

Who is a “public authority” and entitled to official marks benefits?

By Arnold Ceballos

Official marks have long vexed many Canadian trade-mark practitioners, and a recent Federal Court decision may have reined in these “super” marks somewhat.

Official marks are those marks that are generally used by charities and not-for-profit organizations as a way to protect their intellectual property. Subsection 9(1)(n)(iii) of the *Trade-marks Act* permits official marks to be held by so-called “public authorities” that have adopted and used the mark. Once public notice is given of the adoption of an official mark, no other person may adopt in connection with a business any mark consisting of the official mark, or so nearly resembling the official mark so as to likely be mistaken for it.

The term “public authority” is not defined in the *Act*, and courts have had to flesh out what qualifies as a public authority. Generally, this requires that the applicant must establish that it is subject to a significant degree of government control and its activities are carried

out for public benefit. Examples of official marks include the Canadian Medical Association’s mark DOCTOR, the Canadian Council of Professional Engineers’ mark ENGINEER, and the Olympic rings symbol.

Official marks do not go through the same rigorous examination by the Trade-marks Office that regular trade-mark applications do. In addition, issues of confusion, distinctiveness and descriptiveness that can stand in the way of registering trade-marks are not relevant to a consideration of enti-

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tlement to an official mark. Furthermore, whereas trade-marks are associated with particular goods or services, official marks need not be.

There are few ways for third parties to challenge them and, once

public notice is given, there are no provisions for revoking or expunging official marks. In addition, they are perpetual. Given all these factors, they often create problems for traders who subsequently wish to register a trade-mark that may be similar to an official mark.

The Federal Court of Appeal has noted in the past that the intent of s. 9 of the *Trade-marks Act* is to remove from the field of trade or business certain marks in order to preclude anybody “from capitalizing on any well-known,

respected public symbol and adopting it for his or her own wares or services.”

Increasingly, however, official marks have generated controversy as they have been relied upon by entities one would not normally consider to be public authorities, hence the tests which have been developed by the courts. In addition, these marks are also relied upon by public authorities who essentially use them as trade-marks while they compete in the marketplace with entities which do not have the benefit of being able to rely on official marks. Canada Post, for example, has adopted ‘POSTAL CODE’ and ‘ELECTRONIC POSTMARK’ as official marks, but also has a large

number of other official marks such as “BUY IT, WRAP IT, SHIP IT” and “SHIP-IN-A-CLICK”.

Until recently, it was unclear whether public authorities located outside Canada could be entitled to obtain official marks in Canada. However, in *Canada Post Corporation v. United States Postal Service* [2005] F.C.J. No. 2004, the Federal Court has now limited this right, by holding that in order to obtain the benefits under the official mark provisions, the public authority must be a public authority in Canada, subject to governmental control in Canada.

The case involved Canada Post, which has hundreds of official marks, and the United States Postal Service (USPS), which had given public notice of the adoption and use of 13 official marks in Canada. Canada Post brought an application for judicial review and argued that the Registrar of Trade-marks erred in finding that the USPS was a “public authority.”

The Federal Court agreed with Canada Post and set aside the decision to grant the protection to the USPS’s marks. The court found that the USPS was not entitled to the official marks, since it was not a public authority in Canada.

In reaching this conclusion, the court interpreted the relevant provision of the *Act* to mean that the public authority must be “in Canada”. The English version states that an official mark must have been “adopted and used by any public authority, in Canada”, while the French version states that the official mark must have been “adopté et employé par une autorité publique au Canada.” The court favoured the French version (without the comma) and found that “in Canada” modified the words “public authority”.

Having determined that the



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public authority must be in Canada, the court next found no evidence that any level of government in Canada exercises any measure of control over the USPS. As such, it said that the USPS is not a public authority for the purposes of s. 9(1)(n)(iii) of the *Trade-marks Act*.

As a result of the decision, it is unclear what the impact will be on existing official marks in Canada held by foreign entities. They may have a difficult time enforcing them, although they may still have valid and enforceable trade-mark rights.

The United States Postal Service has appealed the decision. In the meantime, the decision spurred the Trade-marks Office to issue a new Practice Notice in February stating that entities seeking protection for official marks must be a public authority in Canada and, in determining this status, the entity must be subject to governmental control within Canada.

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