

BRANDING UNFAIR COMPETITION: WHAT FOREIGN-LANGUAGE MARKS MEAN FOR INTERNATIONAL BUSINESSES

U S H E N G O H *

INTRODUCTION

This is an unauthorized story about the COCA-COLA trademark and the first international business to enter China after the restoration of Chinese-American foreign relations in 1979. The emphasis is on “unauthorized” because this story is based on an amateur investigation of historical records, filled with gleeful speculation as to the motives involved, and results in naïve pontification on how trademark law should work.

This story starts as far back as 1975, when The Coca-Cola Company applied for four Chinese-language marks in Canada, even though it did not apply for the same in its home country in the United States. When it came time to renew the Chinese-language marks in Canada in 1992, however, The Coca-Cola Company abandoned all of them, even while it filed over one thousand trademark applications in China. What led to these differences in its behaviour?

Will its behaviour change again in light of the growing trend to engage in “brand extension” and “cross-branding” with foreign-language

* Ph.D. candidate, Osgoode Hall Law School.

marks in order to access new untapped markets? Although The Coca-Cola Company was unsuccessful in its bid to buy China's largest juice brand for \$2.4 billion in 2008, other businesses such as Heineken had more luck in acquiring Singapore's TIGER beer brand for €4.7 billion in 2012.

This article answers these questions by analyzing how foreign-language marks are, and should be, treated in Western trademark registries and court proceedings. While the focus is on Chinese-language marks in Canada, the principles can be applied to other languages and other countries.

I. THE PROBLEMS

The answers to the questions above require an understanding of how Western databases register trademarks that are not in the official language(s) of the country being discussed ("foreign-language marks"), as well as how Western case law treats them. The following two sub-sections summarize how foreign-language marks are considered administratively and judicially.¹

a. Database automatically classifies foreign-language marks not using Latin/Roman letters as design marks

Western databases classify trademarks as either word marks or design marks. For example, the United States Patent and Trademark Office will classify only trademarks composed of a limited set of standard characters as word marks.² Likewise, the Canadian Intellectual Property Office will classify only trademarks restricted to "letters, numerals, punctuation marks, diacritics or typographical symbols, or of any combination of them"³ as word marks. Any trademark not meeting the definition of a word mark is classified as a

¹ For a comprehensive discussion, see U Shen Goh, "Branding Linguistics: Or What Coca-Cola and Chinese Bakeries Have in Common" (2014) 27:1 IPJ 65.

² Trademark Manual of Examining Procedure, 37 CFR § 2.52, "[a]pplicants who seek to register words, letters, numbers, or any combination thereof without claim to any particular font style, size, or color must submit a standard character drawing that shows the mark in black on a white background. An applicant may submit a standard character drawing if:

- (1) The application includes a statement that the mark is in standard characters and no claim is made to any particular font style, size, or color;
- (2) The mark does not include a design element;
- (3) All letters and words in the mark are depicted in Latin characters;
- (4) All numerals in the mark are depicted in Roman or Arabic numerals; and
- (5) The mark includes only common punctuation or diacritical marks."

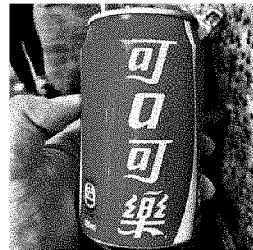
³ Bill C-31, *An Act to implement certain provisions of the budget tabled in Parliament on February 11, 2014 and other measures*, 2nd Sess, 41st Parl, 2014, cl 339 (assented to 19 June 2014).

design mark. This means any foreign-language mark not using Latin/Roman letters is deemed a design mark, even if the trademark is actually a word in the foreign language. For example, the English letters COCA-COLA would be considered a word mark, but the equivalent Chinese characters 可 □ 可 樂 would be considered a design mark.



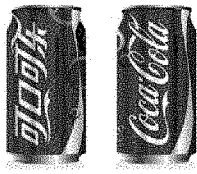
The automatic classification of foreign-language marks not using Latin/Roman letters as design marks is more than just administrative trivia. Word marks receive full protection (which can be used in a different font, size, and colour from that registered), while design marks receive limited protection (which must be registered-as-used and must be used-as-registered). This is a problem because many foreign-language marks not using Latin/Roman letters can be written in a variety of ways. For example, Chinese can be written in different directions, and different characters and fonts may be used (see the chart below). This leads to a discrepancy where the English letters COCA-COLA need to be registered only once with minimal cost to receive full protection, but the equivalent Chinese characters 可 □ 可 樂 need to be registered multiple times with increased costs to receive the equivalent protection. Failure to do so could lead to unfavourable findings for lack of use in expungement proceedings or lack of confusion in infringement proceedings.⁴

1. Chinese was traditionally written in a vertical manner, and read from right to left. The English equivalent is:

C
O
C
A
-
C
O
L
A



⁴ *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 at 70, 147 NR 230 (FCA), “[o]bviously, with every variation the owner of a trade-mark is playing with fire. In the words of Maclean P., ‘the practice of departing from the precise form of a trademark as registered...is very dangerous to the registrant’. But cautious variations can be made without adverse consequences, if the same dominant features are maintained and the differences are so unimportant as not to mislead an unaware purchaser.”

<p>2. Chinese can still be read from right to left, even after it became acceptable to write it in a horizontal manner. The English equivalent is:</p> <p style="text-align: center;">ALOC-ACOC</p>	
<p>3. Chinese can now be read from left to right, in addition to it being acceptable to write it in a horizontal manner. The English equivalent is:</p> <p style="text-align: center;">COCA-COLA</p>	
<p>4. Chinese can also be written using traditional characters (retained in Hong Kong and Taiwan) or simplified characters (adopted in China and Singapore). The result is that many (but not all) Chinese characters can now be written in two ways. While not equivalent, an English example is:</p> <p style="text-align: center;">coca-cola</p> <p>English can be written in capital letters or non-capital letters. The result is that many (but not all) English letters can be written in two ways. A consumer with no understanding of English would not know that A=a or that L=l.</p>	<p style="text-align: center;">可口可樂 (Traditional Characters, as shown in the three photos above)</p> <p style="text-align: center;">可口可乐 (Simplified Characters, as shown in the photo below)</p>
<p>5. Chinese can also be written using different fonts, in the same way that English is written using different fonts.</p>	

b. Case law still requires evidence of linguistic knowledge of foreign-language marks

Western case law no longer supports the Western databases' practice of automatically classifying foreign-language marks not using Latin/Roman letters as design marks, as foreign-language marks are considered increasingly to be words with meanings that can be understood by consumers.

For example, the American doctrine of foreign equivalents states that "foreign words or terms are not entitled to be registered if the English language equivalent has been previously used on or registered for products which might reasonably be assumed to come from the same source."⁵ The result is that The Coca-Cola Company need not register Chinese-language marks in the United States because it is assured⁶ that other traders cannot register the foreign equivalents of the English letters COCA-COLA.

Canada, originally, not only had no comparable policy but also rejected the American doctrine of foreign equivalents.⁷ Thus the need for The Coca-Cola Company to register Chinese-language marks in Canada. So why did it abandon those marks when it came time to renew them? Because a dispute between two Chinese bakeries that year made it clear that it was unnecessary to register foreign-language marks in Canada. The dispute arose when a Toronto bakery copied a Vancouver bakery's Chinese-language mark and added an English translation to form a competing mark. No confusion was found because there was no evidence that the average Canadian would recognize that the Chinese-language mark appeared in the competing mark. The test for confusion involving foreign-language marks at that time assessed the average Canadian consumer by including any and all members of the Canadian public, which resulted in the lack of evidence to prove that the average consumer understood the Chinese-language mark.⁸

Almost twenty years later, the same dispute arose again between the same two Chinese bakeries. History repeated itself because the Vancouver bakery had bought the competing mark in order to remove it from the market, but the Vancouver bakery did not use it in order to avoid diluting its

⁵ *Mary Kay Cosmetics, Inc v Dorian Fragrances, Ltd*, 180 USPQ 406 at 407 (TTAB 1973).

⁶ This assurance was based on the erroneous assumption that the Chinese equivalent 可樂 was descriptive, as discussed in Part III(b)(2).

⁷ *B Jadov and Sons, Inc v Grupo Cyanomex SA de CV* (1992), 57 FTR 278 at para 26, 45 CPR (3d) 161 (FCTD) [Jadov].

⁸ *Cheung's Bakery Products Ltd v Saint Anna Bakery Ltd* (1992), 46 CPR (3d) 261 at 268, 1992 CarswellNat 1585 (TMOB).

own Chinese-language mark. Realizing this, the Toronto bakery expunged the competing mark for non-use, then copied the Vancouver bakery's Chinese-language mark again and added a different English translation to form a different competing mark. This time, however, the same facts produced a different decision. Confusion was found because there was evidence that the average consumer understood the Chinese-language mark. The difference was that the test for confusion involving foreign-language marks had developed by then to assess the average Canadian consumer by limiting the test to the actual consumers of the goods and services.⁹

This development, moving away from the inclusion of any and all members of the Canadian public to the limitation of actual consumers of the goods and services, is starting to align with how the test for confusion is applied to English-language marks,¹⁰ but further alignment is required, as discussed in Part III. While it remains to be seen how Canada's developing test for confusion involving foreign-language marks will continue to compare to the American doctrine of foreign equivalents, they both make it clear that foreign-language marks can be meaningful words and not just inarticulate designs. It is time for Western databases to do the same.

II. THE IMPLICATIONS

The discrepancy in how foreign-language marks not using Latin/Roman letters are considered administratively and judicially reveals a mischaracterization of the true purpose of trademark. Trademark law is about unfair competition. But what is competition? And when is it unfair? The answers to these simple questions have been surprisingly complex.

The main reason for the controversial answers is the legal fiction that trademark law balances the interests of both traders and consumers. This balancing is easier in infringement cases where trader goodwill requires and therefore aligns with consumer confusion. The question can focus on whether or not there was consumer confusion. While the opposing parties may be equally adamant that there is, or is not consumer confusion, at least they are answering the same question. This balancing becomes more difficult

⁹ *Saint Honore Cake Shop Ltd v Cheung's Bakery Products Ltd*, 2013 FC 935 at paras 47-48, 121 CPR (4th) 64 [Saint Honore FC].

¹⁰ *Canadian Schenley Distilleries Ltd v Canada's Manitoba Distillery Ltd* (1975), 25 CPR (2d) 1 at 5, 1975 CarswellNat 506 (FCTD): "To determine whether two trade marks are confusing one with the other it is the persons who are likely to buy the wares who are to be considered, that is those persons who normally comprise the market, the ultimate consumer."

in dilution cases where trader goodwill no longer requires, and even conflicts with, consumer confusion. The question then becomes how to prioritize the conflicting interests. With one party stressing economic/property values and the other party emphasizing democratic/social values, it often feels like two different conversations.

Perhaps this conundrum could have been avoided and can now be resolved by abandoning the legal fiction for a simple admission: The purpose of trademark law was and is to protect traders, not consumers, as the following three sub-sections illustrate.¹¹

a. Inefficiency of database

One aspect of trademark law is its database. Traders file applications to register trademarks in the database. And it is traders who search the database for trademarks to oppose or expunge. Consumers generally have no interest in or understanding of how to use the database. In short, a trader uses the database to communicate its claims to other traders in order to preempt unfair competition.

If a database is to enable a trader to communicate the scope of its monopoly to the world, then the “economic operators must, with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties.”¹² Western databases currently fail in this regard when it comes to foreign-language marks. For example, a search for the English letters COCA-COLA will produce the actual trademark along with other similarities. This enables The Coca-Cola Company to monitor for applications that may infringe its trademark. It also enables other traders to find out whether or not the English letters COCA-COLA are already claimed, by whom, since when, in association with what goods and services, etc., in order to assess what alternative trademarks can be claimed instead. Contrast the scenario above with a search for the equivalent Chinese characters 可口可樂. The Coca-Cola Company cannot monitor for applications without expertise or

¹¹ Although American and Canadian writings claim that trademark law has the dual purpose of protecting traders and consumers in theory, the following three sub-sections illustrate that American and Canadian practices protect traders in reality. This reality is discussed by Frank J in *Standard Brands Inc v Smidler*, 151 F (2d) 34 (2d Cir 1945) and is more consistent with the English approach of primarily protecting traders in *Bollinger v Costa Brava Wine Co Ltd* (1959), [1960] Ch 262.

¹² *Sieckmann v Deutsches Patent- und Markenamt*, C-273/00, [2002] ECR I-11737 at I-11770.

expense, as only an experienced searcher would know how to find trademarks that cannot be filed and searched alphabetically. Other traders trying to find out whether or not the equivalent Chinese characters 可 □ 可 樂 are already claimed will find themselves searching for a needle in a haystack, unless they have the good fortune of narrowing the search by already knowing who might be the owner or what might be the goods and services claimed. This is because a search for Chinese-language marks in the Canadian database will produce over 5,000 results, all designated the same unhelpful reference of “CHINESE CHARACTERS”.

The practice of automatically classifying foreign-language marks not using Latin/Roman letters as design marks leads to inefficiency with Western databases. This inefficiency reveals the failure to acknowledge the purpose of trademarks, which allow a trader to communicate its claims to other traders. A suggestion on how to resolve this inefficiency of the database is proposed below in Part III(a).

b. Incongruity in case law

Another aspect of trademark law is case law. It is traders who bring litigation to limit the trademark claims of other traders (and expand those of their own). Consumers usually have no participation in the case beyond providing evidence or justification in support of the litigation. In short, a trader uses the case law to litigate its claims against other traders in order to stop unfair competition.

If litigation brought in the name of consumer confusion actually valued the interests of consumers, then it would not only ask whether or not there was consumer confusion, but whether or not the confusion mattered to the consumer. Consider a consumer who does not care about confusion when he purchases GAD clothing and NICE shoes. He is aware that the clothing and shoes come from different sources and have different qualities than GAP and NIKE, but does not care if the world sees him wearing laughable knock-offs. Now consider a second consumer who actually desires the confusion when she purchases believable knock-offs of CANADA GOOSE jackets and LOUIS VUITTON purses. She is aware that the jackets will not keep her warm and the purses will not last, but only cares that the world sees her with them and believes she can afford them. Although driven by different motives, both consumers have the same opinion that confusion does not matter! These blatant examples of infringement show that even

when trader goodwill requires, and therefore aligns with consumer confusion, the purpose of trademark law is to protect traders instead of consumers.

Contrast the scenarios above with the American doctrine of foreign equivalents and Canada's developing test for confusion involving foreign-language marks. Even if some consumers are confused and such confusion mattered to those consumers, the case law would deem it irrelevant unless there is evidence that the average American purchaser¹³ or the average Canadian consumer would understand the foreign language used in the trademark.¹⁴ Western case law on foreign-language marks appears reasonable in theory, but is not realistic in practice. One example is Coca-Cola commercials with Olympic greetings or Christmas wishes. These commercials display Coca-Cola trademarks in multiple languages and are advertised to the North American public at large during the Olympic Games and the Christmas season. In such a situation, it would be difficult to provide the required evidence since no average consumer would understand so many languages. While an easy solution would be to customize the commercials for specific linguistic groups and advertise only in certain target markets, doing so would defeat the global spirit of community which the multilingual commercials sought to foster. On the opposite end of the spectrum is the example of small start-ups like Aboriginal businesses that target a national or international market. Given their small linguistic populations, such businesses cannot prove that a significant number or percentage of their consumers would understand their Aboriginal-language marks.¹⁵ It is ironic that the economic gains associated with a trademark should cause the linguistic losses of the same trademark. Such examples will only increase as businesses continue to engage in "brand extension" and "cross-branding" with foreign-language marks in order to access new untapped markets.

The American doctrine of foreign equivalents and Canada's developing test for confusion involving foreign-language marks leads to incongruity with Western case law. This incongruity reveals the failure to understand that a trademark allows a trader to litigate its claims against other

¹³ *In re Thomas*, 79 USPQ (2d) 1021 (TTAB 2006).

¹⁴ *Cheung Kong (Holdings) Ltd v Living Realty Inc*, [2000] 2 FC 501 at paras 54-55, 65, 4 CPR (4th) 71 [Cheung Kong].

¹⁵ In *Jadow*, *supra* note 7 at para 13 the Federal Court found that the 1986 Canadian census revealed a Spanish-speaking population of 83,130 which was insufficient evidence of linguistic knowledge for the population as a whole. Australia found likewise with a 2001 census of Italian-speaking population of more than 350,000 in *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd*, [2014] HCA 48 at paras 75-76, 103 [Cantarella].

traders. A suggestion on how to remove this incongruity in the case law is proposed below in Part III(b).

c. Inconsistency with international trade

The third aspect of trademark law is international trade. It is traders who lobby governments to sign multilateral treaties, regional agreements and bilateral accords. Further, it is traders who benefit from the protection of rights, harmonization of laws, and application for multilateral filings that result. Consumers mostly do not have experience with, or pay attention to, international trade, unless it is to protest against it! In short, a trader uses international trade to expand its claims beyond its national borders.

For example, a multilateral treaty such as the *Paris Convention*¹⁶ protects a trader in a signatory country from unfair competition in other signatory countries by allowing priority claims. A trader with a trademark application in a signatory country can claim the same date of use in subsequent trademark applications filed within six months in other signatory countries. So imagine a trader's surprise when a trademark classified as a word mark in one signatory country is re-classified as a design mark in other signatory countries! If The Coca-Cola Company were to file a trademark application for the English letters COCA-COLA in Canada and then make a priority claim in its home country in the United States (or vice versa), the same trademark is classified as a word mark in both countries. However, if The Coca-Cola Company were to file a trademark application for the equivalent Chinese characters 可 □ 可 樂 in China and then make a priority claim in the United States, the same trademark would be classified as a word mark in China and re-classified as a design mark in the United States. If The Coca-Cola Company were to try to avoid this inconsistency by filing first in the United States and making a priority claim in China, the trademark would end up equally limited by being classified as a design mark in both countries. Considering that international trade aims to remove protectionist practices (quotas, tariffs, subsidies, anti-dumping legislation, administrative barriers, etc.), it will not do for international trade to be restricted by inconsistent treatment between English-language marks and foreign-language marks (whether intended to be protectionist or not).

¹⁶ *Paris Convention for the Protection of Industrial Property*, 14 July 1967, 828 UNTS 306 (entered into force 26 April 1970).

First, the most-favoured nation principle requires that “[w]ith regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members.”¹⁷ The scenarios above violate this principle by treating intellectual property from Canada more favourably than intellectual property from China. This not only makes it difficult for international businesses to manage their trademark portfolio globally, but also makes it difficult for them to acquire foreign brands. For example, imagine that The Coca-Cola Company had succeeded in its bid to buy China’s largest juice brand for \$2.4 billion in 2008, as well as hypothetically acquired a Canadian brand. When it registers both foreign brands in its home country of the United States, it will discover that the Chinese-language brand from China is classified automatically as a design mark while the English-language brand from Canada is recognized as a word mark.

Second, the national treatment principle requires that “[e]ach Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property”.¹⁸ The scenarios above also violate this principle by treating intellectual property from China less favourably than intellectual property in the United States. This creates a strange situation where international businesses find their foreign brands and subsidiaries receiving different protection from its American brands and company. For example, there is an interesting phenomenon in China with supermarkets selling Coca-Cola drinks imported from the United States side-by-side with Coca-Cola drinks bottled locally. The reason is because consumers in China are willing to pay more for products labelled in English instead of Chinese. This is fine in China, which treats both languages equally, but the same phenomenon would be problematic in the United States.¹⁹

¹⁷ *Agreement on Trade-Related Aspects of Intellectual Property Rights*, 15 April 1994, 1869 UNTS 299 art 4 (entered into force 1 January 1995) [TRIPS], which has similar wording to: *General Agreement on Tariffs and Trade*, 30 October 1947, 55 UNTS 187 art 1 (entered into force 1 January 1948) [GATT 1947]; *General Agreement on Trade in Services*, 15 April 1994, 1869 UNTS 183 art 2 (entered into force 1 January 1995) [GATS].

¹⁸ TRIPS, *supra* note 17, art 3. This principle has similar wording to GATT 1947, *supra* note 17, art 3, as well as GATS, *supra* note 17, art 17.

¹⁹ Imagine if The Coca-Cola Company were to label its drinks in different languages in the United States to promote its global image of community, for the same reason its 1971 television ad had featured a multi-racial group singing “I’d Like To Teach The World To Sing” and its 2014 Super Bowl ad had performed a multi-lingual rendition of “America The Beautiful”.

The violation of the most-favoured nation and national treatment principles leads to inconsistency with international trade. This inconsistency reveals the failure to understand that a trademark allows a trader to expand its claims beyond its national borders. Part III remedies this inconsistency by proposing that Western databases transcribe foreign-language marks into Latin/Roman letters, and Western case law assume linguistic knowledge of the foreign language used in such trademarks.

III. THE SOLUTIONS

Abandoning the legal fiction that trademark law protects consumers should not open the floodgate to dilution. This is because trademark law is about unfair competition and, therefore, can only protect traders in such situations. Where there is no competition, or where the competition is fair, a trader has no basis for a claim or litigation.²⁰ The following two sub-sections illustrate how foreign-language marks should be considered administratively and judicially in light of the simple admission that trademark law balances the interests of one trader against other traders.

a. Database should transcribe foreign-language marks not using Latin/Roman letters

If a trader is to use the database to communicate its claims to other traders in order to pre-empt unfair competition, then Western databases need to transcribe foreign-language marks into Latin/Roman letters and numerals. This would allow the foreign-language marks to be filed and searched in the same manner as English-language marks.

For example, Chinese-language marks can be transcribed using PinYin, the official phonetic system adopted in 1982 by the International Organization for Standardization. Asian databases already treat English-language marks such as COCA-COLA as word marks because a Chinese speaker who does not understand English only needs to learn the alphabet

²⁰ *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65 at para 54, [2005] 3 SCR 302, “in a free market, trademarks should not be used to prolong monopolies on technical characteristics of products. Competition between products using the same technical processes or solutions, once patent rights are out of the way, is not unfair competition. It is simply the way the economy and the markets are supposed to work in modern liberal societies”. *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 45, [2006] 1 SCR 824, “[t]he depreciation or anti-dilution remedy is sometimes referred to as a “super weapon” which, in the interest of fair competition, needs to be kept in check”.

system in order to file and search such marks. Western databases, however, still treat the equivalent Chinese-language marks such as 可 □ 可 樂 as design marks because an English speaker who does not understand Chinese cannot file/search such marks alphabetically. Transcribing the Chinese-language mark to KE3 KOU3 KE3 LE4 phonetically in PinYin would make it easier to file and search for such marks.²¹ Even though the English speaker still cannot understand or pronounce the word mark, at least the person can now read *and* write the letters and numerals. The ability to read and write the letters and numerals is all traders need in order to find out whether or not a trademark is already claimed, by whom, since when, in association with what goods and services, etc. This will allow traders to assess what alternative trademarks can be claimed instead.

b. Case law should assume linguistic knowledge of foreign-language marks

If a trader is to use the case law to litigate its claims against other traders, then Western case law needs to assume linguistic knowledge of the foreign language used in such trademarks. This would ensure that in order to stop unfair competition, trademark's distinctiveness and consumer confusion can be assessed in the same manner as English-language marks.

For example, linguistic knowledge is assumed even with uncommon English words such as EUTECTIC. The word was found to be descriptive of goods for welding, soldering and brazing because EUTECTIC meant "melting at low temperature" or "melting readily". The fact that the average English speaker did not understand its meaning was irrelevant.²² Likewise, linguistic knowledge is assumed even with novel use of French words such as MAISON. The word was found to be descriptive of orange juice since MAISON had acquired a new meaning in France of "that which is made at home" or "of good quality". The fact that the average French Canadian had not caught on

²¹ Please note that the trademark registration is only for the Chinese-language mark and not for its transcribed PinYin.

²² *Cantarella*, *supra* note 15 at para 91, discussed *Eutectic Corporation v Registrar of Trade Marks*, (1980) 32 ALR 211 stating "[i]t was not in ordinary use by members of the community; most users of the applicant's goods did not know, or had forgotten its meaning; and there was no evidence of its use by other traders. It was, however, 'a basic term used in metallurgy', peculiarly appropriate to convey readiness to melt as a basic property of alloy. Refusing to conclude that 'eutectic' was inherently adapted to distinguish the applicant's goods, and citing *Clark Equipment*, Rogers J said that '[w]hilstsoever there remains a need and use for that word by other traders in an honest description of their goods and the word retains its primary and technical meaning, it should remain free in the public domain'."

to this development was irrelevant.²³ Western case law does not consider that a consumer might have a limited English vocabulary or little French culture with respect to trademarks in the official language(s) of the country being discussed. The following four sub-sections illustrate how the same assumption can be applied to foreign-language marks.

1. Assessing for distinctiveness

Since an English-language mark is registrable only if it is distinctive,²⁴ it follows that foreign-language marks that are descriptive or generic should not be registrable.²⁵ In this regard, the American doctrine of foreign equivalents is correct to protest the registration in foreign countries of common names of products in the English language, as well as to prohibit the registration in the United States of generic words in a foreign language.²⁶ This

²³ *Home Juice Co v Orange Maison Ltée*, [1970] SCR 942 at 944–945, 16 DLR (3d) 740, “[r]espondent has contended that the current meaning in France is not to be considered, that regard must be had only to the meaning current in Canada...This contention would have serious consequences if it was accepted. One result would be that a shrewd trader could monopolize a new French expression by registering it as a trade mark as soon as it started being used in France or in another French-speaking country and before it could be shown to have begun being used in Canada. In my opinion, the wording of s. 12 does not authorize such a distinction.” See also *La Marquise Footwear Inc’s Application* (1946), [1947] 64 RPC 27 at 31, “I think it would be an affectation to say that a word which has gained any currency as an American slang word ought to be treated in these islands, in the absence of any evidence one way or the other, as a foreign word.” But see *Milk Link Ltd v Almighty Marketing Ltd* (29 November 2006), O-341-06 (UK Intellectual Property Office) at para 5, where the hearing officer Geoffrey Hobbs QC quoted the initial decision in dismissing an appeal on the declaration of invalidity no 81895: “Most of the evidence has dealt with American usage. American and British English do diverge; they may use the same words meaning different things. In such cases it may be necessary to view the languages as being different languages. Such is the case here. There is no indication that the British public has been exposed to the phrase MOO JUICE in such a manner that it will have seen it as a synonym for milk.”

²⁴ Descriptive words are unregistrable even when used in a compound mark or combination of words such as COCA-COLA for “soda drinks” in *Coca-Cola Co of Canada Ltd v Pepsi-Cola Co of Canada Ltd*, [1942] 1 All ER 615 [*Coca-Cola*]; FRIGIDAIRE for “refrigerators” in *General Motors Corp v Bellows*, [1949] SCR 678, [1950] 1 DLR 569. Descriptive words are unregistrable as an ellipse, OFF! for “insect repellent” in *SC Johnson & Son Ltd v Marketing Int’l Ltd* (1979), [1980] 1 SCR 99, 105 DLR (3d) 423; O CEDAR for “polishing oil” in *Channel Co v Rombough*, [1924] SCR 600, [1925] 1 DLR 233. Lastly descriptive words are unregistrable with corrupted spelling, SHUR-ON and STAY-ZON for “eye-glass frames” in *Kirstein Sons & Co v Cohen Bros* (1907), 39 SCR 286, 1907 CarswellOnt 792.

²⁵ From *Philippart v William Whiteley Ltd*, [1908] 2 Ch 274 descriptive words are unregistrable even when used in a varied form such as DIABOLO from the Italian DIAVOLO for a type of game called “the devil on two sticks”. Slang words are also unregistrable, such as CHUPA in which is Spanish slang for “lollipop” in *Enrique Bernat F SA v Guadaluajara, Inc*, 210 F (3d) 439 (5th Cir 2000). Descriptive words are unregistrable with phonetic spelling, SHORINJI KEMPO from the Japanese characters for a type of “martial arts” such as Judo, Karate and TaekwonDo in *British Shorinji Kempo Federation v Shorinji Kempo Unity*, [2014] EWHC 285 (Ch).

²⁶ *In re Le Sorbet, Inc*, 228 USPQ 27 (TTAB 1985).

is in keeping with the Canadian *Trade-marks Act*'s refusal to register any trademark that is "the name in *any language* of any of the goods or services in connection with which it is used or proposed to be used".²⁷

This means that linguistic knowledge should be assumed, or lack of it should be irrelevant. Even if no consumers understand the foreign language used in the trademark, a trader should not be permitted to do in a foreign language what it cannot do in the English language. Namely, a trader cannot monopolize common words and prohibit other traders from their descriptive or generic use.²⁸

Because transliterations can become standardized or accepted words in English (see the chart below), this prohibition should apply not just to foreign words but also to their transliterations. This deems a translation necessary to determine whether the hypothetical, equivalent, English-language mark would be registrable, so as to avoid accidentally registering descriptive or generic words in other languages. Therefore, foreign-language marks *should* be assessed for distinctiveness *based on their translations*.

Foreign Language	English Transliteration that became the standardized/accepted Translation
الجزيرة (Arabic for "reunion of broken parts")	ALGEBRA
豆腐 (Chinese for "bean curd")	TOFU
Αγορά (Greek for "gathering place")	AGORA
שכר (Hebrew for "strong drink")	CIDER

²⁷ *Trade-marks Act*, RSC 1985, c T-13, s 12(c) [emphasis added].

²⁸ *Cantarella*, *supra* note 15 at para 44, "[t]he requirement that a proposed trade mark be examined from the point of view of the possible impairment of the rights of honest traders to do that which, apart from the grant of a monopoly, would be their natural mode of conducting business...and from the wider point of view of the public...has been applied to words proposed as trade marks for at least a century, *irrespective of whether the words are English or foreign*" [emphasis added]. The High Court of Australia, however, went on to find that ORO and CINQUE STELLE (Italian for "gold" and "five stars" respectively) were not descriptive of coffee products because at least 350,000 Italian speakers in Australia were insufficient to prove linguistic knowledge!

Pronounced “ka-na-ta” (Huron-Iroquois for “village” or “settlement”)	CANADA
カラオケ (Japanese for “empty orchestra”)	KARAOKE
김 치 (Korean for “soaked vegetable”)	KIMCHI
sögur (Old Norse for “story” or “tale”)	SAGA
Кремль (Russian for “castle” or “fortress”)	KREMLIN
योग (Sanskrit for “to unite”)	YOGA
Phở (Vietnamese for “noodle soup”)	PHO

2. Comparing for confusion

Contrary to assessing for distinctiveness, foreign-language marks should *not* be compared for confusion *based on their translations*. Since confusion is determined in English-language marks by considering the actual consumers of the goods and services, foreign-language marks should also be compared for confusion by considering just the ultimate consumers. Regardless of the languages in which they are expressed, all trademarks should follow the same test for confusion and should avoid comparisons using any and all members of the Canadian public. The test for confusion, as currently set out in the *Trade-marks Act*, provides that consideration must be given to all the surrounding circumstances including:

- (a) *the inherent distinctiveness* of the trademarks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the goods, services or business;

(d) the nature of the trade; and

(e) the degree of resemblance between the trade-marks or trade-names in *appearance* or *sound* or *in the ideas suggested by them*.²⁹

In this regard, both the American doctrine of foreign equivalents and Canada's developing test for confusion involving foreign-language marks initially err in requiring evidence of linguistic knowledge instead of assuming it, and further err (and contradict themselves) in basing the comparison on the translations and not on the foreign language.

First, a consumer who understands the foreign language used in the trademark has no need to translate it into English. It is only Western administrators and judiciary that need to translate the trademarks in order to understand and discuss the ideas suggested by the trademarks. However, it is misleading to base the comparison on the translation instead of the actual trademark in question. For example, COLA lacks distinctiveness since it means "soft drink" as in a pop or a soda. If it is translated based on its meaning, then its Chinese equivalent would be 氣水, which literally means "air water" as in a carbonated drink. However, it is transliterated based on its sound instead into Chinese as 可樂, which had no such meaning and was distinctive when first coined in 1933. This means that although COCA-COLA was found to not be confusing with PEPSI-COLA in English,³⁰ 可口可樂 would have been confusing with and should have stopped Pepsi-Cola's later use of 百事可樂 in Chinese. This was not done, and as a result, 可樂 became a generic word in the Chinese lexicon.

Another example of how comparing for confusion in different languages could result in different levels of distinctiveness comes from the two Chinese bakeries discussed in Part I(b). When a Toronto bakery copied a Vancouver bakery's Chinese-language mark and added an English translation, no confusion was found because the comparison was based on the translations of ANNA'S CAKE HOUSE and SAINT ANNA BAKERY. After the Vancouver bakery bought the competing trademark in order to remove it from the market, the Toronto bakery copied the Vancouver bakery's Chinese-language mark again and added a different English translation. This time, however, confusion was found because the comparison was based on the Chinese-language marks instead of the English translations of ANNA'S

²⁹ *Trademarks Act*, *supra* note 27, s 6(5) [emphasis added].

³⁰ *Coca-Cola*, *supra* note 24 at 617-18.

CAKE HOUSE and SAINT HONORE CAKE SHOP.³¹ Failing to assume linguistic knowledge would have allowed the Vancouver bakery to continue copying the Chinese-language mark *ad infinitum* by adding a different English translation each time.

Second, a consumer who does not understand the foreign language in the trademark would simply see it as a design. Just as with any other design, confusion may, or may not result. In this regard, Western administrators and judiciary wrongly assume that a finding of linguistic knowledge (or lack thereof) results in a finding of confusion (or lack thereof) when the two issues are actually independent of each other. This is why the American doctrine of foreign equivalents and Canada's developing test for confusion involving foreign language marks should not require the additional evidence of linguistic knowledge. The focus should remain on the original evidence of confusion, regardless of whether the said confusion arose from literate consumers confused by the actual foreign "words", or from illiterate consumers confused by what they see as "designs".

Therefore, a foreign-language mark should *not* be compared for confusion *based on its translation*. This applies whether comparing with another trademark in the same foreign language, another trademark in a different foreign language, or an English-language mark that is not a transliteration/translation. The principles set out herein also apply to the remaining two sub-sections, which provide more specific illustrations.

3. Comparing for confusion with a transliteration

Since a claim in an English-language mark does not automatically expand into claims for its homophones,³² subject to evidence of confusion,³³

³¹ *Saint Honore Cake Shop Ltd v Cheung's Bakery Products Ltd*, 2015 FCA 12, aff'g *Saint Honore FC*, *supra* note 9.

³² Homophones share the same pronunciation but different spelling: BEAU - BOW and BOUGH - BOW; DESSERT - DESERT; LED - LEAD; WHINED - WINED - WIND. Conversely, homographs share the same spelling but different pronunciation: If you BOW when picking up the BOWS, we will DESERT you in the DESERT and you will have to rely on a piece of LEAD to LEAD you back, unless you wish to WIND up forgotten and blowing in the WIND. Homonyms are both homophones and homographs simultaneously: Please ADDRESS everyone at this street ADDRESS as to why their dogs BARK at the tree BARK, and ask if they CAN remove the garbage CAN by noon.

³³ No confusion was found in between BREWSKY'S bars and BREWSKI BROTHERS clothing in *Brewski Beer Co v Brewski Brothers, Inc*, 47 USPQ (2d) 1281 (TTAB 1998), or PHIFTY-50 music albums and 50-50 movie titles in *Eastland Music Group, LLC v Lionsgate Entertainment, Inc*, 707 F (3d) 869 (7th Cir 2013), presumably because of the differences in goods and services. However, confusion was found in the following cases: *Esso, Inc v Standard Oil Co*, 98 F (2d) 1 (8th Cir 1938) between ESSO and SO petroleum

it follows that a claim for a foreign-language mark should not include claims for its transliterations without similar evidence. For example, Cheung Kong (Holdings) Limited has been using the Chinese-language mark 長江 and the English-language mark CHEUNG KONG since the 1950's in Hong Kong and since the 1980's in Toronto for real estate services. Due to a series of events dating back to 1984 in Canada, the details of which I will spare the reader, Cheung Kong (Holdings) Limited ended up with the trademark registration for the English-language mark and a Toronto competitor ended up with the Chinese-language mark. The Federal Court of Canada took judicial notice of a significant Chinese community and, as a result, found that the Chinese-language mark was confusing with the English-language mark. Despite being different in appearance, they were similar in sound and in the idea suggested, as both meant "long river".³⁴ The court's finding was correct, not because the evidence showed linguistic knowledge of the Chinese-language mark, but because the evidence showed confusion based on Cheung Kong (Holdings) Limited's historical use of both trademarks. Additionally the competitor's own trademark filings for the Chinese characters claimed that their transliteration was CHEUNG KONG and their meaning was "long river".³⁵

As a general rule it is inadvisable to equate a foreign-language mark with a transliteration. Unless there is evidence to support connecting the two, transliterations can be multiple and arbitrary.³⁶ For example, the transliteration CHEUNG KONG can also be spelled CHIONG KUNG in the same way that COCA-COLA can also be spelled KOKAH-KOLAH. To allow a foreign-language mark to expand into claims for transliterations could

products; *Communications Satellite Corp v Comcet, Inc*, 429 F (2d) 1245 (4th Cir 1970) between a COMSAT satellite communications system and COMCET computer communications engineering technology; *Emerald Bioagriculture Corp v Biosafe Systems, LLC*, Cancellation No. 92042503 (TTAB 2006) between AUXIGRO and OXYGROW fertilizer products. But see *Labatt Breweries of Canada Ltd v Attorney General of Canada* (1979), [1980] 1 SCR 914 at 928-29, 110 DLR (3d) 594 where it was stated in the dictum of a constitutional case that SPECIAL LITE would likely be mistaken for LIGHT BEER, as defined then under the repealed *Food and Drug Act*, RSC 1970, c F-27, s 6.

³⁴ *Cheung Kong*, *supra* note 14.

³⁵ The irony is that Cheung Kong (Holdings) Limited's trademark registration did not provide such evidence, as it made no mention that CHEUNG KONG was a transliteration or that it had any meaning, so a court could have found that CHEUNG KONG was an invented English term. The evidence connecting the Chinese characters to CHEUNG KONG as a transliteration and to "long river" as a translation came from the competitor's three trademark applications (one of which was never registered), which were all designated the same unhelpful reference of CHINESE CHARACTERS: "Chinese Characters; Design", Longines Realty Corporation, Can No TMA210471 (17 January 1986) expunged; "Chinese Characters & Design", Living Realty Inc, Can No TMA433298 (16 September 1994) expunged.

³⁶ See the Chinese transliterations of COCA-COLA discussed in Part III(b)(2).

quickly turn into a grab fest, especially when one remembers that a Chinese-language mark can be read in many dialects with different pronunciations. The two transliterations above were based on how the Cantonese dialect pronounces the Chinese characters, whereas the Mandarin dialect pronounces the same Chinese characters as CHANG JIANG.³⁷

In summary, a trader who chooses to spell an English-language mark a certain way (YAHOO!) cannot rely upon the law to act as an insurer against other spellings that were not chosen (YEAH, WHO?). The same rationale should apply to a trader who decides to use a Chinese-language mark, and not use its possible transliterations. Just as a consumer may not associate an English-language mark (the letter C) with its homophones (the words CEE or SEE or SEA), a consumer may not intuitively correlate a Chinese-language mark with its transliterations.

4. Comparing for confusion with a translation

The arguments against equating foreign-language marks to transliterations also apply to translations. Although the following facts involve a Korean-language mark in the United States, the same principles apply as with a Chinese-language mark in Canada. Since a claim in an English-language mark does not necessarily mean a monopoly on its synonyms,³⁸ subject to evidence of confusion,³⁹ it follows that a claim for a foreign-

³⁷ Given that transliterations can be arbitrary in the same way that spellings can be varied, it is important that Western databases adopt the official phonetic system in order to ensure that transliterations are consistent and can be compared.

³⁸ Synonyms include everything ranging from slangs and nicknames (COKE for COCA-COLA worldwide; MACCA'S for MCDONALD'S in Australia) to acronyms and abbreviations (IBM for INTERNATIONAL BUSINESS MACHINES; MAC for MACTINOSH computers or MCDONALD'S hamburger).

³⁹ No confusion was found between DAWN and DAYLIGHT for donuts in *Dawn Donut Co v Day*, 450 F (2d) 332 (10th Cir 1971). However, confusion was found between TORNADO and CYCLONE for wire fencing in *Hancock v American Steel & Wire Co of New Jersey*, 203 F (2d) 737 (CCPA 1953); PLEDGE and PROMISE for cleaning products in *Drop Dead Co v SC Johnson & Son, Inc*, 326 F (2d) 87 (9th Cir 1963); as well as SLICKCRAFT and SLEEKCRAFT for boats in *AMF Inc v Sleekcraft Boats*, 599 F (2d) 341 (9th Cir 1979). See also Mary LaFrance, "Initial Impressions: Trademark Protection for Abbreviations of Generic or Descriptive Terms" (2012) 45:1 Akron L Rev 201 at 202, 239 (comparing the different approaches of the federal courts and discussing the inconsistency across the circuits in the United States). Compare *Bayuk Cigars v Schwartz*, 1 F Supp 283 (DNJ 1932), where no confusion was found between two cigar companies using PHILLIES because the public nickname did not enure to anyone, with *Coca-Cola Co v Busch*, 44 F Supp 405 (ED Pa 1942) where confusion was found between KOKE and COKE because the latter was a public nickname that enured to the plaintiff. Oddly, both the United States and Canada are consistent in holding confectionary-related names to be confusing. See *Jellibean Inc v Skating Clubs of Georgia, Inc*, 716 F (2d) 833 at paras 20–21 (11th Cir 1983) where it was found that JELLIBEANS and LOLLIPOPS, though not synonymous, were confusing for skating rinks and *Rowntree Co Ltd v Paulin Chambers Co Ltd et al*

language mark should not encompass claims for its translations without similar evidence. This is why the American jury erred in finding that there was confusion between the Korean-language mark 하나은행 and the English-language mark HANA FINANCIAL for banking services.⁴⁰ If the jury had compared the two trademarks in their respective languages, it would have found that they were not similar in appearance; were half-similar in sound since the Korean-language mark was pronounced HA NA EUN HAENG; and were ambiguously similar in meaning because HANA has no meaning in English. Subject to evidence connecting it to Korean characters that would give it meaning, HANA could be an invented English term or a novel way of spelling the names ANA or HANNAH. Instead, the jury used the Korean-language mark's translation HANA BANK⁴¹ in order to compare it with the English-language mark HANA FINANCIAL. This rightfully led the jury to find that the two trademarks had the same meaning, but wrongfully did not lead the jury to find that the meaning lacked distinctiveness! In this regard, the jury initially erred in comparing for confusion based on the translation instead of the foreign language. The jury further erred, and contradicted itself, by not realizing that HANA is actually a transliteration based on the official phonetic system and that its translation meant "one" as in "united" or "whole". Contrast the scenario above with a court finding that there was no confusion between SUN BANK and SUN FEDERAL for banking services. Although similar in sight, sound and meaning, the court found that the word SUN lacked distinctiveness.⁴²

The danger of equating a foreign-language mark with a translation, without evidence connecting the two, is that translations can be multiple and arbitrary.⁴³ For example, both literate and illiterate consumers will not understand the Chinese-language mark 诺顿罗氏富布莱特. Neither its awkward-to-pronounce transliteration NUO4 DUN4 LUO2 SHI4 FU4 BU4 CAI4 TE4 nor one of its multiple random translations "promise pause net mister rich cloth dish special", are understandable. Both types of consumers, however, will understand the intended meaning once they see the Chinese-language mark on the website www.norton-rose-fulbright.com, which is similar to the website www.nortonrosefulbright.com owned by the law firm

(1967), [1968] SCR 134 at 137, 139, 54 CPR 43, where it was found that SMARTIES and SMOOTHIES were synonymous and confusing for candy.

⁴⁰ *Hana Financial, Inc v Hana Bank et al*, 135 S Ct 907 (2015), aff'g 735 F (3d) 1158 (9th Cir 2013).

⁴¹ The translation used was based on the "tacking" doctrine, the details of which I will spare the reader.

⁴² *Sun Banks of Florida, Inc v Sun Federal Savings & Loan*, 651 F (2d) 311 (5th Cir 1981).

⁴³ See the English translations of the Chinese bakeries discussed in Part I(b) and Part III(b)(2).

of Norton Rose Fulbright. The former website and its offer of legal services is the evidence connecting the Chinese-language mark to the specific translation NORTON ROSE FULBRIGHT, which will enable the latter law firm to protest confusion with the assurance that the similarity was no innocent coincidence.

If no connection can be established, a trader who chooses to express itself with a certain English-language mark (COCA-COLA) must accept the consequences of the scope of its claim, which will not include other meanings (COCA-DRINK or COCA-POP or COCA-SODA). The same rationale should apply to a trader who chooses a Korean-language mark over its possible translations. Just as a consumer may have difficulty finding an English-language mark (AMERICAN EAGLE) by asking around for its synonyms, slangs, acronyms or abbreviations (UNITED STATES EAGLE or THE STATES EAGLE or USA EAGLE or US EAGLE), a consumer may find that a Korean-language mark is not meaningfully interchangeable with its translations.

CONCLUSION

How one views the problems and solutions set out in this article may depend on what one considers to be the purpose of trademark law and what one defines as unfair competition. In particular, how much protection should be afforded to foreign-language marks *vis-à-vis* their transliterations and translations will become an increasingly complex question as languages continue to intermingle and evolve in an increasingly global village. Any future answer should bear in mind the Supreme Court of Canada's warning regarding well-known marks *vis-à-vis* other similar marks:

Care must be taken not to create a zone of exclusivity and protection that overshoots the purpose of trade-mark law. As Professor David Vaver observes:

On the one hand, well-known mark owners say that people should not reap where they have not sown, that bad faith should be punished, that people who sidle up to their well-known marks are guilty of dishonest commercial practice. These vituperations lead nowhere. One might as well say that the well-known mark owner is reaping where it has not sown when it stops a trader in a

geographic or market field remote from the owner's fields from using the same or a similar mark uncompetitively.⁴⁴

International businesses were once too slow to recognize the value of Chinese-language marks in China. They are now too slow to recognize the value of Chinese-language marks in the West. In this era where access to new untapped markets is gained through brand extension and cross-branding with foreign-language marks, The Coca-Cola Company should learn from its experiences in China and take the same precautionary measures in the West. This becomes even more pressing in light of how foreign-language marks are, and should be, treated in Western trademark registries and court proceedings.

⁴⁴ *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 22, [2006] 1 SCR 772, citing David Vaver, "Unconventional and Well-Known Trade Marks", [2005] Sing JLS 1 at 16.