

**Submission by the Delegation of Canada related to the Possible Areas of Convergence identified in document SCT/35/4, “Protection of Country Names Against Registration and Use as Trademarks: Practices, Approaches and Possible Areas of Convergence”**

In accordance with the Summary of the Chair of the thirty-sixth session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT/36/5, paragraph 13), Canada submits its comments to Possible Area of Convergence No. 2 (Non-registrable if Considered Descriptive), and No. 5 (Invalidation and Opposition Procedures) identified in document SCT/35/4.

**1. Possible Area of Convergence No. 2: Non-registrable if Considered Descriptive**

***At least for the purposes of examination, trademarks consisting solely of a country name should be refused where the use of that name is descriptive of the place of origin of the goods or services.***

On February 23, 2016, Canada’s Federal Court of Appeal amended the test for geographically descriptive trademarks in the case of *MC Imports Inc. v. AFOD Ltd.*, 2016 FCA 60. In this recent decision, the Court established a test for determining whether a geographical name is non-registrable as a trademark due to it clearly describing the place of origin of the associated goods or services.

A trademark will now be considered to be a geographic name in Canada if research shows that it has no other meaning than as a geographic name. The test entails first determining whether the trademark is a geographic name, and second, determining whether the goods or services originate from the geographic location used as the trademark.

While the first step of the test may be straight-forward in many instances, there may be cases where the name of a geographic place also has other meanings. To the extent there is ambiguity on whether the trademark actually refers to a place, the analysis would focus on consumer perceptions, where the relevant ordinary consumer from whose perspective the question ought to be considered is the ordinary consumer of the products or services with which the mark is associated.

Once it is concluded that the trademark refers to a geographic location, the focus of the analysis becomes the origin of the goods or services. Goods or services may be found to originate from a geographic location if they are manufactured, produced, grown, assembled, designed, provided or sold there or if the main component or ingredient is made in that geographic location. If the associated goods or services originate in the place referred to by the trademark, then the trademark is clearly descriptive of place of origin. On the other hand, if the trademark refers to a geographic place that is not the actual place of origin of the goods or services, then it cannot be clearly descriptive of place of origin, and further analysis is required to determine whether the trademark is deceptively misdescriptive.

In sum, if a trademark is a geographic name that refers to the actual place of origin of the goods or services with which the trademark is associated, it is clearly descriptive of place of origin, and is therefore not registrable.

This objective test will increase the difficulty of applicants to overcome objections as a result of geographic descriptiveness. This clarification provides further certainty that there is a sufficient level of protection in Canada to prevent bad faith use of country names.

The Canadian Intellectual Property Office has updated its examination manual and practice to reflect this decision.

## **2. Possible Area of Convergence No. 5: Invalidation and Opposition Procedures**

***The grounds for refusal described in possible areas of convergence No. 2, 3 and 4 above should constitute grounds for invalidation of registered marks, and where the applicable law so provides, also grounds for opposition.***

Section 18 of Canada's *Trade-marks Act* provides the grounds for the invalidation of a trademark registration in Canada. Specifically, section 18(1) (a) states that the registration of a trademark is invalid if the trademark was not registrable at the date of registration. As such, judicial decisions ruling on the registrability of a trademark, as in the case of *MC Imports Inc. v. AFOD Ltd.* regarding geographically descriptive trademarks, apply in invalidation proceedings.

Additionally, under section 38(2) (b) of the *Trade-marks Act*, an opposition to the registration of a trademark may be based on the ground that a trademark is not registrable as set out above. As in the case with invalidation, case law assessing the registrability of a trademark applies in an opposition proceeding.

Therefore, the grounds for refusal of the registration of a trademark will also apply to opposition and invalidation proceedings in Canada.