

Coexistence of trademarks: Federal Court's decision reaffirms limited scope of consent agreements
Canada - Bereskin & Parr LLP

Examination/opposition
Registration
National procedures

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- TMO refused to register EDMOND DE ROTHSCHILD because it was confusing with ROTHSCHILD
- Applicant filed new evidence to change court's standard of review from reasonableness to correctness
- New evidence, including consent agreement, was insufficient to change standard of review

Trademark practitioners in Canada know that consent agreements between a trademark applicant and the owner of a cited trademark are not easily accepted by the Trademarks Office (TMO). The TMO claims that it is not bound by such consents, namely because its duty is to protect the public from confusion between two registered marks, notwithstanding whether the consenting trademark owners believe that their respective marks can coexist. The only exception is with respect to "official marks", owned by governments or "public authorities", where the TMO is bound by such consents. A recent federal court decision reaffirms the TMO's view in assessing consent agreements.

In *Holding Benjamin et Edmond de Rothschild v Canada (Procureur Général)* (2018 FC 258), the applicant for the EDMOND DE ROTHSCHILD trademark appealed before the Federal Court a decision from the TMO refusing to register its mark because it is confusing with a registered mark, namely ROTHSCHILD, both marks being associated with similar services (financial services).

The applicant, as it is permitted to do, filed new evidence hoping to change the court's standard of review from reasonableness (a more deferential standard where the court would typically intervene only if there is an error of law or the decision is "clearly wrong", and hence "unreasonable") to correctness (a less deferential standard where the court may proceed *de novo* and substitute its own decision for that of the TMO). This new evidence included a consent agreement with the owner of the cited mark.

The applicant argued that the consent should satisfy the TMO's concerns regarding its duty to protect registered trademarks.

The court was not convinced, and concluded that the new evidence, including the consent, was insufficient to change the standard of review. Even if that evidence had been filed by the applicant before the TMO, the court added, the TMO would not have decided otherwise.

Regarding the consent specifically, the court held that it has a limited value. It is based on the signatories' conviction that there will not be any confusion between their respective trademarks in the public minds. However, this general statement cannot bind the TMO, whose mission is not only to protect the commercial competitive advantages of trademark owners, but also to protect the public. As the Supreme Court of Canada held in the famous *Mattel* decision, trademark law is consumer protection legislation. The court added that the signatories' opinion with regard to confusion could not be considered as reflective of the average consumer's point of view - which is in fact the relevant point of view to consider.

Reviewing the TMO's decision on the reasonableness standard of review, the court concluded that the TMO decision was not clearly wrong and dismissed the appeal.

This decision does not repudiate all consents - in fact, consents may be considered by the TMO as a surrounding circumstance when assessing confusion. However, one must remember that there is no provision in the [Trademarks Act](#) that recognises consents as a basis for waiving the confusion criteria, except in the context of "official marks". While the owners of two confusing marks may be able to distinguish between their respective marks, the average consumer, who is not aware of the origin of the goods or services associated with each mark, may not be able to do so.

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