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## Towards a Distinctive Trademark Law for the 21st Century

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## Keynote Address

### Towards a Distinctive Trademark Law for the 21st Century

■ David Vaver\*

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#### Abstract:

*Canada's Trade Marks Act, when passed in 1953, was probably the best then around, but sixty-five years later it is ready to be pensioned off. The Act's deficiencies have become more evident as new markets and interests have gained prominence. A broadly-based Committee to reconsider the reform of all intellectual property laws, with trademark law as one component, should be struck to produce a user-friendly code fit for twenty-first century commerce.*

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It is high time we took stock of where Canadian trademark law stands today, and what changes to it might be useful as this decade and century advance. Trademarks are central features of our market economy. Firms spend millions creating and promoting them; consumers rely on them for their purchasing decisions. Trademarks may be a little harder to bring into being legally than are copyrights, although much easier than patents or designs. But they can work better for their owners than either a copyright, patent, or industrial design registration because they last potentially forever, as long as they are used and (if registered) renewal fees are regularly paid. So trademarks can continue well after a firm's other IP has long expired. Franchises like Coca-Cola and McDonald's would have little value for

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their shareholders and franchisees if they did not have trademarks that they could protect against encroachment.

Currently, stakeholder groups have been lobbying the government on parochial concerns such as “counterfeits” and border controls, and Parliamentary committees have been examining some of the bigger picture.<sup>1</sup> But this activity has only poorly highlighted some basic issues of trademark law and policy that deserve fuller airing.

I

A reading of the current *Trademarks Act*<sup>2</sup> [TMA] with its patchwork of yet-to-be-proclaimed 2014 amendments brings to mind Fred Rodell’s “Goodbye to Law Reviews”.<sup>3</sup> Rodell described legal writing in words which should be printed on a decal and stuck to every law journal editor’s computer:

There are two things wrong with almost all legal writing. One is its style. The other is its content. That, I think, about covers the ground.<sup>4</sup>

That about covers the ground for Canada’s trademark law too, except a third wrong thing should be added: its process, i.e., how the law got to have the style and content it has.

My subject is the content, style, and process of trademark legislation and reform as the century advances, as seen from the

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<sup>1</sup> See, e.g., Senate of Canada, Standing Committee on Banking, Trade and Commerce, 41<sup>st</sup> Parl. 2<sup>nd</sup> Sess., *Bill C-8, An Act to amend the Copyright Act and the Trade-marks Act and to make consequential amendments to other Acts, Witnesses*, online at <https://www.sencanada.ca/en/committees/banc/Witnesses/41-2?Sort=ORDEROFREFERENCEASC>.

<sup>2</sup> R.S.C. 1985, c. T-13 [TMA]

<sup>3</sup> 23 Virginia L. Rev. 38 (1936).

<sup>4</sup> *Ibid.*

perspective of someone who uses or is affected by the trademark system. In England that bemused person would be a subclass of the now rather dated “man on the Clapham omnibus”. In Ottawa, perhaps we should talk of the “skater on the Rideau Canal” who uses and is affected by the trademark system. That reasonable skater may no doubt also be a lawyer, although we should remember that lawyers are merely the law's mechanics, the people who keep it running, not its owners.

## II

First, let me suggest some relatively uncontroversial ideas about trademarks and IP that should shape our reasonable skater's thinking:

- IP law is an entirety of which trademark law is but a part.
- Trademarks, like other IP, may be called “property” but the “property” label should not drive our thinking and become an end in itself.
- Trademark law, like other IP law, is an exception to the general rule of free trade and competition: any cut-back of the general rule must be justified.
- Trademark rights, like other IP rights, require to be balanced: the law must recognize and fairly reconcile the rights and interests of trademark owners, trademark users, and the general public.
- IP law should reflect a coherent joined-up policy of all its parts, including trademark law.
- Integrating trademark law into that joined-up IP policy should be a priority.

To elaborate:

### **1. IP law is an entirety of which trademark law is but a part**

Trademark law is not an island unto itself, despite how governments go about legislating and reforming it, or indeed other IP rights. Trademark law is part of the entirety that is IP or, more fully and accurately, the law of industrial and intellectual property rights. The rationale for each right may not be identical, but all in their way are supposed to support innovation, a priority recognised by governments everywhere. In brief, patent law supports practical inventiveness; copyright law protects artistic, musical, and literary originality; industrial design law encourages originality in product design; while trademark law enables and enforces accurate branding and deters marketplace fraud and confusion. Structurally, however, the rights share various characteristics, just as is true of other fields such as contract law.

All contracts share common principles governing formation, non-observance, and enforcement: specific provisions regulate sub-species such as consumer contracts and insurance contracts. IP, too, shares common principles of ownership, management, and enforcement, with specific provisions to regulate how IP's components – trademarks, patents, copyrights, designs, etc. – are acquired and what rights attach to each.

It is perhaps ironic that in practice the government and private sector alike tend to regard IP holistically, while history and inertia cause IP laws themselves to regard IP's core unity only spasmodically. We legislate for trademarks without thinking much about how similar issues are treated in copyright or patent law, and we act similarly when we enact those laws too. Whoever values legal coherence and tidiness will find IP law – and trademark law's place within it – dispiriting.

## 2. Trademarks as property

Trademarks and IP can be called a type of “property” because they have value, are enforceable against all and sundry, and can be bought and sold. The “property” label should not however drive policy and become an end in itself. This form of intangible “property” differs radically from the tangible “property” that is land and goods, and our rules must reflect that. If you take my bicycle, I do not have it anymore and I now must walk or drive or take buses or cabs. But if you “take” my trademark, I still have it and can go on using it and selling my goods and services bearing it: you have simply interfered with my marketing, and the question is whether you can get away with it.<sup>5</sup> Even the criminal law recognizes that: deliberate trademark infringement is punished as fraud or forgery, not theft.<sup>6</sup>

And trademarks are a volatile form of property. If I let you get away with “taking” my trademark for long enough or if the public starts using the mark to describe a product or service rather than its source, then I may lose my “property” and the mark may become free for all to use. Google Inc. recently managed to retain its trademark in the United States despite widespread use of “googling” to mean using any search engine, whether Google, Bing, or Yahoo.<sup>7</sup> Zipper, thermos,

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<sup>5</sup> S. Green, *Thirteen Ways to Steal a Bicycle* (Cambridge, Mass.: Harvard University Press, 2012).

<sup>6</sup> Criminal Code, ss. 380 (fraud) & 406-414 (forgery); *Regina v. Strong Cobb Arner of Canada Ltd.* (1974) 2 O.R.2d 692 (C.A.) (forgery); cf. *R. v. Stewart* [1988] 1 S.C.R. 963 at [43]ff. (fraud).

<sup>7</sup> *Elliott v. Google, Inc.*, No. 15-15809, – F.3d – (9<sup>th</sup> Cir. 2017).

cellophane, and aspirin suffered a different fate in the past in some jurisdictions.<sup>8</sup>

### **3. Trademarks are an exception to the rule of free trade and competition**

IP is not part of the natural economic order of a free market economy: free competition is. Free competition with low barriers to entry is usually considered the best way to bring to the public the goods and services it wants. “Usually” is not “always”: exceptions to free competition are sometimes justifiable for overriding public policy reasons. But to be legitimate, the exceptions must always be justified in fact. They should remain exceptions and not swallow up the rule.

Trademark law as a whole can be justified as an exception that causes desired goods and services to be produced and distributed the way the distributor and consumer intended, more accurately than would occur under conditions of unrestrained competition. It prevents fraud and confusion. But it does not follow that particular features of trademark law can be justified as an acceptable exception to the rule of free competition.

Take, for example, the controversial doctrine of trademark dilution,<sup>9</sup> which allows trademark owners to stop even non-confusing uses of their mark that are likely to harm their brand’s image: this doctrine in Canada and elsewhere has nothing to do with preventing fraud or

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<sup>8</sup> Thus aspirin is generic in the United States and elsewhere but not in Canada because of a since repealed quirk of Canadian law, upheld in a 3:2 split decision of the Supreme Court: *Bayer Co. Ltd. v. American Druggists Syndicate Co. Ltd.*, [1924] S.C.R. 558, rev’ing [1923] Ex. C.R. 65; compare *GE Trade Mark*, [1973] R.P.C. 297 at 323 (H.L.), suggesting the Supreme Court’s view was legally wrong.

<sup>9</sup> *TMA*, *supra* note 2, s. 22.

confusion and has inhibited such practices as comparative advertising that a free market normally encourages.

#### **4. Trademarks and balance**

IP laws are like many other laws that give advantages to particular classes of persons. The rights granted must be balanced off against the rights and freedoms taken from others by the grant. Thus trademark law seeks to reconcile various rights and interests:

- those of trademark owners;
- those of competitors and other traders;
- those of consumers who rely on marks for their purchasing decisions; and
- those of the general public which may want to use the mark in other ways.

Trademark law and policy are about how best to achieve this balance and reconciliation.

#### **5. IP should reflect a coherent joined-up policy of all its parts, including trademark law**

If trademark law is only a part of the whole IP law tapestry, then the whole should have a coherent design into which trademark law fits. Trademark law is not even consistent internally. For example, there is no general right to use a trademark for comparative advertising, but that right is granted for the use of geographical indications for wine.<sup>10</sup> So I cannot put a card next to a bottle of claret in the liquor store to say

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<sup>10</sup> *Ibid.*, s. 11.16(2).

Chateau Vaver from the Okanagan is as good as Chateau Mouton Rothschild [TMA No. 220703], but I can say Chateau Vaver is as good as any Bordeaux [GI No. 1431142].

Our reasonable skater might well ask why the TMA cannot get its own story straight, and may then go on to ask why a single IP code does not exist that incorporates each head of IP, with common provisions to deal with cross-cutting issues such as registration, transfer, licensing, error correction, and enforcement, only with special variations for each right justified by considerations that apply to such right alone.

#### **6. Achieving that joined-up IP policy should be a priority for IP law in general and trademark law in particular.**

Working towards a single IP code would have three additional desirable features.

- It would expose each area of IP law to the existing policies of the others and would raise the question of how far, if at all, those policies should apply across the board. For example, the *Copyright Act* has provisions indicating who owns the rights as between an employer and its employees.<sup>11</sup> Does not the same policy on employer and employee ownership apply to trademarks? Why then does the TMA not say so?

To go the other way: the TMA has a useful provision on remedies that gives courts a wide discretion to make “any order that it considers appropriate in the circumstances” and then lists as examples the usual schedule of injunction, damages, account, and destruction of offending material.<sup>12</sup> Flexibility in remedies has proved useful

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<sup>11</sup> *Copyright Act*, R.S.C. 1985, c. C-30, s. 13(3).

<sup>12</sup> TMA, *supra* note 2, s. 53.2(1).

throughout the law in resolving cases in and out of court. Why do most other Canadian IP laws apparently lack similar flexibility?

- A single IP code would add certainty and consistency to the law and so reduce the deadweight costs that uncertainty and inconsistency create. Because trademark law says nothing about employee rights, do we presume they differ from those in copyright? In a federal law that is supposed to apply consistently nationwide, do we relegate the issue to the individual laws of the provinces, which may differ one from the other?
- Creating a coherent IP code would make IP law more comprehensible and accessible, and thus acceptable, to those whom it is designed to serve, both business and public alike – a point returned to later when questions of style are discussed below.

### III

Let us now turn to the content of trademark law. If making Canadian IP law reflect a coherent joined-up policy is indeed a priority, we might ask (1) how a particular issue has been handled by other Canadian IP laws, and (2) whether the same approach should apply to trademark law. The same policy might be presumed to apply at least where:

- a. the issue was dealt with recently,
- b. no countervailing trademark policy is apparent, and
- c. the other IP policy has worked satisfactorily, i.e., there has been little adverse criticism and any case law applying it seems sensible.

The presumption should weaken or disappear if any of these factors was missing.

The process could equally work in reverse: how trademark law deals with an issue may reflect a policy that is equally transferable to other IP laws.

Here are a couple of examples of this approach in action:

## **1. Parody**

In 2012 the *Copyright Act* was amended to allow copyright material to be parodied or satirized so long as this was done fairly.<sup>13</sup> Nothing like that appears in the *TMA*. It should.

The *TMA* was first enacted in 1953, well before Canada got its *Bill of Rights* in 1966 and its *Charter of Rights and Freedoms* in 1984 with their guarantees of freedom of expression. The *TMA* looked after the free expression rights of trademark owners but generally dealt with those rights for others only obliquely or partially. Comparable free expression guarantees in the South African Constitution led its Constitutional Court in 2005 to say that trademarks could be parodied despite the presence of unpropitious provisions in South Africa's *TMA* much like those in Canada's *TMA*.<sup>14</sup>

The South African court implicitly rejected the more restrictive view taken of free expression in Canada's *Charter* by the Federal Court in 1996. The Canadian court had held that a labour union infringed copyright by caricaturing the Michelin Tire logo in leaflets encouraging a Michelin plant's workers to unionize. The union escaped liability for trademark infringement and dilution for technical reasons that are not particularly clear. The best interpretation is probably that the union was using the mark to organize workers: that was not a "use" in association with goods or services. That statement is actually somewhat suspect:

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<sup>13</sup> *Copyright Act*, *supra* note 11, s. 29 (as am.).

<sup>14</sup> *Laugh It Off Promotions CC v. South African Breweries Int'l (Finance) BV*, 2006 (1) S.A. 144.

unions can get trademarks and surely their services include organizing workers. They were not however associating their activities with any goods or services for which Michelin was registered.<sup>15</sup>

That is how the *TMA* mainly recognizes free expression rights obliquely or partially. The right of parody does not appear expressly in the *TMA*. It arose obliquely from the way the court interpreted trademark “use”. The recognition was partial and indeed arbitrary: the same parody could have been stopped under the *TMA* depending on who did it and why.

The Canadian copyright amendment on parody was passed explicitly to overturn the *Michelin* decision. Parliament accepted that the right to parody and satirize should be expressly stated, and users should not be forced down the expensive rocky road of relying on the *Charter of Rights and Freedoms* – which had anyway proved useless in the *Michelin* case. Free expression rights have marched on in Canada since 1996 but the point of expense and relative uncertainty still holds good.

If we adopt the formula I suggested earlier, then the case for amending the *TMA* to include fair parody and satire is clear. Commercial use is just one factor pointing to unfairness in copyright law, but it is by no means a conclusive one. Nor should it be in trademark law, as the South African case involving the sale of T-shirts carrying a parodied mark shows. The Canadian copyright policy was implemented very recently; whether a trademark is fortuitously protected by both copyright and trademark law or just one seems

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<sup>15</sup> *Éts. Michelin et Cie v. C.A.W.-Canada* (1996), 71 C.P.R. (3d) 348 (Fed. T.D.)

irrelevant; and fair parody is accepted in most liberal democracies as protected expression that falls outside IP law.<sup>16</sup>

## 2. User rights

Canadian courts have not yet had the occasion or need to employ the language of user rights to describe what people other than trademark owners can legitimately do with or to trademarks. The Supreme Court of Canada has, however, for over a decade consistently referred to exceptions and limitations in copyright law – fair dealing and other activities users may carry on without infringing copyright – as user rights.<sup>17</sup> The Court has extended the idea of user rights to include the open space left by owner rights that are limited in scope.<sup>18</sup> To apply that notion to trademarks, the union's right to leaflet could be called a user right because the trademark use was defined in a limited way in the *TMA* that left the union free to act in the space outside that limit.<sup>19</sup>

The Supreme Court's switch from the language of exceptions to the language of user rights has had at least three effects:

*First*, copyright law is now recognized as a law not just about authors and owners but equally about the users of copyright material, without whom a copyright law would be an irrelevancy. Treating authors, owners, and users equally involves recognizing copyright as a

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<sup>16</sup> But see the same grudging interpretation given to parody in *United Airlines, Inc. v. Cooperstock*, 2017 FC 616 as was applied in *Michelin*, *supra* note 15. One may only lead a horse to water.

<sup>17</sup> *CCH Canadian Ltd. v. Law Society of Upper Canada*, [2004] 1 S.C.R. 339.

<sup>18</sup> *Reference re Broadcasting Regulatory Policy CRTC 2010-167 & Broadcasting Order CRTC 2010-168*, 2012 SCC 68.

<sup>19</sup> In the United States both copyright and trademark defences are labelled as fair uses: see, e.g., on trademarks, *WCVB-TV v. Boston Athletic Ass'n*, 926 F.2d 42 (1st Cir. 1991).

system that creates a balance between protection and fair access and between conflicting free expression rights of owners and users.

*Secondly*, equal treatment also requires user rights to be interpreted as liberally as owner rights. Balancing owner rights against user exceptions is incongruous: the scales start off loaded on the side of rights, which are traditionally interpreted expansively, and depressed against exceptions, which are traditionally interpreted narrowly. This approach does not depend upon the precise language used in the Act. It is a matter of substance.

*Thirdly*, the focus on user rights has raised the issue of why IP legislation besides copyright is so remiss in explicitly specifying user rights. Why do such rights have to be squeezed out of an Act – as they were in the *Michelin* case – by a process of sophisticated, extensive, and expensive interpretation, making users look as if they are taking advantage of some loophole they have found only through the ingenuity of their lawyer?

Explicit user rights are harder to find in the *TMA* than in the *Copyright Act*. Two short lonely subsections hidden away at the end of a long list of user taboos allow some good faith use of geographical and personal names, accurate descriptions of goods or services, and utilitarian features of a trademark.<sup>20</sup> But, as we see from *Michelin*, there may well be other implicit user rights that arise from the limits that have arisen from interpretations of the *TMA*. Anyone could have parodied the Michelin logo in television or radio commercials because of how the courts have used the definition in the *TMA* to limit what counts as use of a trademark.<sup>21</sup>

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<sup>20</sup> *TMA*, *supra* note 2, ss. 20(1.1) & (1.2).

<sup>21</sup> *Ibid*, s. 4(1); *Clairol Int'l Corp. v. Thomas Supply & Equipment Co.*, [1968] 2 Ex. C.R. 552.

So no provision explicitly gives users a right to repair and sell a product under its existing trademark. But we think the *TMA* does in fact allow you to take your battered Ford Focus to the body shop, get it fixed, and offer it for sale without having to strip it of its Ford and Focus logos. One has a problem only if the car has been wrecked and needs rebuilding, or a Bentley grille is stuck on the front of it: Ford could, if it cared, stop you selling something that has been reconstructed or redecorated even if you tell the seller what you've done. Some such result applies in patent and copyright law, and our best guess is that it applies to trademark law too. But should not an explicit user right that says what is and is not allowable be included in the *TMA*?

More generally, no-one can say for certain whether the Supreme Court will apply the user right approach to the *TMA*. The presumption in favour of applying the same policy to the *TMA* (and for that matter to other IP rights) seems nevertheless strong. The user rights approach has been adopted recently and consistently reinforced by the Supreme Court in a number of copyright decisions for over a decade, despite opposition from interest groups representing authors and copyright owners; and no apparent contrary trademark policy applies.

#### IV

Something needs be said about the style in which the trademark law is written. This topic may be little discussed because the reasonable skater may think that trademark law is inherently technical and so must be written in technical inaccessible language. Lawyers also tend to think style is a pretty esoteric or minor concern anyway. They are wrong on both counts.

All law is technical to a point, but well-known ways exist to make it more comprehensible than it currently is. True, no-one reads legislation

for its entertainment or aesthetic value. Laws are not written to be read as Shakespeare or Oscar Wilde or Baudelaire or even Christie Blatchford is. Laws tell people what they can and cannot do, and what could happen if they cross them. Law's style should therefore follow its function.

So our reasonably literate skater who wants to get a trademark or not cross someone else's should be able to look at the *TMA* online and quickly get a sense of what she can and cannot do. Of course she will realise that she will probably need to see a lawyer or trademark agent for advice on her situation because lawyers do use words in funny ways. But the *TMA* should, with a minimum use of legal jargon, steer her in the right direction. It should, in short, be user-friendly.

The *TMA* is not substantively user-friendly, as has just been shown. It is no better stylistically. There is more than just a matter of taste involved. The Rule of Law suggests laws should be written in a user-friendly way so as to be accessible by the people, including our reasonable skater, not just their lawyers and judges. In particular, they should be written so that the people whom they affect can read and understand them. People should feel confidence in their legal system: how can they if they cannot easily understand the laws that affect them? Well-written laws are also good economics: they reduce both the time and cost of working out people's legal positions, and also the rate of judicial error.

On this score, the *TMA*, even when drafted in the early 1950s, was a dismal failure. The added patchwork of amendments since then compounds its dismalness. The *TMA* may be only relatively dismal if compared with the *Patent or Copyright Act* or the *Income Tax Act*, but dismal it remains. We can and should do much better.

Why this state of affairs? User friendliness of legislation seems still a low priority with the government or parliamentary drafters. It was no priority at all when the basic *TMA* was rewritten in the 1950s under the watchful eyes of a Committee headed by Harold Fox QC, a leading IP specialist of the day. Fox made sure that the *TMA* was better written than the legislation it replaced and than most other IP laws of the period, but that was a low bar to clear. Fox's Committee was intent only on making the law understandable to people like Fox – a trademark law specialist. It was uninterested in writing the law to be accessible for non-specialist lawyers or even non-specialist courts such as the superior courts of the provinces, let alone literate commercial people who were using and paying for the system. Here those who paid the piper through taxes and user fees did not get to play the tune, because they did not know what tune they could or should be playing. All professions tend to believe, and make others believe, that their specialty is inherently complex and unable to be explained or properly understood by outsiders. This belief is as untrue of law as it is of other specialisations. The jargon that lawyers and legal drafters typically use through second nature is often a major barrier to understanding.

Let me give you a random example from the *TMA* – not a particularly bad example, let alone the worst; just typical. Fox's Committee wanted trademark owners to feel that after registration they had a pretty secure title to their trademark, so the Committee said that only someone with a better title could challenge registration; anyone else was out of luck. Accordingly, the *TMA* allows a successful challenge only to someone who has earlier used or made well known a confusingly similar trademark or trade name, without abandoning it by the time the trademark application was advertised. If the challenge comes over five years after registration, the challenger must also show

that the registered owner had adopted the mark in bad faith, i.e., with knowledge of the challenger's conflicting mark or name.

That is a perfectly defensible policy and some variant of it appears in other countries too. But look how those simple thoughts are translated into two sentences in section 17 of the *TMA*. The two run to 185 words: the first sentence has 109, with just two commas and no paragraphs:

(1) No application for registration of a trade-mark that has been advertised in accordance with section 37 shall be refused and no registration of a trade-mark shall be expunged or amended or held invalid on the ground of any previous use or making known of a confusing trade-mark or trade-name by a person other than the applicant for that registration or his predecessor in title, except at the instance of that other person or his successor in title, and the burden lies on that other person or his successor to establish that he had not abandoned the confusing trade-mark or trade-name at the date of advertisement of the applicant's application. (109 words)

(2) In proceedings commenced after the expiration of five years from the date of registration of a trade-mark or from July 1, 1954, whichever is the later, no registration shall be expunged or amended or held invalid on the ground of the previous use or making known referred to in subsection (1), unless it is established that the person who adopted the registered trade-mark in Canada did so with knowledge of that previous use or making known. (76 words: total 185 words)

It is not difficult to reproduce the meaning of these provisions more simply and clearly and in a more user-friendly way. An hour and a half and a few redrafts later, I managed almost to halve the length of the provision while retaining the drafter's intent. The result simplifies and clarifies the language for both lawyer and lay reader alike:

(1) A trademark for which an application for registration is advertised under section 37:

(a) shall not be registered, or

(b) if registered, shall have its registration cancelled or amended,

if another person:

(c) had earlier used or made known a confusing trademark or trade name without abandoning it, and

(d) opposes or applies, by himself or his successor in title, to cancel or amend the registration. (68 words)

(2) Proceedings commenced after the later of 1 July 1954 or 5 years from registration may succeed only where the challenged trademark was adopted with knowledge of the earlier use or making known. (32 words: total 100 words)

The more common word “cancel” is used here in preference to the archaic lawyerism “expunge” as part of the process of simplification. The whole *TMA* would be easier to understand and navigate were it rewritten along these lines.<sup>22</sup>

Fox was well aware of how provisions in the *Trade Marks Act 1938* (U.K.) had earlier been castigated by an English appeal judge for their “fuliginous obscurity.”<sup>23</sup> One person’s fuliginous obscurity is of course another’s radiant luminosity, and we assume Fox thought his Committee’s drafting fell on the luminous rather than fuliginous end of the spectrum. But as a piece of English prose, section 17, with its lack of paragraphing and illogical structure, is unnecessarily ponderous and deters all but the most determined reader.

The issue is compounded as new amendments drafted in different styles are parachuted into the *TMA*.

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<sup>22</sup> Confession: I gave my penultimate draft to my non-lawyer wife to read, and a couple of suggestions she made are incorporated into my draft. It is a salutary – and sometimes humbling – experience to let a non-lawyer at one’s legal drafting. I doubt parliamentary drafters do it often. They should.

<sup>23</sup> *Bismag Ltd. v. Amblins (Chemists) Ltd.*, [1940] 1 Ch. 667, 687 (C.A.), by MacKinnon L.J.

The issue of style goes beyond the *TMA*. It is part of treating trademarks as part of an entire IP code that should use language consistently across the board. All the IP Acts currently share similar policies on the registration of the rights, correction of errors, transfer of ownership, licensing, enforcement, and court proceedings. These may be the boring eye-glazing sections of the law, but they are critical to keeping IP rights valid and properly managed. Where the policy or the nature of the rights differs, the language should naturally differ. But where the policy is the same – as is the case with the core provisions relating to remedies – the provisions differ for no good reason among the statutes.

Again, history and inertia explain the discrepancy. The individual pieces of IP legislation were enacted and amended at different times over the last 150 years according to different pressures and conditions. Many different drafters tried their hand in line with the drafting conventions of the day. When all the statutes were periodically consolidated, drafting changes were largely cosmetic and nobody was willing to lift their eyes far beyond the individual statute and take the further step of ensuring drafting consistency among common provisions.

Take the title of the *Trademarks Act* itself. We have gone from “trade mark” as two words in the 1953 *Act*, through “trade-mark” as hyphenated in the 1985 consolidation, now to “trademark” as one word when the 2014 amendments are proclaimed. And yet the *TMA* remains the *Trademarks Act* (plural), as does the *Plant Breeder’s Rights Act*, while all the other IP statutes are singular: the *Copyright Act*, the *Patent Act*, the *Industrial Design Act*. If we can’t even standardize something as trivial as the style of the titles of our *Acts* – the very start of the law in section 1 – what hope is there for the style of common

substantive provisions among the various *Acts*, let alone within each *Act* itself?

Standardizing substantive provisions is of course the more pressing problem since transactions frequently deal with IP rights as a whole and differences in language among statutes are traps for both the wary and the unwary. Differences sometimes do mean differences in policy, but just as often they do not: the difference is stylistic only. But difference can and does give rise to costly time-consuming arguments.

One example: a case fought in the federal courts through the 1990s had a patent infringer saying it did not have to hand over the profits it made from infringement because the *Patent Act* did not clearly say so. The ancient language in the *Act* cryptically said that in addition to damages, the court could, on a party's application, make any order it thought fit restraining infringement "or for and respecting inspection or account, and generally, respecting the proceedings in the action."<sup>24</sup> The infringer said this mysterious language just meant it had to keep accounts before trial to help in assessing damages: as in the United States, the patent holder was not given the general law remedy of making a defendant hand over its ill-gotten gains. The courts decided that the *Act* did in fact intend to make the general remedy available in patent cases and the infringer had to hand over its gains.<sup>25</sup> How easily that point could have been made had the simple, better drafted language in the *TMA* or the *Copyright Act* appeared in the *Patent Act*. Instead some hundreds of thousands of dollars were spent arguing the point through two federal courts. We can only assume that the Supreme Court would not reach a different result.

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<sup>24</sup> *Patent Act*, R.S.C. 1985, c. P-4, s. 57(1).

<sup>25</sup> *Beloit Canada Ltd. v. Valmet-Dominion Inc.*, [1997] 3 FCR 497 (C.A.).

I come now to the process of law reform – how we got where we are and the way forward.

Having slammed the original 1953 *TMA* till now, let me say something nice about it. It may not be user-friendly, it may include provisions which time has shown to be inadequate, it may now be dated; but compared to Canada's other IP laws and to the contemporary American and British trademark laws of the 1950s, Canada's *TMA* was by far the best drafted by then standards. The reason is not hard to see. A Committee, modelled on the lines of a prior U.K. trademarks revision committee, was set up in 1947 by the Secretary of State of Canada to review the then outdated 1932 trademark law. It was dominated by trademark law specialists and business interests and chaired by the formidable Fox. The Committee took five years to report after hearing from a broad range of stakeholders. Unlike the earlier U.K. committee on which it was modelled, Fox's Committee included draft legislation to implement its recommendations. Parliament enacted most of it as the 1953 *TMA* with little debate.

Little debate was also a feature of the 2014 amendments to the *TMA* – but for a different reason. The amendments were contained in a bill called the *Economic Action Plan Act* intended to implement the 2014 budget. They comprised one division among 30 on matters ranging from income tax and refugees to a new bridge for Montreal and loans for apprentices. Trademark lawyers fruitlessly complained they had not been consulted on a bill that contained some major surprises, such as allowing a trademark to be registered without its owner having formally to declare that it had been used. Nor did they

get much time to ventilate their views in the committee stages of the bill as it was force-marched as a Budget bill to enactment unchanged.

A process like this is unlikely to produce user friendly legislation nor any integration into the larger IP tapestry – and it didn't. One hopes this process is never repeated.

Given Fox's relative success at the time, should we not go Fox-hunting again for a new Committee to come up with an IP code for the twenty-first century, with trademarks as integral part? Late last year, Daniel Bereskin QC suggested to the Minister of Innovation, Science & Economic Development that the time was ripe for another trademarks committee *à la Fox*. Mr. Bereskin's proposal has not borne fruit so far. Such a committee would seem worthwhile, although a broadly-based Committee that covered the whole of IP, with a mandate to produce an integrated user-friendly law, would seem a logical progression. That committee would include working groups that would deal with the various areas of IP, including trademark law.

Mr. Bereskin proposed a number of trademark issues to the Minister that the Committee should consider. Some issues are obvious enough. For example, an Act that was drafted well before the advent of public colour television clearly needs adjustment, just as copyright law did, to the intricacies of the digital revolution and online commerce. Other matters (some mentioned by Mr. Bereskin) include the following:

- A new Act should contain a clear list of user rights to balance against the newly extended range of trademarks and enforcement provisions that trademark owners have received or about to receive. These user

rights should clearly reflect Canada's policies favouring free expression and free trade.

- The Act should better reflect the greater cultural diversity of the Canadian market compared to the situation in 1953. Much marketing today targets consumers who are not just primarily francophone or anglophone. The current TMA does not deal well with foreign language trademarks generally. We find, for example, TM Opposition Board members proceeding as if significant language groups other than French or English can be disregarded. For some members, Italian dictionaries do not exist unless they are handed one, and they apparently do not know, without being told on oath, that Italians enjoy vegetables and that a good portion of the populace can actually read a Spanish language wine label.<sup>26</sup>

- A new Act should deal better with marks in non-European script such as Chinese, Hindi, or Arabic. Many are treated as designs rather than words, with unfortunate consequences when it comes to searching for conflicting registrations or raising questions of confusion.<sup>27</sup>

- A new Act should deal better with trademarks that affect Indigenous interests. Marks that are descriptive in French or English are banned, but not those in Inuit, an official language of Nunavut.<sup>28</sup> Even were Inuit included, a word such as QIMMIK for dog food has been registered even though the *qimmik* (the Canadian Inuit dog) has a sensitive history with

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<sup>26</sup> E.g., *Greenhouse Grown Foods Inc. v Del Fresco Produce Inc.*, 2012 TMOB 127 at [21]; *Miguel Torres SA v SA Establecimientos Vitivinícolas Escorihuela*, 2013 TMOB 184 at [26].

<sup>27</sup> See the PhD Osgoode dissertation on such marks, by Ung Shen Goh (2018).

<sup>28</sup> *Official Languages Act*, 2008 (S. Nu.), c. 10, s. 3(1).

the Inuit and is indeed an official symbol of Nunavut.<sup>29</sup> Nor were the Nisga'a people of British Columbia notified of the registration of NISKA as a mark for clothing, and were indeed labelled by a Trade Marks Office hearing officer as a group known to “relatively few Canadians” (note: not even “few *other* Canadians”).<sup>30</sup> No wonder that a mark such as THE RUDE NATIVE with an equally tasteless drawing managed to get on the register for restaurants.<sup>31</sup>

- Trademarks raise access to justice issues especially for small and medium size businesses. Trademark registration, opposition, and litigation quickly become prohibitively expensive. Should not the TMA be changed to allow trademark infringement actions to proceed in courts below the superior court level,<sup>32</sup> as is possible for copyright or design infringements? Even for copyright, one can only get damages from a small claims court, not the injunction an IP right owner usually wants. One might want to adjust the TMA to allow provinces to give all their courts jurisdiction over trademark infringements, including the right to grant injunctions. More comprehensively, perhaps a division of the Federal Court, modelled on England’s IP Enterprise Court, with its comprehensive simplified and small claims procedure, could make access to justice for trademark and other IP cases more real for individuals and small-to-medium-sized companies and claims.

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<sup>29</sup> TM No. 1140380; CBC News, “Trademarked Inuit Word Irks Nunavut’s language czar” (Mar. 30 2005), online at <http://www.cbc.ca/news/business/trademarked-inuit-word-irks-nunavut-s-language-czar-1.525948>.

<sup>30</sup> *Lortie v. Standard Knitting Ltd.* (1991), 35 C.P.R. (3d) 175 at 179 (T.M. Opp. Bd.).

<sup>31</sup> *The Rude Native Inc. v. Tyrone T. Resto Lounge*, 2010 FC 1278.

<sup>32</sup> *Innovation F. Chartrand Itée v. Tremblay*, 2015 QCCQ 1639 at [10]; *Hains (Cindy Hains Photographe) v. Ermel (Studio Zaf)*, 2015 QCCQ 1152 at [36]-[37] on TMA, ss. 52 & s. 53.2 (no jurisdiction in Cour du Québec).

- The *TMA* gives a registered trademark owner rights against small businesses that have used a mark for years locally without any confusion and years later are suddenly told to stop using it. As noted earlier, five years after registration, a registered owner's rights can be challenged only for initial bad faith. Honest concurrent use is not explicitly recognized as legitimate unless a user goes to the Federal Court after 5 years to ask for a declaration allowing it to continue use. This is an unnecessary technicality. Honest concurrent use should be straightforwardly recognized without the need for a Court order. In Europe not only are American and Czech Budweiser beers freely marketed, but they even have concurrent trademark registrations. Such things may be possible under the *TMA*, but not without the need for difficult and expensive litigation first to establish the possibility.

- Little need be said about the system of official marks that has not been said before and often. Under it a “public authority” can simply file a notice with the TMO that it has adopted a mark and then can demand money from anyone who wants to register it or a similar mark even when no consumer could possibly be confused.<sup>33</sup> Indeed the Supreme Court of Canada itself has filed such a notice<sup>34</sup> and once tried (unsuccessfully) to stop an academic legal publication from using a picture of the Court building on its cover – as if anyone would think the Court was endorsing the publication. The only surprise about the official mark system is that it is taking so long to get rid of it. Having acquired a right – however spurious – no-one likes to give it up for free.

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<sup>33</sup> See D. Vaver, *Intellectual Property Law : Copyright, Patents, Trade-marks*, 2<sup>nd</sup> ed. (Toronto : Irwin Law, 2011), 503ff.

<sup>34</sup> Official Design Mark 0908151 of July 9, 1997.

- Whether trademark dilution should be allowed to continue in a new Act at all, or in a more restricted form that does not unduly interfere with free speech, requires consideration.
- Should the prohibition on “scandalous, obscene or immoral” trademarks – including unregistered marks – be maintained? The same ban applies to industrial designs. The *Copyright Act* abandoned a comparable ban in 1921, as did the *Patent Act* for its similar ban on “illicit” inventions in 1994. The Trademarks Examination Manual provides conflicting guidelines on the subject that read as if they were written by Lady Bracknell (although with less style) – and even they did not stop the registration of THE RUDE NATIVE trademark. Perhaps a more targeted provision is required for marks that are offensive to Indigenous interests. A comparable catch-all provision like Canada’s was recently struck down in the United States for violating the First Amendment,<sup>35</sup> and caselaw from other countries is all over the place.<sup>36</sup> Banning marks that the Criminal Code would call obscene may be sensible, and no doubt swastikas qualify as “scandalous”.<sup>37</sup> But are not social media campaigns against offensive marks better and potentially more effective forms of control than leaving the TMO to try to judge what is “scandalous,” “immoral,” let alone “obscene”?

## VI

Georges Clemenceau once famously said: *La guerre! C’est une chose trop grave pour la confier à des militaires*. Trademark law as well

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<sup>35</sup> *Matal v. Tam*, 137 U.S. 1744 (U.S. 2017); *Re Brunetti*, — F.3d — (Fed. Cir. 2017).

<sup>36</sup> See *Vaver*, *supra* note 33, 484.

<sup>37</sup> Applications for offensive marks were made in the U.S. immediately after the ruling in *Matal v. Tam*, *supra* note 35, some applicants claiming their application was being made defensively to prevent others from adopting and using the marks.

is probably too serious a thing to entrust to industry or trademark specialists or academics alone. Perhaps we need to get the reasonable skater on the Rideau Canal to glide over and help Canada once again lead the world with new standards in fair and readable trademark legislation.