and 26 people out of 1019 respondents).

After having considered all the evidence, the court concluded that the opponent was unable to prove that its trade-mark was known "to some extent at least in Canada", clearing the way for Bojangles Café to register its mark. The decision is currently under appeal.

This case demonstrates that Canadian companies need to be aware that, just because some other entity does not do business

in Canada, it does not mean that it cannot successfully oppose a Canadian mark if it can prove a significant reputation in Canada. The case also makes it clear that the foreign trade-mark owner has a substantial evidentiary burden to meet if it indeed wants to prove a reputation in Canada. Most importantly, the evidence should be convincing and substantial and, ideally, reflect the views of the ordinary Canadian consumer.

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