

IP monitor

Pizza battle goes to registrant

November 2016 Trade-marks and branding

The value of reliance on a trade-mark registration, as opposed to prior use, stands out sharply in the recent Federal Court of Appeal case of *Pizzaiolo Restaurants Inc. v. Les Restaurants La Pizzaiolle Inc.* (2016 FCA 256 October 28, 2016).

Here the applicant Pizzaiolo Restaurants Inc. had filed two applications PIZZAIOLO and PIZZAIOLO GOURMET PIZZA in an oval design in connection with various services, principally the operation of a pizza restaurant and takeout delivery services. The respondent Restaurants La Pizzaiolle Inc. had a trade-mark registration for LA PIZZAIOLLE for similar services.

The PIZZAIOLO marks were opposed on the basis of prior use of LA PIZZAIOLLE and PIAZZAIOLLE (section 16 of the *Trade-marks Act*) and prior registration of the MARK LA PIZZAIOLLE (section 12).

Both the Trade-marks Opposition Board (the Board) and the Federal Court agreed that the work mark PIZZAIOLO was confusing with the trade-mark LA PIZZAIOLLE or PIZZAIOLLE in use by the opponent, but they differed in their conclusions concerning the design mark.

The Opposition Board had concluded that under both the section 12 and section 16 grounds the trade-marks LA PIZZAIOLLE or PIZZAIOLLE were not confusing with the design mark PIZZAIOLO GOURMET PIZZA in an oval design. The Board had consideration to the designs used by the respective parties in reaching this conclusion.

Here it gets interesting. Based on the manner of use of both LA PIZZAIOLLE or PIZZAIOLLE by the opponent and PIZZAIOLO GOURMET PIZZA in an oval design by the applicant, the Court of Appeal concluded that the decision of the Board (that there was no likelihood of confusion) in respect of prior use under section 16 was at least reasonable (within the range of acceptable and defensible outcomes).

However the Court of Appeal did not agree with the Board's analysis under section 12. The Board had failed to consider the full scope of the protection afforded by the registration of the opponent's (respondent's) mark. The court concluded that the Board had erred in failing to consider all the ways that the opponent could have used its registered mark LA PIZZAIOLLE, which would include in lettering and colours identical to the ones used by the applicant and in designs similar to the applicant, although these possible designs were different than the designs previously used by the opponent. In addition, the Board had already stated that the registration for LA PIZZAIOLLE included PIZZAIOLLE within its scope (a conclusion apparently accepted by the Court of Appeal). Combined with the fact that the court was prepared to accept that the opponent was entitled to use the same lettering and colours without "LA" in an oval design, the resulting conclusion of likelihood of confusion seems inevitable.

There is and always will be a continuing question about the scope of rights afforded by the registration of a mark. Do the surrounding circumstances of actual use count for little? Clearly if one can assume any version of a word mark and postulate its use in the exact same colours, script and design as the opposed mark, it will be correspondingly difficult to avoid a finding of likelihood of confusion, where the goods or services are essentially the same. What about where, as here, the registered mark includes the formative “LA” and the opposed mark includes the words “gourmet pizza” both relatively non-distinctive elements that were given little weight in the analysis?

One cannot disagree with the result in this case and the court wisely counseled that each case must be based on its facts. However if extended too far, a consideration of every possible variation of a word mark, combined with the ability to abstract from such marks the relevant distinctive elements while minimizing other elements, can give a word mark registration a powerful scope of protection. This alone is a potent reason to register a trade-mark rather than relying on prior use alone.

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