

DISTINCTLY DIFFERENT? TRADEMARKS AND THE STANDARDS FOR DISTINCTIVENESS

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The growth of the online world has meant that many brands which previously would have been accessible by and promoted to a section of society are now available to the world. This brings many challenges and one of them is how to create, protect and enforce a brand which must be used across numerous territories. Different countries have different processes, standards and definitions and brand owners must navigate these in the creation of a strong and effective brand portfolio.

This is the first of a series of articles in which we will draw on the expertise and experience of our team across the UK, France, Germany, the UAE, Russia, Singapore, China and Canada in order to give guidance on the approach to fundamental issues faced by trademark owners.

Our first topic is distinctiveness. The essential function of any trademark is to guarantee the identity of the origin of the marked goods or services to the consumer. In order to fulfil that function a trademark must be able to distinguish itself from other marks or signs. Distinctiveness impacts on everything from the registrability of a mark, to its scope of protection, its enforceability and its continuing validity once registered. It must be "distinctive" but is the test the same the world over and how can a brand owner satisfy the criteria?

The UK

In the UK under s.3(1) Trade Marks Act 1994 (TMA), a mark cannot be registered if it is devoid of distinctive character. In order to assess that distinctive character, a number of factors are taken into consideration, such as market share, investment in marketing, and whether there has been long standing and/or intensive use of the mark to designate its

origin. There is no objective scale or tool for measuring distinctiveness but in the UK following points should be considered:

- The mark must identify the goods and services as originating from a particular undertaking.
- Distinctiveness is assessed from the perspective of the average consumer, who is reasonably well-informed and circumspect.
- Different types of trademarks require different standards or levels of distinctiveness. For example, the standard of distinctiveness for a colour mark in respect of particular goods or services is much higher than the distinctiveness required for a word mark.
- Distinctiveness is not assessed within a vacuum. An examiner of trademarks at the UK Intellectual Property Office (UKIPO) will consider all relevant evidence.

A mark will be considered inherently distinctive if it can direct consumers to the origin of the product immediately without consumers needing to be taught about the origin. The UK courts have given some guidance on what will be considered inherently distinctive.

Where a mark is a compound of two descriptive words that are not inherently distinctive, the combination of the two words alone may not be sufficient to make the compound word distinctive in and of itself. For example, if one of the meanings of the compound words can be used by consumers to designate the characteristics of the goods concerned, the mark will still most likely be refused registration on the grounds that it is descriptive (*WM Wrigley Jr Company v OHIM C-191/01P*).

Often businesses will use a word mark and add decorative or figurative elements in order to create their trademark. However, where the word itself would otherwise be non-distinctive, or even descriptive, brands must ensure that they have gone beyond adding a mere "fig leaf of distinctiveness", i.e. the figurative elements of the mark must add to the distinctiveness of the mark, and cannot be used to hide a mark that would otherwise be descriptive (*Starbucks v BskyB [2012] EWHC 3074*).

For multiple reasons not covered by this article, colours are particularly difficult to register as trademarks. In respect of distinctiveness, the colour alone must serve to designate the origin of the goods and services applied for. It is possible that a colour trademark will never be considered inherently distinctive as consumers will nearly always have to be taught that the colour indicates that the goods or services in question originate from that particular undertaking. However, a lack of inherent distinctiveness does not mean that a mark cannot acquire distinctiveness.

Even if a mark is devoid of distinctive character, it will not be refused registration if, before the date of registration, it has **acquired** a distinctive character as a result of the use made of it (s.3(2) TMA). The mark must have acquired distinctiveness across a substantial part of the geographic territory that it will cover. For example, if the mark in question is an EU trademark, the mark must be considered distinctive across a substantial part of the EU. Trademark owners need to be prepared to collect evidence to show that consumers across the EU recognise their mark as identifying your brand and products.

A mark with acquired distinctiveness can be used in conjunction with other trademarks, but it must still be capable of independently identifying the goods and services of the undertaking in order to be registered.

Establishing acquired distinctiveness can be difficult, particularly in relation to shape marks. As demonstrated in the Kit Kat case, the well-known shapes of confectionary products may be considered distinctive by consumers, and the consumer may associate the shape with the relevant brand. However, for the purposes of registering the shape as a trademark, the consumer's association of the mark with a particular brand may not be sufficient to show that the shape alone designates the origin of the goods when separated from any other mark.

Distinctiveness can be acquired but it can also be lost. If a mark is not appropriately policed, its use can become generic or a common term and the ability of the mark to distinguish goods or services as being from a particular undertaking will decline.

Germany

In Germany, as in the UK, the relevant public must recognise the sign as an indication of origin - the sign must be distinctive.

An absolute ground for of a trademark in Germany is the lack of any distinctive character with regard to the goods or services applied for. The examination carried out at the time of the application consists of a stringent and full examination. As a result, the number of marks that are formally refused in Germany is quite high and most rejected applications fail due to a lack of distinctiveness.

In general, the criteria for assessing distinctive character is the same for all categories of marks. However, depending on the type of trademark, it may be harder in some instances to establish that an application carries the necessary degree of distinctiveness and will be perceived as indication of origin by the relevant public.

While the various absolute grounds for refusal need to be considered independently, there is a significant overlap between the absolute ground for refusal due to descriptiveness - where there is a need to keep the respective mark free for everyone to use - and the lack of distinctiveness - where the relevant public does not perceive the sign as an indication of origin. Marks can also lack distinctive character if they merely consist of a common advertising slogan or if a figurative mark consists only of a graphic design which the public would perceive as mere decoration.

As in the UK, the approach of the German Patent and Trade Mark Office (GPTO) and the German courts is still very strict when assessing the distinctive character of colour marks: The German Federal Patent Court ruled that the colour sign "purple" (Pantone 2567C) is not inherently distinctive for "Inhalers for the administration of medicinal products" as consumers are not familiar with the use of colours as an indication of origin.

The assessment of distinctiveness in the case of shape or three-dimensional marks, is also relatively problematic. When examining the distinctiveness of a shape or 3D mark, it must first be ascertained whether the relevant public recognises it simply as a generic example of a particular product. If this is not the case, because there are characteristics that go beyond generic design, the second step is to determine whether the relevant public recognises an indication of origin in these characteristics or only views it as technical functions or a generally aesthetic design.

As an example, chocolate products have also struggled in Germany. The Federal Patent Court denied the distinctiveness of a thin stick with a round diameter, wavy longitudinal lines and scattered crumbs as it did not stand out from the huge variety of shapes and surface designs common in the field of chocolate products.

Other "exotic" marks such as sound marks, position marks and tactile marks can also be registered in Germany. However, for sound marks the German Courts have not yet addressed the question of distinctiveness and there is no settled case law with regard to position and tactile marks. A position mark has distinctive character if the sign is seen by the targeted public as an indication of origin, particularly with regard to its specific positioning, e.g. because similar ornaments are not usually positioned there. In terms of tactile marks, the Federal Patent Court denied the distinctive character of a trademark applied for with the description "The rough feeling of fine sandpaper" for various alcoholic and non-alcoholic beverages (Federal Patent Court, decision dated 23.3.2007 - 26 W (pat) 3/05). In the court's view, the relevant public in the sector of alcoholic and non-alcoholic beverages is not accustomed to deducing the origin of these goods solely from the tactile impressions without help of any word or figurative elements.

If the sign applied for has no inherent distinctive character, the sign can only be registered if the applicant can prove that the sign has acquired distinctiveness through use. When it comes to proving acquired distinctiveness, evidence in many cases requires a market survey.

Even if the GPTO and the German courts claim that the criteria for assessing the distinctive character are the same for all categories of marks, significant differences do exist in practice.

France

Article L.711-1 of the French code of intellectual property (CIP) specifies that a trademark must be a sign capable of distinguishing the goods or services of one undertaking from those of another.

Distinctiveness is assessed at the filing date in relation to the goods and/or services for which registration is sought and from the point of view of the relevant public i.e. the average consumer of the said goods and/or services which is reasonably well-informed and reasonably observant and circumspect.

The following are deemed devoid of any distinctive character:

- signs which exclusively consist of the necessary, generic or usual designation of the goods or services, whether in current or professional language; or
- signs which may serve to designate a feature of the goods or services, in particular the type, quality, quantity, purpose, value, geographical origin, time of production; or
- signs which exclusively consist of the shape imposed by the nature or function of the product or which give its substantial value to it.

The distinctive character of a sign can be assessed, first, by the French office of industrial property at the filing of the application and, second, by the trademark judge - should the validity of the registration be challenged. Under French law, the standard of distinctiveness is usually easily met although trademark judges tend to take a stricter approach in order to avoid the monopoly of general terms, including those in a foreign language. For example, the Paris Court of Appeal held that the trademark "GreenCar" lacks distinctive character in relation to vehicles as the mark was composed of two English words easily understandable by the relevant public, at the filing date, which could refer to the product's ecological qualities.

The Court of Appeal has also held that the trademarks GARUM ARMORICUM and

GARUM lack distinctiveness as GARUM is a seasoning with medicinal virtues which has been known since ancient times. Although the Latin language is not commonly understood the terms GARUM ARMORICUM could still be understood by pharmacists and consumers who will pay particular attention to the composition of health products.

As in the rest of Europe, 3D or shape signs pose a particular issue on distinctiveness. As well as notable cases in the European courts on chocolate as referred to above, the Paris Court of Appeal has held that a trademark application for CapriSun juice packaging was represented by poor quality photography and was unlikely to be perceived by the relevant public as an identification of the product's origin.

As in the UK and Germany, marks can acquire distinctiveness in France after registration. In the French Supreme Court decision regarding the French trademark "vente-privée.com" for online private sale services, while it was established that the trademark lacked inherent distinctiveness, the Court confirmed its validity as it had acquired character through use.

French case law states that to demonstrate acquired distinctiveness, the trademark owner must prove a long, notable, and notorious use. Judges will take into account the duration and the geographic scope of the use, the importance of the use (sales figures, newsletters), the market shares held by the trademarks, press coverage, the importance of investments engaged by the owner for the promotion of the brand and surveys establishing the percentage of consumers that, thanks to the trademark, identify the goods and services as originating from the owner or the well-known character of the sign.

Furthermore, the trademark must have been used as a trademark as registered although the ECJ has held that distinctive character may result from use as part of a registered trademark. The French Supreme Court has suggested, in a case relating to a sign registered to designate car rental services, that the use of a complex trademark, including the terms composing the challenged word trademark, as well as the use of the word sign as a company name could be taken into account to ascertain whether or not the trademark had gained distinctiveness.

The distinctiveness of a sign is also an issue in trademark enforcement. In principle, trademark law should not distinguish between a trademark composed of highly distinctive elements and another composed of less evocative terms provided that the sign has passed the distinctive test. The European Court of Justice (ECJ) has held that "although it is true that the more distinctive the earlier mark the greater the likelihood of confusion will be, such a likelihood of confusion cannot, however, be precluded where the distinctive character of the earlier mark is weak".

However, the French courts tend to consider that the weaker the distinctive character of a sign is, the lower the likelihood of confusion will be. When considering the signs CARTER-CASH and CAR&CASH.com, the Court of Appeal of Paris held that although, the sign CARTER-CASH was composed of terms, that were not distinctive taken individually, it was distinctive as its overall impression "creates a sufficiently perceptible difference in regard of the terminology used, in the common language, to designate the goods and services" at stake. The assessment of the risk of confusion between the two signs must be "based on the overall impression created (...) taking into account their distinctive and dominant components"; In the present case, any likelihood of confusion should be excluded, notably, since the common term "CASH" between the two sign has a weak distinctive character."

United Arab Emirates

The UAE Trade Marks Law (Federal Law No. 37 of 1992 in relation to Trademarks (as amended)) contains a wide range of inherent registerability issues for trademarks, one of which is "distinctive attribute or character".

Article 3 states that the following may not be registered as a trademark, or as an element of a trademark:

"1. Marks that are devoid of any distinctive attribute or character or that consist of representations that are no more than customary names given to the goods and products and services or conventional drawings or ordinary images of the goods and products."

The difficulty in the UAE is that as a civil law country, and also due to privacy laws in the UAE, earlier decisions are not made public, unless the party or its representative publishes an article on the matter. Also, unlike other countries, the officials and attorneys, do not have access to a "Work Manual" or "Examination Guidelines" or similar guides which help outline the practice on distinctiveness or other prosecution issues. Practitioners have to rely on experience from earlier cases or on the approach taken in matters overseas.

What is of assistance is the low threshold for distinctiveness set down by the law. Due to this, marks that may not be registerable in other countries (where the threshold is higher) may be considered prima facie acceptable in the UAE.

In general, it is unusual to see objections raised on distinctiveness grounds in the UAE for a number of reasons. If it is a word which the official (who will have Arabic as their mother

tongue) is not familiar with, then they may not be aware of the meaning of the word, regard it as distinctive and so it will be accepted.

When filing an application in the UAE, for example for an English word, the applicant/representative is required to include extracts from an English/Arabic dictionary. If the word is not listed in the dictionary used, then the examiner may treat it as having no meaning. This can mean that sometimes non-distinctive words are accepted.

The low threshold of distinctiveness applies to all types of trademarks. For example, in contrast to European countries, 3D and most non-traditional marks will proceed to acceptance on a prima facie basis, without issues being raised. The good news is that not only can such marks be registered, but they are also being enforced by the administrative enforcement authorities, and the UAE Courts have also confirmed in a number of judgements that such marks can be protected in the UAE.

So what if a mark meets with a distinctiveness objection? It used to be possible to amend the trademark at any time during the examination process. However, around three years ago, a practice direction was issued removing the ability to amend marks. Now, if an examiner decides that a mark or an element of the mark does not possess distinctive character, he/she may issue a conditional acceptance. This may be for a disclaimer of the term in question, or perhaps a limited time period for the applicant to amend its mark by adding a distinctive element. More commonly the examiners issue a refusal which means the decision must be formally appealed.

If there is an opportunity to amend the mark, an application for a word mark may be amended to add the house-mark, depict the mark with a logo or in the stylised manner in which it may be used, or perhaps show the mark upon packaging, in order to try and overcome the issues.

Unlike other national laws, the UAE law is silent on "acquired distinctiveness". Therefore, if an objection is encountered, the options to overcome the objection are more limited in the UAE than in other territories. That said, it is still recommended that examples of use and reputation in the UAE are put forward as part of any appeal.

Whilst the threshold for distinctiveness is low in the UAE and marks that may not be considered registerable elsewhere can be registered, it is still possible for third parties to challenge other marks which lack distinctiveness or that are commonly used in order to remove or restrict any such rights.

China

Whilst other territories rely heavily on case law in the interpretation of what is deemed "distinctive", the approach in China is specifically addressed by the Trade Mark authorities. Paragraph 1 of Article 11 of the Trademark Law provides that the following marks shall not be registered as a trademark:(1) a mark which merely states the generic name, device or model number of the commodities;(2) a mark which merely directly indicates the quality, key ingredients, functions, purposes, weight, quantity and other characteristics of the commodities; or (3) other situations where the mark lacks distinctiveness. The Trademark Examination Standards jointly issued by the Trademark Office and the Trademark Review and Adjudication Board in December 2016 sets out where marks will be considered to lack distinctiveness.

1. Excessively simple lines, ordinary geometry;
2. Excessively complex text, graphics, numbers, letters, or a combination of the foregoing elements;
3. One or two letters represented in a common way;
4. Ordinary forms of Arabic numerals used on merchandise that normally have model numbers or item numbers expressed in numbers;
5. Commonly used packages, containers or decorative patterns of goods that the mark is used on;
6. A monochromatic colour scheme.
7. Phrases or sentences describing the characteristics of goods or services, common slogans for advertising;
8. Business location names, generic trade terminology or logos that are commonly used in the industry or in related industries;
9. The form of organisation of the enterprise, the industry name or its abbreviation;
10. Only comprising of elements such as telephone numbers, addresses, house numbers; and
11. Common greetings.

Further the judicial interpretation of the Rules of the Supreme People's Court on Issues Relating to the Hearing of Administrative Cases Involving Granting or Affirming Trademark Rights (took effect March 1, 2017) specify that:

Article 7: The People's Court shall, based on the relevant public's common knowledge of the commodities upon which the disputed trademark is to be used, determine the distinctiveness of the said trademark as a whole. If the descriptive elements contained in the disputed trademark do not affect the overall distinctiveness or the descriptive sign is expressed in a unique way, as a result of which the relevant public can identify the source

of the commodities, the disputed trademark shall be determined as having distinctiveness.

Article 8: For a disputed trademark in a foreign language, the People's Court shall, based on the common knowledge of the relevant public within the territory of China, judge whether the trademark in the foreign language is distinctive. If the inherent meaning of the foreign language contained in the trademark affects the distinctiveness of the trademark used on the designated commodities, and as a result the relevant public does not understand that inherent meaning and can identify the source of the commodities with the trademark, the People's Court may determine that such trademark is distinctive.

Article 9: Where an application is filed to register the shape or partial shape of a product as a 3D mark, if under most circumstances, the relevant public is not likely to take such sign as an identifier of the source of the goods to which it is attached, such sign should be found to be non-distinctive as a trademark."

In practice, the Trademark Office and Trademark Review and Adjudication Board tend to rigidly examine the distinctiveness issue by following the Trademark Law and Trademark Examination Criteria. In court cases, additional factors can be considered such as the well-known nature of the mark and marks can acquire distinctiveness through actual use although the court will still apply a high threshold to determine the distinctiveness of a mark.

By way of example, in the case "Best Buy & device", the applicant filed the mark in Class 35 for services "sales promotions for others" and "import & export agency" in 2004. The mark was rejected by the Trademark Office on the grounds that the mark used on the services merely indicates the quality and characteristics of such services. The applicant lost the case at the Trademark Review and Adjudication Board as well as the first instance trial court and high court. However, The Supreme People's Court allowed registration of the mark in 2011 based on the following factors:

"Although the words "BEST" and "BUY" are descriptive when used on the designated services; taking the tag-like frame and the bright colour into consideration, the overall trademark is distinctive and easy to identify. Further, based on new evidence that the trademark is well-known worldwide and has been actually put into use in China, the mark has acquired a certain reputation through use. Considering the foregoing factors together, the trademark can be used to identify the source of the services and the public can use the trademark to identify the source of the services."

Russia

Trademark distinctiveness is an essential concept of Russian trademark law. However, federal legislation does not define the concept and so guidance must be taken from the decisions of the Russian IP Court and of the Russian Patent Office (ROSPATENT). Generally speaking a trademark must either be inherently distinctive or it must have some degree of acquired distinctiveness.

Under Article 1483, para 1 of the Russian Civil Code, a lack of distinctiveness is an absolute ground for refusal of a trademark registration. Article 1512 allows third parties to challenge at any time any registered trademark on the basis that it is not distinctive. Distinctiveness is normally assessed as at the priority date of the trademark registration. If a cancellation action alleges that an otherwise distinctive trademark has become generic, then this question is assessed as at the date of the cancellation action.

The Trademark Rules set out the primary standards of distinctiveness indicating the types of designations which cannot be distinctive:

- simple geometric figures, lines, numbers;
- letters and their combinations without verbal character;
- common names;
- realistic or schematic pictures of the goods; and
- designations related to manufacture of goods or characterising goods, their weight, materials or components which the goods are made from.

Under Article 1483 of the Civil Code, the above designations can be included in a trademark registration but only as non-protectable elements and only provided that they do not have a dominant position in the trademark. The most typical examples of non-distinctive marks are simple combinations of letters and/or numbers without any verbal character (i.e. DMT, KX06, NDC) or distinctive visual elements.

Trademarks comprised of a combination of elements of little or no inherent distinctiveness can, nonetheless, be protectable if the combination of those elements is original. Similarly otherwise inherently distinctive designations which are shown to have lost that quality as a result of a wide and longstanding use by different manufacturers for identical or similar goods may, if challenged, be found to be non-distinctive.

A trademark that is not inherently distinctive, may still be registered, if the applicant can show that it has acquired distinctiveness on the Russian market before the priority date of the trademark application. The burden is upon the applicant and it is quite onerous.

In assessing whether a mark has acquired distinctive character, ROSPATENT must

evaluate whether an average customer would perceive the mark as serving to indicate the source of origin of the goods. Acquired distinctiveness must be shown by way of well-documented evidence submitted to the examiner in response to an inherent registrability objection. All materials have to be relevant to Russia specifically, the materials must show the mark in use and the proof must be substantial.

The following evidence is typically considered:

- production and sales volumes of goods / services in Russia;
- geography of goods / services within Russia;
- advertising expenses in Russia;
- duration of use the mark for goods / services specified in the registration;
- information about extent of consumers knowledge about the mark and his owner, including the results of public opinion polls;
- information about publications in respect of goods / services and the mark; and
- information about demonstration of goods / services at the exhibitions in the Russian Federation.

Evidence that the trademark was registered in other jurisdictions may serve to enhance the applicant's chances in Russia.

Under the legislative framework and the criteria used to evaluate the distinctiveness of a trademark, ROSPATENT has a significant degree of discretion. Thus in some instances an applicant may quite easily overcome an objection and yet in another case be unable to make a convincing argument.

The issue of distinctiveness becomes even more acute when it comes to non-traditional or exotic trademarks. In assessing the distinctive character of a non-traditional mark, ROSPATENT considers whether the average consumer would perceive the use of the mark applied for as an indication of the source of origin as opposed to some other function. Although 3D marks, colour marks, sound marks, light marks, texture marks, olfactory marks, positional/location marks, tactile/feel marks, holographic marks, motion marks, taste marks are allowed registration in Russia, acquired distinctiveness must be proven in every case.

If an application for a 3D mark is primarily functional from either an ornamental or a utilitarian point of view the mark will not be registrable. On the other hand, if the shape is significantly different from the generally accepted functional shape this may be enough to overcome an objection of lack of distinctive character. For example, the shape of the iPad tablet was refused protection as ROSPATENT considered its shape to be traditional for

such kinds of device. On the other hand, the original form of the Dino brand yoghurt drink was granted registration.

Previously, colour marks were viewed as being non-traditional and there were only a few registrations. However, in recent years several colour trademarks have been registered in Russia where acquired distinctiveness has been established. In order to demonstrate acquired distinctiveness, the best course is to present evidence of long-term use, a colour-oriented marketing strategy and references in advertising and consumer surveys. The association between the colour and the particular goods or services should be strong and the colour must be capable of sufficiently distinguishing the product without any other indicators. Without a large amount of convincing evidence of acquired distinctiveness, an application will not succeed. ROSPATENT may also require a verbal description of the colour(s) with an extended explanation as to the way of the colour is used in relation to the goods and services.

The number of registered holographic, sound, tactile and olfactory marks in Russia is extremely small. Sound trademarks may include musical sounds, either pre-existing or specially created to individualise goods and services, and non-musical sounds, either existing in nature or produced by artefactual devices. Tactile marks are extremely rare in Russia due to the difficulty of proving their distinctive character. If the designation is a tactile mark, a sample of the surface and (or) its verbal description and other characteristics should be included.

Olfactory marks as such as odours, scents or smells are less frequently applied for. Many of these have been rejected due to lack of distinctive character in relation to the listed goods and services, for example the smell of garlic in relation to foods.

Singapore

In Singapore a mark cannot be registered unless it is inherently distinctive or has acquired distinctiveness.

The Singapore Courts have provided guidance on the concept of distinctiveness. When assessing whether a mark is devoid of distinctive character such that it cannot function as a trademark, the question posed by the Courts is "whether the average consumer would appreciate the trademark significance of the mark in question without being educated that it is used for that purpose" (*Société des Produits Nestlé SA v Petra Foods Ltd and another* [2016] SGCA 64).

This assessment is to be made with reference to the goods or services in relation to which the registration of the particular trademark is sought, as well as the perception of the relevant consumers. The mark will be assessed as a whole, despite the possibility that its individual components may have inherent distinctiveness.

Further guidelines have also been provided by the Singapore Courts. Purely inventive or fancy marks that are made up and have no meaning at all are distinctive as are arbitrary marks with no relevance to the goods or services in question (*Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd* [2013] SGCA 26). Marks which are laudatory are not distinctive (*Love & Co Pte Ltd v The Carat Club Pte Ltd* [2008] SGHC 158).

If a mark is deemed not to have inherent distinctiveness, it may still be registerable if distinctiveness is acquired through the commercial use that has been made of the mark. A number of factors will be considered:

- The market share held by the goods or services bearing the mark;
- The nature of the use that has been made of the mark (whether or not it was intensive, widespread and long-standing);
- The amount of money invested in marketing and promoting the mark; and
- The proportion of the relevant class of individuals who identified goods (or services) sold (or furnished) under the mark as emanating from a particular source.

In a recent decision rendered by the Intellectual Property Office of Singapore, the Hearing Officer made an interesting pronouncement regarding the use of a corporate entity's name in relation to its trademark. In the Hearing Officer's decision in *Eley Trading Sdn Bhd v Kwek Soo Chuan* [2017] SGIPOS 15, mere fact that the proprietor's corporate name includes its trademark and is referred to as such does not necessarily mean that the goods furnished by that proprietor are also distinguished by that trademark. In her view,

"(t)his is because the purpose of a trade or shop name is not, of itself, to distinguish goods or services. The purpose of a trade name or a shop name is to designate a business which is being carried on. I am not suggesting that a company's trade or shop name can never be used to designate goods or services but merely that if a Proprietor wants to rely on the use of his trade or shop name as having resulted in the acquired distinctiveness of that name for the purposes of distinguishing goods, this has to be borne out by the evidence and it is not a natural consequence. Whether acquired distinctiveness has been shown depends on the nature of the use and the effect that use is likely to have on the consumer."

This essentially means that the use of a sign as a business name is not automatically tantamount to the use of that sign as a trademark for the purpose of assessing whether the sign has acquired sufficient distinctiveness through use. However, an appeal from the

decision of the Hearing Officer has been filed, so we look forward to the High Court's assessment of the issues on appeal in due course.

Canada

As with the other jurisdictions we have considered, the distinctiveness of a trademark lies at the heart of trademark protection in Canada. The Canadian Trade-marks Act (the "Act") defines a "distinctive" mark as a trademark that actually distinguishes, or is "adapted to distinguish", the goods or services in association with which it is used from the goods or services of others.

A mark does not need to be well-known or famous in order to be distinctive in Canada. Rather, the distinctiveness of a trademark hinges on its ability to distinguish the relevant goods or services in the marketplace as coming from one particular source, even if the particular owner or name of that source is not known.

While the distinctiveness analysis is not generally approached in a regimented manner, Canadian Courts commonly refer to three key conditions that must be established in order for a trademark to be considered distinctive: (1) the mark and a product are associated; (2) the owner uses this association in manufacturing and selling the product; and (3) the association enables the owner of the mark to distinguish its product from that of others. Canadian law also recognises that distinctiveness is not necessarily innate in a mark: it is a quality that may be acquired through use.

The inherent distinctiveness of a mark falls on a spectrum, and directly impacts the scope of protection afforded to it. Coined, arbitrary or invented words are typically considered "strong", inherently distinctive marks entitled to a broad scope of protection. Marks such as XEROX and KODAK qualify as some of the strongest due to their coined nature. Their unique character makes them inherently well-suited to distinguish the goods and services of one trader from those of another. In contrast, marks that are not inherently distinctive are typically entitled to a narrower scope of protection. These marks are considered weak due to, for example, their common use in everyday language or trade, their descriptive or suggestive character, or their status as a name or surname.

Marks which are initially non-distinctive may, however, acquire distinctiveness or a secondary meaning through use in Canada. Unlike some jurisdictions, a mark will not automatically be assumed to have acquired distinctiveness in Canada after a certain time period of use. Rather, an applicant or plaintiff is required to establish the fact that a mark has acquired distinctiveness in Canada through evidence, such as by providing samples

showing use of the mark, sales volume and revenue figures, and advertising volumes, types and expenditures.

It is important to recognise that the distinctiveness of a trademark in Canada is not fixed over time. For example, the improper assignment and/or licensing of a mark may cause a loss of distinctiveness. As with the other territories considered in this article, a mark may also lose its distinctive character if it is allowed to become the generic or common name of the goods or services with which it has been associated for example, Escalator.

It is worth noting that there are pending changes in Canada to the Act that will impact the role of distinctiveness during the examination of trademark applications.

Under the current Act, trademark applications are not examined for distinctiveness. Rather, a third party would need to take steps to oppose an application in order to challenge its distinctiveness during the registration process.

In contrast, the new legislation (scheduled to come into force in early 2019), provides the Registrar with the authority to object to the registrability of the mark on the grounds that it is not distinctive. It is not yet clear how this new ground of examination will be approached in practice, and to what extent objections will be issued on this basis.

The new Act will also expand the circumstances in which an applicant will be required to provide evidence that a trademark is distinctive, particularly in the context of non-traditional marks. For example, colour, sound, scent, texture, or three-dimensional shapes will all require evidence of distinctiveness at the application's filing date. The Registrar will also have the power to require evidence of distinctiveness as of the filing date for any mark for which the Registrar's preliminary view is that the trademark is not inherently distinctive.

The practical impact of these changes remains to be seen, but what is clear is that brand owners should be considering appropriate filing strategies now that account for the pending changes to the Act and the potential impact on the standard of distinctiveness in Canada in order to best position themselves going forward.

How to preserve distinctiveness

Even if a mark is inherently distinctive or evidence supports that it has acquired distinctiveness, it is vital that trademark owners guard that distinctiveness to ensure the strength of the mark is maintained. There are common steps which can be taken, regardless of the territory in which the mark is used, to help preserve distinctiveness:

- Use the trademark as it is registered and register it in the form in which it is used.
- Use the trademark as an adjective modifying the name of a product or service. For example, use 'X-BRAND database software is the market leader' rather than 'X-BRAND is the market leader'.
- Never use the trademark as a noun, verb, or in possessive or plural forms.
- Don't allow unauthorised uses of your trademark to go unchallenged.
- Where possible, distinguish the trademark from surrounding text by using distinctive lettering. This can be achieved through a variety of means including CAPITALISATION, "quotation marks", italics, bolding, or the use of a different colour, font, or size.

Evidence of distinctiveness is also a common requirement across most territories.

Trademark owners that maintain records of the use, promotion and investment in their trademarks will be in a stronger position to acquire, defend and utilise the strength of their marks.

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Related Intellectual Property, Trademarks, Brands & Designs

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