



IP CONNECTIONS

CANADIAN INTELLECTUAL PROPERTY & TECHNOLOGY LAW NEWSLETTER

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The tale of Javacafé

(Or, how one exporter cannot monopolize a geographical designation.)

With the popularization of coffee shop chains and counters, the average Canadian coffee consumer is more sophisticated than ever. Walk in to any corner coffee shop and chances are you can select from a range of options from just plain JAVA to MOCHA JAVA or beyond. Even software company Sun Microsystems, Inc. has adopted a cup of coffee as the logo for its JAVA software.

The popularity of coffee is not without foundation. According to the Specialty Coffee Association of Indonesia, it is on the island of Java that Dutch colonists first started cultivating coffee bean plants as early as the late 17th century. Indonesia is now the world's fourth largest coffee producing country according to *The Economist*.

Would it be fair for one Indonesian exporter to obtain a monopoly, to the exclusion of Javanese producers and exporters of coffee, over a term that is recognized in the Canadian marketplace as being the place of origin of the fine brew so many of us enjoy? The Canadian *Trade-marks Act* addresses this issue by prohibiting the registration of any mark that includes a clear description of the place of origin of the wares in association with which the mark is used or proposed to

be used. In other words, one producer located in a geographical area cannot obtain a monopoly, to the exclusion of other such producers, over the name of the place where the wares were produced. Nevertheless, such was attempted by P.T. Sari Incofood Corp. ("P.T. Sari") — which, interestingly enough, is not based on the Indonesian island of Java but on Sumatra, another nearby island.

While P.T. Sari had never used the trade-mark JAVACAFÉ in Canada, it sought to obtain a trade-mark registration for this mark in association with coffee (among other wares) based on the trade-mark registration it had obtained in Indonesia. An opposition was filed against this application by Shell Canada Ltd. ("Shell"), a subsidiary of the famous Dutch petroleum company, which sells coffee under the brand JAVACAFÉ and often donates the proceeds derived therefrom to various charitable causes. A registration of the mark JAVACAFÉ by P.T. Sari would have rendered Shell's use of this trade-mark illegal in Canada.

This case is of particular interest due to the various turns it has taken throughout the appellate process, culminating in P.T. Sari being refused its registration by the Canadian

Federal Court of Appeal and also being refused leave to appeal to the Supreme Court of Canada in February 2009.

In the application's initial stages, the Registrar found that there was no evidence that an average English-speaking Canadian consumer would recognize the island of Java as a place known for its coffee. Furthermore, while recognizing that the words JAVA and CAFÉ would both be understood by the average English-speaking Canadian consumer to mean "coffee," the Registrar held that the same conclusion did not apply to the combined word JAVACAFÉ. On the French side, the Registrar took it upon himself to peruse the Larousse dictionary and discovered that the word "java" can mean a dance, no doubt familiar to the Paris demi-monde of the 1930s. As a result, the word JAVACAFÉ was held to not be clearly descriptive of the place of origin of P.T. Sari's coffee and was therefore considered distinctive. Its registration was allowed.

On appeal to the Federal Court, Shell produced new evidence of the meaning to the average French-speaking Canadian consumer of the word "java" as also indicating, beyond the dance uncovered by the Registrar, the island known for its coffee (primarily through dictionary and encyclopedia entries and other written sources). This evidence was dismissed by the Federal Court, which considered these dictionary and encyclopedia entries immaterial and subsequent to the 1998 filing date of P.T. Sari's application. As a result, the Federal Court refused to disturb the Registrar's finding and allowed the registration. In so doing, the Federal Court also held that, given that the mark JAVACAFÉ was not descriptive, it could serve to distinguish P.T. Sari's coffees from those of others in the Canadian marketplace.

The case was then brought by Shell before the Court of Appeal, which agreed to consider Shell's supplementary evidence of the meaning to the average French-speaking Canadian consumer of the word "java." The Court of Appeal found this evidence to be material and also correctly noted that it predated P.T. Sari's application and concluded that it therefore should have been considered by the Federal Court. On the issue of the analysis of the word JAVACAFÉ as a whole or in its two components (JAVA and CAFÉ) and that of the java-as-a-dance meaning, the Court of Appeal held that, given that the term

The *Trade-marks Act* contains a number of prohibitions on the registration of — and, by consequence, the monopoly over — terms that describe wares or services in relation to which they are used or proposed to be used. Among these prohibitions is the one connecting wares or services to their places of origin. This is not to say that Canada does not afford protection to such terms. While Canada does not have the European system of geographic indications, the *Trade-marks Act* provides for a special regime for so-called "certification marks." Such marks can be registered by a person who, while not engaged in the production or commercialization of the wares, licenses others who meet the standards that it sets to use the certification mark. Consider the following certification marks registered with the Canadian Trade-marks Office: COLOMBIAN (for coffee), owned by the Republic of Colombia, JAMAICA BLUE MOUNTAIN (for coffee), owned by Coffee Marks Ltd. of Kingston, Jamaica, or CEYLON & LION DESIGN (for tea), owned by the Sri Lanka Tea Board. In the case of JAVACAFÉ, the granting of a trade-mark registration to P.T. Sari Incofood Corp. would likely have prevented the eventual registration as a certification mark of JAVA by the Government of Indonesia or the Specialty Coffee Association of Indonesia.

JAVA is susceptible to meaning a coffee-producing island, the average French-speaking Canadian would perceive the combined words JAVA and CAFÉ as indicative of a place that produces coffee as a matter of first impression. Furthermore, whether the words JAVACAFÉ appear in one word or two, the prohibition on registration of descriptive marks set out in the *Trade-marks Act* applies to marks, whether written or sounded. Nothing sounds more like JAVACAFÉ than JAVA CAFÉ, at least in French. Having concluded that the mark is descriptive, the Court of Appeal determined that the mark could not serve to distinguish P.T. Sari's coffees from those of others in the Canadian marketplace. Having found that the mark was descriptive in French and therefore not distinctive, the Court of Appeal held that there was no need to consider the English side of the equation. Indeed, the prohibition set out in the *Trade-marks Act* prevents the registration of trade-marks that are clearly descriptive in French or English.

Leave to appeal of the Court of Appeal's decision was refused by the Supreme Court.

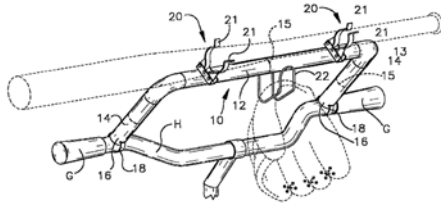
Shell was represented in this matter by Kohji Suzuki, Steve Garland and Timothy Stevenson of Smart & Biggar's Ottawa office, and by François Guay of our Montreal office before the Federal Court of Appeal.

Daniel S. Drapeau, Montreal
ddrapeau@smart-biggar.ca

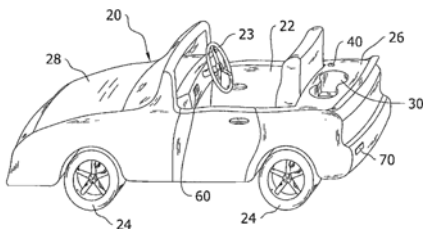
The young and inventive: kids with patents

If you think that patents are only obtained by experienced inventors working in sophisticated research labs, think again! Lots of creative and innovative ideas are thought up by kids. Since there is no age requirement for inventing, there is also no age requirement for obtaining patents. Here are some patents that were obtained by kid inventors for their quirky and imaginative inventions.

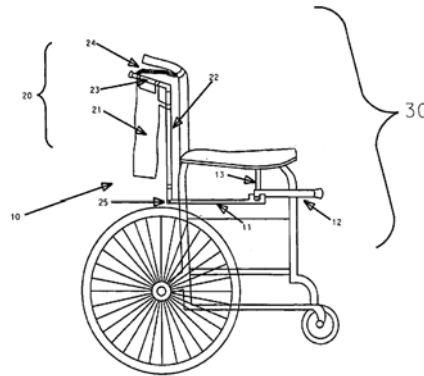
At the age of eleven, Austin Meggitt invented the “Glove and Battie Caddie,” which later became the subject of U.S. Patent 6,029,874. The “Glove and Battie Caddie” sprung out of a realization that it was difficult for kids to carry both a bat and a glove when biking to baseball practice. To solve this problem, Austin invented a carrier that mounts to the handlebars of a bicycle to which a bat and glove can be secured, allowing bike riders to carry these objects safely without losing control of the bicycle — a clever solution to a real-life problem.



U.S. Patent 7,374,228 was granted to Spencer Whale for a toy vehicle. At eight years old, Spencer invented a series of hospital-related products that aim to make a child’s stay in the hospital more enjoyable. Among his products are toy vehicles that have IV poles attached, allowing young patients undergoing IV treatments to ride around the hospital while dragging their IV poles with them. The vehicles can be powered manually or with an engine. Riding around in a toy vehicle would surely be more fun for a kid than sitting in a wheelchair!



At the age of fourteen, Chandler Macocha invented the “Wheelchair Backpack Helper.” Just as the name suggests, this is a device for securing a backpack to a wheelchair. U.S. Patent 7,344,055 was later granted for this invention. The device allows the backpack to be moved between the back and a side of the wheelchair, where the backpack can be more easily accessed by a person seated in the front.



These examples demonstrate that patents are not outside the reach of children inventors. If you would like to encourage a child to pursue his or her inventive tendencies, there are plenty of ways to promote creative thinking. For example, many summer camps are available that promote creative problem-solving and critical-thinking skills. Or, more simply, the United States Patent and Trademark Office has a Kids web page (<http://www.uspto.gov/go/kids/>) that offers a variety of online activities aimed at introducing children to the world of inventions and patents and at stimulating their innovative intellect.

Emma Start and Andréanne Auger, Montreal
 emstart@smart-biggar.ca
 aauger@smart-biggar.ca

Got personality? How can you protect it?

Everyone has a personality, but few of us are fortunate enough to have a personality with any significant commercial value. For that notorious minority with an image that can be converted into dollars, there is always the risk of others trying to cash in without permission, or perhaps more importantly, without paying a royalty. Canadian law provides a cause of action to address the unauthorized exploitation of one's personality. However, the law in this area is still developing, and the exact scope of personality rights remains uncertain. The primary remedy for the unauthorized use of one's personality is an action in tort for appropriation of personality. The term "personality" in this context refers to the personal attributes that are attached to the person by the community and that make the person well-known. Such attributes could include a person's image, likeness, voice or anything else that identifies the person to the public.

This tort was first recognized in Canada in the 1973 decision of *Krouse v. Chrysler Canada Ltd.* In that case, the Ontario Court of Appeal recognized that persons in the public eye had the right to commercialize their notoriety. The plaintiff, Krouse, was a moderately well-known professional CFL football player. The defendant, Chrysler, used an action photograph on a promotional item for its 1970 vehicle models in which Krouse was identifiable by his team uniform and jersey number. The key issue before the Court was whether Chrysler's use of the photograph was an appropriation of Krouse's personality that should be compensated by damages. The Court concluded that the photograph was used only to associate Chrysler's products with the popular game of football and not with any particular player. The photograph was not used in such a way as to associate Krouse with the product or create a suggestion of an endorsement relationship.

Since *Krouse*, there have only been a handful of cases dealing with the tort of appropriation of personality. Considering the case law as a whole, the tort can be said to require the following three elements:

1. The exploitation of the plaintiff's personality must be for a commercial purpose.
2. It must clearly capture the plaintiff's personality so that he or she is identifiable.

3. It should suggest an endorsement by the plaintiff.

Commercial purpose. The tort of appropriation of personality is founded on the right to commercialize one's personality. This right is only infringed where the plaintiff's personality is commercialized without authorization. The tort can not be established if the use of the plaintiff's personality is for a non-commercial purpose. For example, in *Horton v. Tim Donut Ltd.*, the Court held that use of a portrait of the hockey player Tim Horton to promote a charity was neither exploitive nor commercial and did not constitute an appropriation of personality.

Clearly capture the plaintiff's personality.

The use of the plaintiff's personality must be clearly identifiable to the public. In other words, the public must recognize the plaintiff as a well-known person; otherwise, the defendant is unlikely to obtain an unfair benefit and the plaintiff is unlikely to have suffered any loss. In one case, the Court held that the unauthorized use of a photograph of the torso of a male model was not an appropriation of personality because the plaintiff could not be identified from the photograph. The result could have been different if the plaintiff was famous for his torso. In another case, the plaintiffs were known for a cooking show. The defendant used a photograph of the plaintiffs in a real estate advertisement, believing it to be a generic photograph. The Court found that photograph did not capture any aspect of the plaintiffs' personalities that would make them recognizable to the public.

Suggestion of endorsement. Most cases have required that there be a suggestion that the plaintiff is endorsing the defendant's products or services. For example, a biography would not normally be an appropriation of personality, even if it includes many photographs of and quotes from the plaintiff, because the public will not assume it is endorsed by the plaintiff. However, in one case, the Court concluded that a suggestion of endorsement is not required to find appropriation of personality. Therefore, it is not entirely clear whether this element must be shown in all circumstances. It is hoped that future cases will clarify this issue.

Damages. If the plaintiff is successful in proving an appropriation of personality, the burden rests on the plaintiff to prove what damages have been suffered. To determine the amount of damages, it is expected that courts would consider factors such as the standard royalty or fee charged by the plaintiff (if any), the profits earned by the defendant and the damage to the reputation of the plaintiff.

Applying the test. As a hypothetical exercise, we will apply the three-part test to the following scenarios to determine whether there is an action for appropriation of personality.

A music store puts the photograph of a popular local radio DJ on a display of CDs.

The use is for commercial advantage. However, most people don't know what radio broadcasters look like; therefore the photograph likely does not clearly capture the plaintiff's personality. The result would be different if the plaintiff's voice or name had been used. It would be logical to infer an endorsement relationship if the plaintiff is recognizable. A finding of appropriation of personality is unlikely, unless the local DJ is recognizable to the public from his photograph alone.

A street vendor sells t-shirts with a photograph of a popular singer on the front.

The use is for commercial advantage, and the subject is readily identifiable. It would be expected that a singer would commercialize his or her personality by selling merchandise bearing his or her image. A finding of appropriation of personality is likely.

A summer hockey camp produces brochures with a picture of a famous hockey player in which his NHL team and jersey number are visible, but his name and face are not visible.

The image is used for a commercial purpose, unless it is a charity camp. The team and jersey number of a famous NHL player are sufficient for the public to recognize him as a well-known person, even where his face and name are not visible. At first blush, there appears to be a suggestion of endorsement. However, if there is no other mention of the player in the brochure, it is unlikely that the public will conclude he has endorsed or will attend the camp since that fact would certainly be highlighted. It is questionable whether the requirement of a suggestion of endorsement is met. There is an even chance of a finding of appropriation of personality.

A person takes your photo on the street and puts it on billboards for a new condo development. The use is for a commercial purpose. Assuming you are not a celebrity, the photograph will not capture an aspect of your personality that makes you well-known to the public. A finding of appropriation of personality is unlikely.

Where there is an allegation of appropriation of personality, several other causes of action may also be present, including for breach of copyright, passing off and invasion of privacy. Where the appropriation involves a copyrighted work such as a photograph, drawing or sound recording, the plaintiff should consider the source of the work and whether copyright can be asserted. Where the appropriation could lead to confusion between the business of the plaintiff and that of the defendant, a passing-off action may be available. Finally, where the appropriation involves use of the plaintiff's image without consent or beyond the consent given, it may constitute a breach of privacy rights. The tort of invasion of privacy is in its infancy in Canadian common law and has not been established. However, the Quebec Charter of Human Rights provides a right to privacy. This has been interpreted by the Supreme Court to encompass situations where a photograph is used without consent, or beyond consent, in a public forum and where the plaintiff can show a resulting prejudice.

The opportunities for misappropriation of personality have increased in the last decade. The integration of the internet into the everyday life of most Canadians has created a broad and instant target market for online commercial activities. It is likely that persons using the internet to promote their businesses will sometimes misuse famous personalities, whether innocently or opportunistically, to gain commercial advantage. Resulting future law suits will likely lead to further development and clarification of the law of misappropriation of personality in Canada. In the meantime, for anyone with a marketable personality, it is recommended to supplement the rights available under tort law to the extent possible. Possible additional protection is available under contract, trade-mark and copyright law.

Daniel M. Anthony, Ottawa
dmanthony@smart-bigger.ca



Oops! I disclosed my invention... now what?

It happens all the time. A hot new invention is revealed at a trade show or published in a journal long before the issue of patent protection is considered. Unfortunately, when an invention is disclosed to the public before a patent application is filed, the options available for securing patent protection become limited.

In all instances, care should be taken to ensure that there is no public disclosure of potentially patentable subject matter before a patent application is filed. However, in the event that a public disclosure has taken place, it is important to quickly assess the nature of the disclosure and the options that remain for protecting the invention.

A large number of countries require that no disclosure of the invention take place prior to the filing of a patent application, meaning that a patent cannot be obtained in those

countries if the invention was prematurely disclosed. However, a limited number of commercially important countries, such as Canada and the U.S., do offer relief from an applicant's own disclosure prior to filing. This relief is provided in the form of grace periods that are offered to allow the applicant a window of time (usually 6 or 12 months) following the disclosure during which a patent application can still safely be filed.

To obtain a useful overview of which jurisdictions offer grace periods, one can look at the countries that form the G-20, which include the 15 countries with the largest national economies and the member states of the European Union. These jurisdictions are listed below, identifying those countries that provide a 6- or 12-month grace period for filing a patent application following self-disclosure of an invention:

12-month grace period	6-month grace period	No grace period
Argentina Australia Brazil Canada Mexico Saudi Arabia Turkey United States	Japan Republic of Korea Russian Federation	China European Union India Indonesia South Africa

As noted, a grace period following a public disclosure is not available in China, India, Indonesia, South Africa or any of the member states of the European Union. While these jurisdictions do offer some limited relief for pre-filing disclosures, such relief only applies if the disclosure was made under narrow parameters, e.g., where a third person disclosed the invention in an abusive way that harmed the applicant's interests, or where the disclosure was made at a nationally sponsored or recognized international exhibition. In most practical situations, public disclosure by the applicant prior to filing a patent application destroys the ability to obtain patent protection in these countries.

Public disclosures for patent purposes can take many forms and can vary from country to country. In most situations, written disclosures, oral disclosures, public use or

offers for sale will constitute a public disclosure. Following the realization that an invention may have been publicly disclosed, it is important to consider whether the disclosed material actually amounts to a public disclosure in the context of patent protection for a given country. For example, disclosures made under a confidentiality agreement most likely do not qualify as public. However, there are instances where no protection is afforded by such agreements. One common example is an offer for sale made under a confidentiality agreement, which is considered to be a public disclosure in the United States.

While patent protection may still be available in select countries following public disclosure by the applicant, there will remain a number of commercially important jurisdictions where such protection cannot be obtained. It

is therefore possible that, in those countries, no recourse will be available to stop infringing activities.

If at all possible, patent applications should be filed well before any public disclosures of an invention are made. However, if it is discovered that patentable subject matter has been publicly disclosed by the applicant before a patent application has been filed, it is important to remember the following:

- steps should be taken as soon as possible to assess the nature of the disclosure; and

- patent protection can still be obtained in select countries as long as a patent application is filed shortly after disclosure.

By considering these two things, a strategy can be formulated that offers the best possible scope of protection in view of the subject matter that has been disclosed and the foreseen activities of known competitors.

Christian D. Berubé, Ottawa
cdberube@smart-biggar.ca

Recent developments in brief

DORITOS attacked for non-use. When questioned as to whether the trade-mark DORITOS is in use, the parents in any household that includes a teenage boy will likely answer with a resounding “yes” and in fact claim that there is an issue with “over-use!” However, when the Canadian registration for the trade-mark DORITOS for use in association with corn chips and tortilla chips was recently challenged for non-use, the Trade-Marks Office took a careful look at the product on sale and concluded, in a June 2009 decision, that the mark has been used on tortilla chips but not on corn chips. In the course of doing so, a somewhat complex analysis of the exact nature of the products was undertaken, leading to a conclusion that corn chips and tortilla chips are not interchangeable terms, but rather that corn chips “do not encompass tortilla chips but rather refer to corn chips other than corn-based tortilla chips.” As a consequence, corn chips have been deleted from the DORITOS registration but tortilla chips have been maintained. Parents may wish to take note that this decision is unlikely to have any impact on the issue of over-use of the product by their teenagers.

Copyright dispute Down Under. The unofficial Australian anthem “Down Under,” made popular by the musical group Men at Work, has come under attack for copyright infringement. A music publisher has claimed that the flute solo in “Down Under” was copied from “Kookaburra Sits in the Old Gum Tree,” a campfire song written in 1934 by a teacher named Marion Sinclair for a Girl Guides competition. There has been a preliminary decision that the music publisher is the owner of the copyright in the

“Kookaburra” song, since the rights were purchased after Sinclair’s death. This ruling has cleared the way for a consideration of whether “Down Under” does indeed include material that was copied from the prior work.

TWEETING still free for all in U.S. An application for registration of the trade-mark TWEET filed by the web phenom Twitter has, at least upon initial examination, been refused in the U.S. Patent and Trademark Office. The refusal was based on prior applications for TWEETMARKS, COTWEET and TWEETPHOTO. The co-founder of Twitter, Biz Stone, indicated in a blog entry that they were attempting to protect TWEET against “confusing and potentially damaging projects.” However, it seems that the word TWEET has fallen into common usage and in fact, The Collins English Dictionary has announced that the word will be listed in its 30th anniversary edition which will be published later this year. The verb entry will be “to write short messages on the Twitter website.”



SMART & BIGGAR FETHERSTONHAUGH

Barristers & Solicitors • Patent & Trade-mark Agents

OTTAWA

55 Metcalfe Street Suite 900
PO Box 2999 Station D
Ottawa ON K1P 5Y6
Canada
t. 613.232.2486
f. 613.232.8440
ottawa@smart-biggar.ca

TORONTO

Box 111 Suite 1500
438 University Avenue
Toronto ON M5G 2K8
Canada
t. 416.593.5514
f. 416.591.1690
toronto@smart-biggar.ca

MONTREAL

Suite 3300
1000 De La Gauchetière Street West
Montreal QC H3B 4W5
Canada
t. 514.954.1500
f. 514.954.1396
montreal@smart-biggar.ca

VANCOUVER

Box 11560 Vancouver Centre
2200-650 West Georgia Street
Vancouver BC V6B 4N8
Canada
t. 604.682.7780
f. 604.682.0274
vancouver@smart-biggar.ca

www.smart-biggar.ca

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To offer your feedback on this newsletter or any of its articles, please contact:

Keltie R. Sim (Editor)
krsim@smart-biggar.ca

Geneviève M. Prévost (Co-editor)
gmprevost@smart-biggar.ca

Emma Start (Co-editor)
emstart@smart-biggar.ca

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