

Canadian Trademarks: Cathay Pacific wins battle over “Asia Miles” versus “Air Miles”

By David Tait, McCarthy Tétrault, Canada

First published on www.mccarthy.ca

On June 11, 2014 Justice O'Reilly of the Federal Court released his decision relating to the registerability of the trademark ASIA MILES in light of opposition from Air Miles International.

The Trade-Marks Opposition Board (the “Board”) upheld Air Miles International’s opposition to the registration of ASIA MILES. Justice O'Reilly, on an application for judicial review, interfered with the Board’s findings and sent it back for reconsideration.

For the full written decision see: [Cathay Pacific v. Air Miles International, 2014 FC 549](#).

Among other things, the opposition was based on the potential for confusion between ASIA MILES and AIR MILES.

Justice O'Reilly’s decision is important to the law of trademarks for the following reasons.

Use of a mark includes use by authorised licensees in Canada.

A licence to use a mark need not be in writing.

Distinctiveness may be acquired through use of a mark in Canada by a licensee.

Distinctiveness can indeed reduce the likelihood of confusion.

A lack of evidence of actual confusion during a period of parallel use of allegedly confusing marks is relevant to the likelihood of confusion.

The opposition was upheld by the Board because: Cathay Pacific failed to establish use of ASIA MILES in Canada; and there was a likelihood of confusion.

Regarding use in Canada, Cathay Pacific had set up a loyalty programme run in Canada by a wholly-owned subsidiary. The Board found the licence agreement unclear and was not satisfied that Cathay Pacific exerted control over the licensee’s use of ASIA MILES in Canada.

Regarding the likelihood of confusion, the Board considered the following factors.

1. Inherent distinctiveness: low for both marks.
2. Length of marks’ use: 13 years for AIR MILES.
3. Nature of associated services, etc.: essentially the same rewards programs.
4. Degree of resemblance: The most significant factor - the marks are more different than alike.

Weighing these factors, the Board concluded that Air Miles' opposition based on a likelihood of confusion was well-founded.

Though Cathay Pacific presented fresh evidence before the Federal Court, as it was entitled to do, that fresh evidence was not required for Justice O'Reilly to conclude that the Board's findings were unreasonable. The Board did not properly credit Cathay Pacific with the use of ASIA MILES in Canada by its subsidiary, which ultimately led to the Board's unreasonable conclusion.

For more information, please contact:



David Tait
McCarthy Tétrault, Canada
dtait@mccarthy.ca
www.mccarthy.ca

David Tait is a partner in our Litigation Group in Toronto and joined the firm in 2006.

Mr. Tait focusses his practice on the resolution of intellectual property disputes (patents, trade marks and copyright) and related commercial issues, by providing strategic advice and litigation services to a variety of clients.

With regard to patent law and patent litigation in Canada, Mr. Tait frequently represents innovative life sciences and pharmaceutical industry clients in patent infringement actions, PM(NOC) proceedings and section 8 damages cases. He also provides strategic regulatory and litigation advice on medicines (Notice of Compliance), natural health products (Natural Health Product Licence) and Patented Medicines Prices Review Board issues.

Mr. Tait represents clients before the Federal Court, the Federal Court of Appeal and the Ontario Court.

As a part of the firm's on-going commitment to pro bono activities, Mr. Tait also provides pro bono representation and performs other pro bono services including the assistance of child refugee claimants as designated representative before the Immigration and Refugee Board of Canada. Mr. Tait received his Master of Laws from the University of Ottawa where he prepared a thesis on the subject of software copyright infringement. Mr. Tait received his Bachelor of Laws from the University of Western Ontario where he graduated as a member of the Dean's Honours List and was the recipient of both the Law Society of Upper Canada Prize and the Carswell Prize. Mr. Tait also received his Bachelor of Science (Honours Chemistry) from the University of Waterloo and his Bachelor of Education from Queen's University.

Aside from his legal work, Mr. Tait plays rugby in the Toronto Rugby Union with three-time champions, the Bay Street RFC.