

Date: 20070302

Docket: T-142-05

Citation: 2007 FC 243

Ottawa, Ontario, March 2, 2007

PRESENT: The Honourable Barry Strayer

BETWEEN:

**EMALL.CA INC. and EMALL.CA INC.,
carrying on business as CHEAPTICKETS.CA**

Applicants

and

CHEAP TICKETS AND TRAVEL INC.

Respondent

REASONS FOR ORDER

INTRODUCTION

[1] This is an application for expungement of the Respondent's trade-mark CHEAP TICKETS, No. 564,905 and CHEAP TICKETS AND TRAVEL & DESIGN, No. 564,432 on the grounds that when registered the trade-marks were descriptive or misdescriptive, or that they do not now distinguish the Respondent's services.

[2] Both trade-marks are registered in respect of the same services: “Travel agency; travel information; travel tours and charters; ticket agency services in the field of transportation, travel, theatre and sports events.” The trade-mark CHEAP TICKETS was registered on July 18, 2002 with a disclaimer to the exclusive use of the word TICKETS. The mark CHEAP TICKETS AND TRAVEL & DESIGN was registered on July 8, 2002 with a disclaimer of the words TICKETS and TRAVEL.

FACTS

[3] The Respondent’s predecessor business was named Far & Away, which by 1997 was operating as a retail travel agency in Victoria, British Columbia. It started using the term “Cheap Tickets” in occasional advertising. It became incorporated as a British Columbia corporation in May, 1998 under the name of Cheap Tickets and Travel. The name Far & Away was phased out of its operations. It was subsequently incorporated as a federal corporation, Cheap Tickets and Travel, Inc., said to be in order to facilitate registering a domain name on the Internet. In October, 1998 it applied for a trade-mark for “Cheap Tickets and Travel & Design” and in May, 1999 it applied for a trade-mark for “Cheap Tickets”, in both cases on the basis of existing use. Registration was obtained as noted above. In December, 1999 Far & Away assigned to it all business operations and assets. After some substantial correspondence with the Canadian Intellectual Property Office over the question of whether these trade-marks were “clearly descriptive” of the services they cover, registration was effected in July, 2002 as noted above.

[4] According to the affidavit of the President of the Applicant, it is “the registrant of numerous similarly generic or descriptive Canadian domain names”. Its “principal website, EMALL.ca, is considered an ‘on-line shopping mall’ or ‘portal’ that enables Internet users to visit a wide variety of on-line businesses”. On September 9, 1999, it registered “CheapTickets.ca” as a domain name with the Canadian Internet Registration Authority (CIRA).

[5] In December, 2004 the Respondent commenced an action in the Supreme Court of British Columbia against the Applicant alleging infringement of its trade-marks. As a result, the Applicant commenced this proceeding in the Federal Court for expungement of those trade-marks.

ISSUES

[6] The parties agree that the remaining issues before me are as to whether the Respondent’s trade-marks are invalid because:

- a) the trade-marks were not registrable at the date of registration because they were clearly descriptive of the character or quality of the services in association with which they were allegedly used; and
- b) the trade-marks were not distinctive at the time this Application was commenced because they do not actually distinguish, not are they adapted to distinguish, the services of the Respondent from the services of all others, including the services of the Applicant.

ANALYSIS

[7] Paragraph 12 (1)(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 provides as follows:

12. (1) Subject to section

12. (1) Sous réserve de

13, a trade-mark is registrable if it is not

l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :

...

...

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

b) qu'elle soit sous forme graphique, écrite ou sonore, elle donne une description claire ou donne une description fautive et trompeuse, en langue française ou anglaise, de la nature ou de la qualité des marchandises ou services en liaison avec lesquels elle est employée, ou à l'égard desquels on projette de l'employer, ou des conditions de leur production, ou des personnes qui les produisent, ou du lieu d'origine de ces marchandises ou services;

[8] Section 18(1)(b) of that Act provides:

18. (1) The registration of a trade-mark is invalid if

18. (1) L'enregistrement d'une marque de commerce est invalide dans les cas suivants :

...

...

(b) the trade-mark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced, or

b) la marque de commerce n'est pas distinctive à l'époque où sont entamées les procédures contestant la validité de l'enregistrement;

Are the trade-marks descriptive?

[9] As was noted above, both trade-marks are in respect of services only, as described in the identical language for both as quoted.

[10] To be clearly descriptive of services or wares, a trade-mark must be “easy to understand, sufficient or plain” rather than necessarily accurate:

...it is not proper to analyse carefully and critically the word or words as to what might be their various alternative implications, but rather it is the immediate impression conveyed that is to be considered.

See Hughes on *Trade-Marks* (2nd edition), s. 30 and authorities cited therein.

[11] An application for expungement is not an appeal under section 56 of the *Trade-Marks Act* for which a standard of review should be identified. Rather, it is a proceeding under section 57 of the Act for an order that an entry in the register be struck out. This is the exercise by this Court of an “exclusive original jurisdiction”, according to subsection 57(1). This application has proceeded on the basis of mostly new evidence. It is not clear to me what material the Canadian Intellectual Property Office had before it in granting these registrations. The material which has been brought to my attention consisted of correspondence between an examiner at the CIPO and a representative of the Respondent. That correspondence shows that initially the examiner was strongly of the impression that these trade-marks were clearly descriptive of the services offered by the Respondent. Later that objection was withdrawn for no stated reason. In the present proceedings, I have been provided with evidence on how the trade-marks have been used as well as extensive cross-examination of the parties on their respective affidavits.

[12] My first impression, like that of the trade-marks examiner, is that these trade-marks are clearly descriptive of the travel agency services provided by the Respondent. The Respondent argues that many things it does do not involve the sale of things normally called “Tickets”. A trade-mark, as noted above, does not become other than descriptive by virtue of the fact that it may be somewhat inaccurate. It is sufficient if it gives the impression of the nature or function of the goods or services in connection with which it is used: see *e.g. S.C. Johnson & Son, Ltd. v. Marketing International Ltd.*, [1980] 1 S.C.R. 99; *Thomson Research Associates Ltd. v. Registrar of Trade-Marks* (1982), 67 C.P.R. (2nd) 205 (F.C.T.D.). The impression these trade-marks give is that the Respondent provides access to travel services at normally advantageous rates. I do not think it particularly relevant that the Respondent provides other services such as responding to inquiries about tourism or the booking of hotel accommodation or car rentals, which may or may not involve anything that could be called a “Ticket”.

[13] It is apparent that the Respondent itself has regarded the phrase “Cheap Tickets” to be descriptive of its business. When it operated under the agency name Far & Away it placed some newspaper ads which, apart from bearing the name of the agency, included the expression “Cheap Tickets” to indicate that it offered lower priced airfares to various destinations. On September 2, 1998 after the name of the agency had been changed, it headed its advertisements with the words “Cheap Tickets and Travel”, usually in conjunction with indications of lower priced airfares.

[14] Normand Schafer, the Director and owner of the Respondent, was cross-examined on his affidavit concerning such matters. He responded at questions 103 and 110 that Far & Away used the

words “Cheap Tickets” in their ads descriptively, to suggest that they had low fares. At questions 110, 115-117, and at 127-137 he admitted that the use of the terms “Cheap Tickets and Travel” by the Respondent in its ads was in part to convey the impression that it had lower-priced travel services to offer. He confirmed this again at question 317. At question 136, he agreed that “Cheap” in the sense of “inexpensive” is a complimentary term.

[15] It was held by the Supreme Court of Canada in *Canada (Registrar of Trade-Marks) v. GA Hardie & Co.*, [1949] S.C.R. 483, that a trade-mark “SUPER-WEAVE” implied superior quality and therefore was descriptive of the goods with which it was associated. Similarly, the term “Cheap Tickets and Travel”, I believe, on first impression conveys that the services offered by the Respondent will frequently or generally make possible more economical travel. Just as in the present case, in *Canadian Shredded Wheat Co. v. Kellogg Co.*, [1938] 2 D.L.R. 145, the Judicial Committee of the Privy Council held that the term “Shredded Wheat” was descriptive of the plaintiffs product because in its advertising it had used that terminology generically to describe what it produced. In the present case, the Respondent has admitted that it used “Cheap Tickets” and “Cheap Tickets and Travel” as descriptive of the services it provided. While with respect to the “CHEAP TICKETS” trade-mark, the Respondent has disclaimed the word “TICKETS”, and in respect of the “CHEAP TICKETS AND TRAVEL & DESIGN” it disclaimed both “TICKETS AND TRAVEL”, this is only with respect to the use of those individual words by others. As long as these trade-marks exist, the Respondent can challenge the use by others of the combinations “CHEAP TICKETS” or “CHEAP TICKETS AND TRAVEL”. In effect these combinations are withdrawn from use in the commercial world in Canada by anyone other than the Respondent. I do

not believe this should be permitted because I am satisfied that these trade-marks are clearly descriptive.

Are the trade-marks distinctive?

[16] Having included that the trade-marks are descriptive and therefore should never have been registered, it is unnecessary for me to consider whether they had a distinctiveness by the time this application was brought. Were I obliged to consider this question, I would be hampered by the lack of evidence from the Applicant as to whether these trade-marks had lost their distinctiveness by the time of this application. It would appear to me that, the trade-marks being registered, there is a presumption of their validity which the Applicant would have to overcome in showing that they had lost their distinctiveness between the date of registration and the date of the application being brought.

DISPOSITION

[17] I will therefore order that the trade-mark “CHEAP TICKETS”, registration number 564,905 and the trade-mark “CHEAP TICKETS AND TRAVEL & DESIGN”, registration number 564,432 be struck from the trade-marks register. Costs will be awarded to the Applicant.

ORDER

THIS COURT ORDERS THAT:

1. The trade-mark “CHEAP TICKETS”, registration number 564,905 be struck from the trade-marks register;
2. The trade-mark “CHEAP TICKETS AND TRAVEL & DESIGN”, registration number 564,432 be struck from the trade-marks register;
3. Costs be awarded to the Applicant.

“B. L. Strayer”

Deputy Judge

FEDERAL COURT

NAME OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: T-142-05

STYLE OF CAUSE: EMALL.CA INC. and EMALL.CA INC.
carrying on business as CHEAPTICKETS.CA Applicants
and
CHEAP TICKETS AND TRAVEL INC. Respondent

PLACE OF HEARING: Toronto, ON

DATE OF HEARING: February 7, 2007

REASONS FOR ORDER: STRAYER D.J.

DATED: March 2, 2007

APPEARANCES:

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