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Certification mark held to be recognised as being type of cheese

Examination/opposition

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National procedures

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In *The Ministry of Commerce and Industry of the Republic of Cyprus v International Cheese Council of Canada* (2011 FCA 201, June 13 2011), the Federal Court of Appeal has highlighted that, where a mark has become a commonly used term in designation of goods and services, no one person shall adopt it as a trademark.

The **Ministry of Commerce and Industry of the Republic of Cyprus** applied for the certification mark HALLOUMI in connection with cheese. A certification mark is a mark adopted to distinguish goods and services that meet a defined set of standards. Those standards include:

- the character or quality of the goods;
- how the goods are made;
- by whom the goods are made; and
- the area in which the goods are made.

The owner of the certification mark shall not be involved in the production or performance of the goods and services.

The International Cheese Council of Canada (ICCC) successfully opposed the certification mark on the grounds that it and the similar mark HALLOUM were used to identify a type of cheese and, therefore, were prohibited pursuant to Section 10 of the **Trademarks Act** (RSC 1985, c T-13).

Section 10 reads as follows:

“where any mark has by ordinary and bona fide commercial usage become recognised in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of any wares... no person shall adopt it as a trademark...”

The registrar of trademarks found that, as of the date of its decision, ICCC had provided sufficient evidence to establish that:

- several Canadian manufacturers produced cheese using similar marks to the certification mark; and
- the *bona fide* commercial use of those marks was to designate the type of cheese.

The opposition was allowed.

The Ministry of Commerce and Industry appealed to the Federal Court to reverse the registrar's decision and refuse the opposition. It alleged that the registrar had erred in its assessment of the nature and scope of evidence to successfully oppose on the grounds of Section 10. The ministry later raised in its memorandum that the registrar had erred in determining that the relevant date was the date of its decision, arguing that the date of its adoption of the certification mark in Canada was the correct date. ICCC opposed the ministry raising the issue late in the proceedings, stating that it would be prejudicial to it, as it did not have sufficient time to argue and prepare evidence.

The Federal Court refused the ministry's argument, as it was not pled in its notice of appeal, nor were the necessary steps taken to amend the notice of appeal to include the issue. The Federal Court dismissed the appeal, finding no error of law in the registrar's decision to allow for its intervention (for further details please see "**Certification mark refused for being extensively recognised in the industry**").

This is the appeal of the Federal Court's decision. The ministry maintained that the relevant date of determination was the date of its adoption of the certification mark, and not the date of the registrar's decision. Furthermore, it alleged that the Federal Court had erred in its standard of review of ICCC's burden of proof to establish its grounds of opposition.

The Court of Appeal quickly disposed of the relevant date issue, stating that the Federal Court had not erred in its decision to refuse the ministry's argument, as it was accordance with the Federal Court Rules SOR/98 and that it would be prejudicial to ICCC to allow the ministry to argue the issue.

As for the standard of review, the ministry claimed that the Federal Court had correctly identified the standard of review as correctness. However, it had proceeded to apply the standard of reasonableness. After careful review of the Federal Court's decision, the Court of Appeal held that the ministry had misinterpreted the decision as, in fact, the standard of correctness was applied.

Successful opposition under Section 10 of the act imposes a prohibition of use of a mark. Therefore, the ministry submitted that the nature and scope of the evidence should show extensive commercial usage of a mark establishing broad recognition of a kind of goods. The ministry claimed that the registrar and the Federal Court had erred in their assessment of the nature and scope of the evidence. It alleged that the registrar had erred in its assessment of the evidence by describing quantities of cheese sold under the certification mark and similar mark as being substantive.

The Court of Appeal held that:

- there were several pieces of evidence to determine that the manufacturers and retailers had come to recognise the certification mark as being a type of cheese; and
- the registrar was correct in finding that the certification mark or similar mark had been used extensively in Canada to identify a type of cheese.

The Court of Appeal dismissed the appeal and awarded costs to ICCG.

No matter how you slice it, when a mark crosses that threshold of common usage, it can no longer be a trademark.

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