

"G I DIDN'T KNOW!" IS NO EXCUSE: WHAT YOU NEED TO KNOW ABOUT THE CHANGES TO GEOGRAPHICAL INDICATORS IN THE TRADE-MARKS ACT

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Food and agricultural products branding teams need to get up to speed with Canada's expansion of geographical indicators, as just over two months ago our *Trade-marks Act* (the "Act") was amended to further comply with the Comprehensive Economic Trade Agreement between Canada and the EU. A geographical indicator ("GI") is a mark that tells the consumer that a product possesses distinct qualities, characteristics and/or reputation that are traceable to its geographic origin. Examples include Feta from Greece, Huile d'olive de Haute-Provence from France and Speck Alto Adige from Italy. Up until a few months ago, Canadian legislation afforded this status to a limited list of wine and spirits, but now it is possible for agricultural and food products to gain GI status. In addition to expanding the scope of GIs, the legislative changes add 172 new specific GIs ranging from cheeses, oils and animal fats as well as fresh/frozen/processed meats, fish, fruit and nuts and vegetable products, as well as detailed new GI opposition procedures, exceptions for prior use, and permitted uses for generic terms. Since the September 21, 2017 coming into force, there seems to have only been one new GI application filed for "Rhum de la Martinique", associated with spirits in several regions of the Department of Martinique.

Canadian producers and foreign importers, especially our American counterparts whose exposure to GIs is scarce, need to be mindful of Canada aligning itself with this widespread branding European practice. A failure to comply with these legislative changes may lead to trademark expungement or the seizure of infringing imports at the Canadian border.

Why is Canada increasing the number of GIs?

GIs are becoming more popular in our globalised market because they empower the consumer to differentiate between GI designated goods from the products of competitors who are leveraging location-based branding without having a tangible link with the geographic area. The hope is that by enabling producers to gain GI status for their goods, consumer protection will be advanced and quality certification procedures will proliferate, thus spurring environmental and innovation practices amongst producers.

What is the difference between a trademark and a GI?

Both trademarks and GIs are used to help the consumer differentiate between goods or services in the marketplace by conveying information about its source. Typically, trademarks identify a particular company as the source of origin; conversely, GIs identify a good as originating from a particular locality.

In Canada, GIs are an exception to the general rule that you cannot register a word that uses a geographical location known to be the place where the goods or services come from. This geographic location restriction exists because our statute prohibits marks that are “clearly descriptive”. A geographic location is considered clearly descriptive because all it does is showcase a single feature of the product and therefore does not enable the consumer to distinguish the product from others.^[1] However, now that agricultural and food products can apply for GI designation, it will be possible for producers to circumvent the clearly descriptive prohibition and take the further step of preventing others from using the geographic location in their branding if the product does not come from the designated area.

What is the difference between a certification mark and a GI?

In the case of products, a certification mark attests that a good is produced based on a specific quality, manufacture or accuracy standard. The owner of a certification mark may not use the mark, but may license others to do so in affiliation with their products. Conversely, for GIs, there is no restriction on the commercialisation and use of the rights by its owners.

Some key things to know about the GI legislative amendments:

These changes will likely lead to the proliferation of GIs in Canada and an inevitable shake up in our product branding market. Seeking legal advice to ensure appropriate measures are in place will be crucial to ensure a smooth transition as we learn how these changes will take shape. Below is a list of the essential parts of which to be aware:

1. **Expanded scope of GI protection:** As noted, agricultural products and foods can now gain GI status in Canada by way of [application](#) to the Registrar of Trademarks. In addition to this expanded pool, the amendments to the *Act* add 172 agricultural product and food GIs to the protected list maintained by the Registrar, including, for example, “Asiago” and “Parmigiano Reggiano” from Italy, “Gouda Holland” from the Netherlands, and “Prosciutto di Parma” from Italy^[2]. However, GIs only exist so long as the product is being produced in that territory.
2. **Your trademark already contains a GI:** The amended *Act* contains complex provisions regarding how trademark owners are to proceed. In certain instances, arrangements can be made such that continued use of the trademark may occur. For instance, any continued use of a mark for a wine or spirit that has

been in good faith before April 15, 1994, or for at least 10 years before that date, is allowed to continue for that product^[3]; however, consultation with counsel is always recommended to ensure full compliance with the legislation.

3. **Using a GI in conjunction with the terms “style”, “like” or “imitation”:** The Act prevents certain goods from using GIs accompanied by the terms “like”, “style”, and “imitation”. It is also important to note that the law applies irrespective of the language in which the geographical indication is made. Speaking with a legal advisor will help clarify when such terms can continue to be used as there are a number of specific exceptions. For example, products that are not GIs may use the name “Asiago” or “Gorgonzola” if accompanied by the qualifiers “imitation,” “type”, “style,” or “kind” and if the packaging indicates the actual geographical origin^[4]. Another example is for “Nurnberger Bratwurst”, where the words can be used in product classes of “fresh, frozen and processed meats” on products that were in commercial use on or before October 18, 2008.
4. **Opposing GIs:** Within two months after the publication of a GI by the Registrar, any person may, on the payment of a prescribed fee, file with the Registrar a statement of objection to challenge the GI status. Possible objections include: (i) attacking that the indication is a GI, (ii) that the indication is identical to a term customary in common language in Canada, (iii) that the GI is not in fact protected in the home territory of its origin, and (iv) that the indication is confusing with a registered trademark that was previously used in Canada and that has not been abandoned or a trademark whose registration remains pending^[5]. Interested parties cannot, however, apply for the removal of the protected EU GIs listed in Part A of Annex 20-A of CETA^[6], or for the protected Korean GIs enumerated in s. 11.23 of the Act^[7].
5. **Protection and enforcement of GIs:** Moving forward there will be import and export restrictions for wine, spirit, agricultural, and food products where they bear a GI and either do not originate from the territory indicated or do not conform to the laws of the territory indicated. While still in its nascent state, owners of the protected GIs are able to [file a request](#) for assistance with the Canadian Border Services Agency to thwart the importation of counterfeit goods. It should be noted that the Minister may, as a condition of accepting a request for assistance or of extending a request period of validity, require that the owner of the protected mark furnish security, in an amount and form fixed by the minister, for the payment of an amount for which the owner of the protected mark becomes liable. There is also an expectation that the owner of a protected mark will inform the minister in writing, as soon as is feasible of any changes to the validity of the protected mark that is subject of the request for assistance, its ownership, or the goods associated with the trademark^[8].

Moving forward:

These amendments set the groundwork for producers to gain a competitive edge using the GI platform, but

they equally create multifaceted hurdles in existing branding practices. Food and agricultural producers are encouraged to reach out to McMillan LLP's trademark professionals to discuss strategies in mounting defensive measures and exploring alternate branding strategies before the Canadian landscape undergoes further change.

by Christie Bates

[1] *MC Imports Inc. v. AFOD Ltd.*, 2016 FCA 60. This case clarified that without the presence of a secondary meaning giving rise to a distinguishing feature of the product, geographic names used as a mark are considered descriptive, and therefore statutorily unregistrable.

[2] See Part A of Annex 20-A of the Comprehensive Economic and Trade Agreement [here](#).

[3] *Trade-marks Act* s. 11.17.

[4] *Ibid.*

[5] *Trade-marks Act* s. 11.13

[6] *Trade-marks Act* s. 11.22.

[7] *Trade-marks Act* s. 11.23.

[8] *Trade-marks Act* s. 51.04

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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