

Strong Branding Can Help Generate Profits: Caution Needed In Name, Trademark Choices

Date: September 07, 2016

Author: Andrea Rush

Original Newsletter(s) this article was published in: Blaneys on Business: September 2016

Names for new “babies” are selected with great care and in the hope that they will shine for a lifetime and beyond.

These hopes and dreams can apply as much to a product or process as they can to a person. So, picking the name (or trademark) of a product or process should be undertaken with similar care, for it will always distinguish the brand, and add to its value, as goodwill grows.

Although predicting product success is a gamble, hindsight is always 20/20. We can look back at some of the more valuable brands and identify common features. By checking what makes each likeable, we can develop guidelines to use when creating a brand.

It is vital to develop your product’s name or trademark or any other distinctive identifier systematically and before you launch the product. A rigorous name/trademark-development process will help assure that you have the right to use what you have chosen and that you won’t have to remove your product from the marketplace because you have encroached illegally on somebody else’s branding rights.

As part and parcel of this, make sure the elements you use to identify your product are different from those used by other brand owners in connection with *their* products. In that regard, the Canadian federal trademark register is the first place to check to determine whether a proposed trademark (or something similar) has already been registered.[\[1\]](#)

When reviewing the trademark register, there are several factors to keep in mind. First, consider especially (but not exclusively) the components of the mark you are contemplating. Do they sound or look similar to marks already registered? These appearance and sound features create an impact. Helen Keller’s observation that vision links people with objects while hearing

links people with other people is both poignant and practical. Sight and sound are the tools we use to shape and form perceptions and enable us to differentiate one brand from another.

Next, consider the meaning of the respective words that comprise your trademark. Is there more than one meaning that can be inferred? A national newspaper reported some time ago that a guest of a five- star hotel in Montreal left a note with the concierge requesting “four trombones”. Frantic calls to the music stores around the city produced four musical instruments, delivered that night to the hotel room and one very puzzled guest. Why? The guest had, in fact, requested four “paper clips”, translated in French as “trombones”. When you brand for the Canadian market, you must deem the consumer to be bilingual and when you search the availability of a brand name you must consider what impression is clearly conveyed in each of the official languages, English and French.

There is a fine line between choosing a trademark consisting of words that are clearly descriptive rather than one in which the words are simply suggestive. A trademark should not be too descriptive of its associated goods or services because its words may be judged to be in the public realm and therefore not appropriate to the exclusive private use that a registration confers and protects. Consumers have a more difficult time linking clearly descriptive words to the source or origin of the goods/services they are intended to brand. As a rule of thumb, experience shows, it could take at least three to five years before a mark of this nature actually becomes distinctive and registrable.

Misdescriptive wording must also be avoided because the message of the brand could lead, unintentionally, to harm. Should drivers take literally Tesla’s marketing of the AUTOPILOT feature or must their perceptions be tempered by disclaimers set out in a manual that explains the car is not designed to drive itself? ([Click here](#) for guidance from Blaney McMurtry’s Sundeep Sandhu on disclaimers, how they can clarify sales and marketing information for consumers, and how they can protect producers from potential liability.)

A personal name can be used to brand products and services, with lucrative results for both licensor and licensee. Like property, the right to use a name can be authorized in exchange for a licence fee. Those Olympic athletes who won gold at the Rio games will benefit from this through endorsement contracts running long after the games have ended. Famous athletes, entertainers, models and chefs are but some of the public figures whose names have become trademarks and yielded lucrative licence agreements. Tyra Banks, former host of America’s Top Model, will be taking her personal brand to Stanford University this fall to teach a course in the Stanford MBA program on....branding.

When comparing a proposed name with others that appear on the trademarks register and in commerce, consider whether your choice of a mark is likely to result in confusion. One trademark is similar to another if using it in the same geographic and industrial area would lead to the inference that the goods or services associated with it are, in fact, manufactured , sold, leased, hired or performed by another person.^[2] The *Trademarks Act* sets out an open-ended list of factors that must be considered to avoid confusing consumers. Surveys are helpful in

determining the risk of confusion, but reasonable minds may differ, depending on many factors including how survey questions are framed, posed and answered. Ultimately, if the matter were to land in court, the judge, rather than the expert, is the ultimate decision maker. [3]

The *Copyright Act*[4] provides a catalogue of rights that balance the interests of creators and users when it comes to copying and communicating original content over the internet. How much is substantial? How much is too much? Which are the allowable purposes? All of these are matters on which expert evidence may be engaged. License fees (or tariffs) that authorize use of works administered on a collective basis are valued by the Copyright Board using a “technologically neutral” approach. [5]

Aside from legislation, businesses may benefit from policies that define and monitor the use of their brands. Elements should consider permissions and restrictions related to publication, including timing, media, territory (both market sector and geography), modification, and the nature of pre-approvals required.

Especially in the online context, brands can be created and, just as quickly, destroyed. Keeping an eye out for, and protecting, who we are within the context of the digital sphere is not just important but crucial to the survival of that which is in our power to create and maintain and which we treasure so dearly -- our reputation. “Use it or lose it” provides a good guide.

We have seen how the trademark registration system, the Trademarks Opposition Board, the provincial and federal courts, and the border measures for detention of counterfeit products serve as the infrastructure for brand management along with the *Copyright Act*.

Practically speaking, rights in reputation (which are intangible) can be compared with rights in “property” in the “real” (or tangible) sense of the word. It is best, therefore, when selecting a mark, to heed the guidance of Mr. Justice Ed(ward M.) Morgan of the Ontario Superior Court of Justice (albeit with respect to adverse possession of land) as the guide to brand building and steering clear of trouble:

“It is a fundamental proposition of property law that an owner can exclude any and all trespassers, including those that are for all practical purposes harmless.”[6]

In the world of branding, in other words, good fences make for good neighbors.

Andrea Rush, a partner in Blaney McMurtry’s corporate/commercial practice group, is certified by the Law Society of Ontario as a specialist in copyright and trademark law. She is also a registered patent and trademark agent in Ontario and Quebec. Ms. Rush, who has been recognized by Chambers Canada, which identifies and ranks the most outstanding law firms and lawyers in the country, represents Canadian and global rights owners and users in the registration, commercialization and enforcement of their brands. She has appeared before the Supreme Court of Canada, Federal Court of Appeal, the Copyright Board and the Trademarks

Opposition Board. She has served on a number of distinguished bodies including the federal government's Information Highway Commission, the Copyright Society of the USA and the advisory board of Stanford University's Program on Law, Science and Technology.

Andrea may be reached directly at 416-593-2951 or arush@blaney.com.

[1] www.cipo.org

[2] *Trade-marks Act*, RSC 1985, c-T-13, section 6.

[3] *Masterpiece Inc. v. Alavida Lifestyles Inc.* {2011} 2 S.C.R. 187; *Wenger S.A. v. Travelway Group Inc.*, 2016 FC 347.

[4] RSC 1985, c C-42, Section 3.

[5] *Canadian Broadcasting Corp. v. SODRAC 2003 Inc.*, 2015 SCC 57.

[6] *Maras v. Milianis*, 2014 ONSC 3449, para. 32 (CanLII)

: