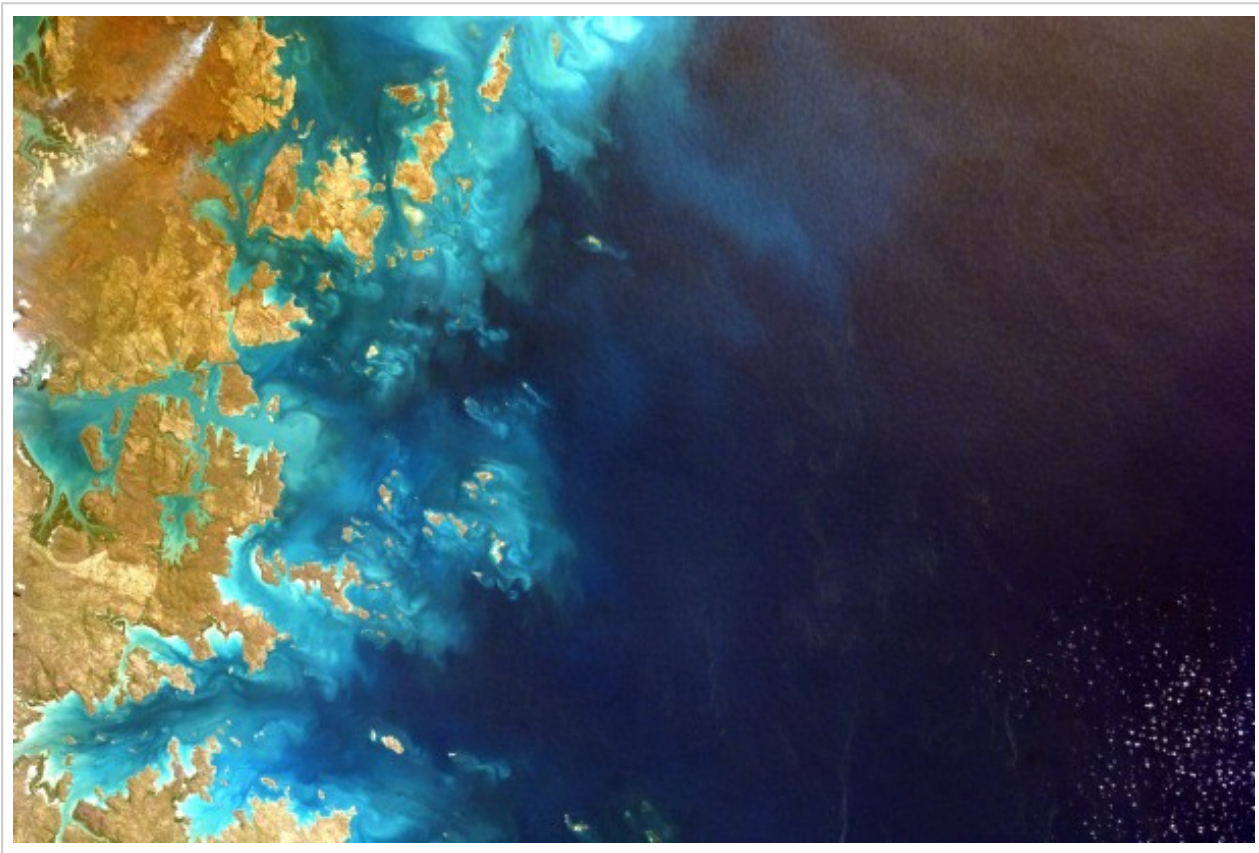


Location Matters: The Perils of Geographic Names as Trade-marks

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POSTED IN CANADA, TRADEMARKS



When choosing a trade or business name it may seem like a good idea to incorporate the location of your business into the name. There are benefits: it is helpful for marketing, it gives your audience an idea of where your business is and who your market is, it can help establish your business in a neighborhood, and it can help you build a brand based on community and locality.

However, using the location of your business in your trade or business name can cause difficulties when it comes to registering that name as a trade-mark. Under section 12(1) (b) of the Trade-marks Act, a trade-mark is not registrable if it is clearly descriptive or deceptively misdescriptive of the place of origin of the goods or services with which the trade-mark is used, unless that trade-mark has acquired distinctiveness through its use.

The Federal Court of Appeal recently reviewed section 12(1)(b), and considered the issue of whether a service provider can register, as a trade-mark, the name of a geographic location, purely in relation to its services.

In 2012, a dental practice owned by Dr. Cragg applied to register the trade-mark OCEAN PARK (the “Mark”) in association with dental services based on use since as early as 2000. The Mark was registered for use in association with “dental clinics” in 2013.

Prior to Dr. Cragg applying to register the Mark, another dentist, Dr. Lum purchased an existing dental practice a block away from Dr. Cragg’s and changed the name of the practice to “Ocean Park Dental Group”. Then, after moving the practice, Dr. Lum changed the name to “Ocean Park Village Dental”, and advertised and displayed signage using the trade-name “Village Dental in Ocean Park”.

In early 2014 Dr. Cragg brought an action against Dr. Lum for infringement of the Mark. In response, Dr. Lum brought an action seeking to invalidate the Mark on the grounds that it was not registerable under section 12(1)(b) of the Trade-marks Act.

In the court below, the trial judge held that in order to prove that a trade-mark is not registerable under section 12(1)(b), a plaintiff has to show (1) that a trade-mark refers to a geographic location; and (2) that the location was indigenous to the services in question. Under this analysis, in order for the Mark to be non-registerable, a reasonable person would have equate the geographic location “Ocean Park” with dental services. Based on the evidence, the trial judge found that this was not the case, and the court dismissed the action to invalidate the Mark.

However, the Court of Appeal held that this was not the correct analysis. Instead, the analysis under section 12(1)(b) is to focus on:

- the type of services involved;
- the average consumers to whom the services are offered; and
- the character of the geographic location.

Under this analysis, if the trade-mark is the name of the geographic where the services or goods are provided, then the trade-mark is descriptive within the meaning of 12(1)(b) and non-registerable because the trade-mark is descriptive of the origin of the services or goods.

The Court of Appeal reminded us that the reason why trade-marks that are descriptive of geographic locations are not registerable or protectable is to prevent a single service provider from monopolizing the name of a geographic location, so as to prevent other service providers from using that name to describe their own services.

On the issue of acquired distinctiveness, the problem identified by the Court of Appeal was that while geographic locations can be used in business names and for other purposes, they often do not meet the key requirement of a registerable trade-mark: distinctiveness. In this case, the Mark as registered, OCEAN PARK, was never used by itself in association with dental services. It was always used in the context of the name Ocean Park Dental. In this case, upon hearing “Ocean Park”, consumers would not think about Dr. Cragg’s dental services; as such, it could not be said that the Mark had acquired distinctiveness. Therefore, the Mark was declared invalid and struck from the Trade-mark Register.

This case warns businesses to be careful when choosing geographic locations as business or trade names

which they may wish to register as a trade-mark. The use of a geographic location within the context of a broader trade-mark may be permissible. However, it is unlikely that a business can expect to register a trade-mark consisting purely of a geographic location, unless that business and the trade-mark have acquired significant distinctiveness through lengthy and extensive advertising and use.

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