

WHEN ARE TRADEMARKS CONFUSING?

Like many legal questions, the question as to whether two trade-marks are confusing is a simple one to ask, but a complex question to answer.

Section 6(2) of the Trade-marks Act stipulates that trade-marks are considered confusing “if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class”.

Section 6(5) of the Trade-marks Act provides:

In determining whether trade-marks or trade-names are confusing, the court...shall have regard to all the surrounding circumstances, including:

- the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- the length of time the trade-marks or trade-names have been in use;
- the nature of the wares, services or business;
- the nature of the trade; and
- the degree of resemblance between the trade-marks or trade-names in appearance, sound or in the ideas suggested by them.

By common law, the test for confusion is evaluated according to the “first impression” of a consumer with “imperfect recollection”.

(a) Inherent Distinctiveness

At one end of the spectrum, invented terms like KODAK, XEROX and EXXON are considered inherently distinctive since they have no meaning except as trade-marks. They are therefore strong trademarks from a legal perspective.

At the other end of the spectrum, largely descriptive or laudatory marks like INTERNATIONAL BUSINESS MACHINES, UNITED PARCEL SERVICE and SUPERSTORE are not considered inherently distinctive since they are composed of known words which are used as common terms in the relevant market. They are therefore weak trademarks from a legal perspective.

In the middle of the spectrum are known words, syllables and phrases that have a suggestive quality such as NIKE, APPLE and PRESIDENT’S CHOICE since they suggest a positive association with the relevant products and services without being common descriptive terms in the relevant market.

In this context, it is also important to consider the “extent to which the marks have become known”. For instance, an inherently distinctive mark may be relatively weaker than a suggestive mark which has enjoyed voluminous sales and/or extensive advertising.

(b) Length of Time in Use

Generally, it is presumed that a trade-mark which has been used in the marketplace for a long period of time has a stronger reputation than a proposed trade-mark or one that has only recently been adopted.

On the other hand, if two similar trade-marks have co-existed in the relevant market for a long period of time without any reported instances of confusion among consumers, this may be considered evidence that they are sufficiently different to avoid confusion. This is especially true where the trade-marks are not inherently distinctive for the relevant market.

(c) Nature of the Wares, Services or Business

Similar, even identical, trade-marks may be adopted by multiple businesses provided that they are used to promote different wares, services and business that are not sold in the same or overlapping markets. However, the adoption of a trade-mark is prohibited where it would create a “link, connection or mental association” in the consumer’s mind with the trade-mark for an established business. This may be true even when the newcomer is not a direct competitor of the established company.

For instance, the word APPLE was used simultaneously in Canada as a trade-mark for computers, a music label and automobile glass for many years without confusion. However, the adoption of JAGUAR as a trade-mark for luggage was prohibited because JAGUAR was already the trade-mark for an automobile manufacturer and there is a connection in the mind of consumers between automobiles and travel accessories.

(d) Nature of the Trade

By definition, all trade-marks are used in a marketplace and sometimes the very specific nature of the relevant market can determine whether confusion is likely. This may include a consideration of the lines of trade for the specific wares or services. It may also

include a consideration of whether consumers are likely to purchase the associated wares or services with deliberate care (ie. household appliances) or without much attention to detail (ie. groceries).

For instance, it was recently determined that different businesses may adopt similar trade-marks for bicycle tires and automobile tires without resulting in confusion, because they are rarely sold in the same lines of trade. However, it seems doubtful that different businesses may adopt similar trade-marks for clothing and jewelry without resulting in confusion because those wares are routinely sold in the same lines of trade.

(e) Degree of Resemblance

Finally, of course, we must consider the degree of resemblance between the two trade-marks. Although their appearance is a consideration, the resemblance of the two trade-marks is not limited to a strict comparison of their appearance. In addition, we must also consider: (i) their resemblance when sounded; and (ii) their resemblance in ideas or meaning.

For instance, GOOGLE and GUGAL sound alike so they may be considered confusing as trade-marks even though they have a different visual appearance and meaning. Similarly, HURRICANE and TYPHOON have a similar meaning so they may be considered confusing as trade-marks although they do not resemble each other in appearance or sound.

For the foregoing reasons, the differences in the appearance of two trade-marks that nevertheless remain similar in sound or meaning will not, on their own, avoid an allegation that the two trade-marks are confusing.

(f) Surrounding Circumstances

Since the court must consider “all the surrounding circumstances”, the above list of factors is not considered exhaustive and each factor is not necessarily given equal weight. Each situation must be judged in its full factual context, including the relative “fame” of each trade-mark.

Although fame alone cannot protect a trade-mark absolutely, section 22 of the Trade-marks Act provides additional protection to registered trade-marks which may be of particular benefit to “famous” trade-marks. It provides that:

No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.

While section 22 does not require a finding of “confusion” per se, the courts have determined that a “link, connection or mental association in the consumer’s mind” with the more famous trade-mark is still required to find any depreciation of its goodwill.

As discussed above, the court found such a connection between automobiles and travel accessories with respect to the JAGUAR trade-mark. However, it refused to find such a connection between: (i) champagne and women’s clothing; or (ii) dolls and a restaurant.

Conclusion

While we would like to offer simple answer to this seemingly simple question, the answer as to whether two trade-marks are confusing can only be determined after considering all of the facts and surrounding circumstances.

Of course, section 6(2) and our remaining common sense suggests that the overriding

question is whether use of both trade-marks would likely to lead consumers to infer that associated wares or services are offered by the same business? If the answer is yes, the trade-marks are likely confusing. If the answer is no, the trade-marks are not likely confusing.

Disclaimer: The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.