

DENTONS

Intellectual Property Update and Year in Review

Grow | Protect | Operate | Finance

August 2024

This summary provides insights on significant IP decisions over the last year and a look to how those developments may impact your business.

If you have any questions regarding the content or have an intellectual property-related query, please don't hesitate to contact any member of our [Dentons Canada's Intellectual Property group](#).

Contents

| | | |
|-----------|-----|--|
| 4 | ... | Comparative Advertising: The line between contravention and competition |
| 6 | ... | Bad faith: Timing is everything (and so are intentions) |
| 8 | ... | Trademark applicants beware: co-existence agreements do not guarantee registration |
| 10 | ... | Seller beware: A caution for counterfeit culture |
| 12 | ... | Use of a trademark by anyone other than the trademark owner without a proper license in place is risky, no matter how you slice it |
| 14 | ... | The Purloined Poppy Puppy: A lesson in the limits of copyright law |
| 16 | ... | Dentons by the numbers 2024 |
| 17 | ... | Contacts |

Comparative Advertising: The line between contravention and competition

In *Energizer Brands LLC. v. Gillette Company*, 2023 FC 804, the Federal Court considered a case whereby Gillette had used Energizer’s registered trademarks, and made other more oblique references to Energizer, in its stickers as part of a comparative advertising campaign for its Duracell batteries. In its advertising, Gillette made claims about the enhanced longevity of Duracell batteries through comparisons with Energizer batteries. Some of the stickers made obvious or direct reference to Energizer (e.g., 15% LONGER LASTING vs. Energizer; UP TO 15% LONGER LASTING vs. ENERGIZER® MAX®), while other stickers made similar claims with reference to the “the bunny brand” and “the next leading competitive brand”.

The Federal Court considered whether Gillette’s advertising made false or misleading claims, and whether Gillette’s advertising depreciated Energizer’s goodwill.

The Federal Court noted that comparative advertising is generally useful as it can help consumers make better purchasing decisions. The Federal Court also noted that factors such as the device in which the battery is used and how the battery is stored can affect the longevity of the battery life. Accordingly, Duracell batteries do not need to consistently last longer than Energizer batteries by at least 15% in order for Gillette to legitimately use the statement in its advertising, provided that there is some reasonable basis to claim that Duracell batteries *could* last 15% longer than Energizer batteries. The Federal Court determined that there was a reasonable basis for Duracell to make the performance claims, and so they were not deemed to be false or misleading.

Section 22 of the *Trademarks Act*¹ [Depreciation of goodwill] operates to ensure that registered trademarks are not being used in a way that is likely to have the effect of depreciating the value of the goodwill attaching thereto.

To succeed in a claim for depreciation of goodwill, a plaintiff must meet the following fourpart conjunctive test as described by the Supreme Court of Canada in *Veuve Clicquot*:

1. Its registered trademark was used by the defendant with goods or services, regardless of whether they are competitive with those of the plaintiff;
2. Its registered trademark is sufficiently well known to have a significant degree of goodwill attached to it;
3. The defendant’s use of the trademark was likely to have an effect on that goodwill; and
4. The likely effect is to depreciate or cause damage to the value of the goodwill.

1 RSC 1985, c T-13.



It was evident that Gillette was using Energizer's registered trademarks, ENERGIZER® and ENERGIZER MAX®, with its goods, and thus the first part of the test was met. The parties accepted that the Energizer trademarks were sufficiently well known and had significant goodwill, which met the second part of the test. Duracell's display of the Energizer trademarks constituted use, and met the third part of the test. Finally, the Federal Court noted that the purpose of including the Energizer trademarks on the Duracell packaging was to encourage the sale of Duracell batteries by suggesting that consumers would get a better result using them, which could thus negatively impact the sale of Energizer's batteries.

Accordingly, the Federal Court concluded that Energizer established likely depreciation of the goodwill in its registered trademarks ENERGIZER® and ENERGIZER MAX® by Duracell's sticker campaign in a manner contemplated by section 22 of the *Trademarks Act*. However, with respect to the aforementioned statements that referenced "the bunny brand" the Court held that while "the bunny brand" was capable of evoking Energizer's iconic ENERGIZER bunny, hurried consumers would have to take an extra mental step or steps when confronted with that phrase and, without data or survey evidence of consumer reaction to it, the Court was unable to find a requisite link to support a section 22 claim. In relation to "the next leading competitive brand," the Federal Court found that this use was not sufficiently similar to any of Energizer's trademarks so as to evoke one of them to a hurried consumer. In other words, consumers would not be likely to pause long enough to recognize this phrase to reference Energizer's trademarks.

The Federal Court awarded a permanent injunction restraining Duracell from using the Energizer trademarks on battery packages, and CA\$179,000 in damages against Gillette to deter future "bandying about" of other trademarks.

The key takeaway from this case is that while comparative advertising can be permissible in certain circumstances, provided there is a commercially reasonable basis for the claims made, use of third-party trademarks or phrases that clearly evoke third-party trademarks, is risky in Canada.

Bad faith: Timing is everything (and so are intentions)

In *Travel Leaders Group, LLC v. 2042923 Ontario Inc. (Travel Leaders)*, 2023 FC 319, the Federal Court rendered a decision expunging the registration of the trademark TRAVEL LEADERS, as it was abandoned by the owner, 2042923 Ontario Inc. (**Ontario Inc.**). Notably, however, the expungement was not a result of a bad faith claim made by Travel Leaders Group, LLC (**Travel Leaders**), as such claim was unsuccessful.

In 2008, Travel Leaders filed an application to register TRAVEL LEADERS as a trademark in Canada based on proposed use. Ontario Inc. opposed this application, as it allegedly did business under the name “Travel Leaders”. Travel Leaders’ trademark application was ultimately abandoned in 2010. Later in 2010, Ontario Inc. filed an application to register its TRAVEL LEADERS trademark, claiming use since at least as early as March 22, 2005. Ontario Inc. obtained registration of this trademark in 2011.

Ontario Inc.’s business declined over the years, beginning in 2004. Meanwhile, Travel Leaders operated a successful travel business in the United States and had intentions to expand to Canada. In 2015, Ontario Inc. purposefully offered its trademark for sale to Travel Leaders’ competitors. Additionally, after Travel Leaders filed its Statement of Claim in this matter in 2017, Ontario Inc. adopted the domain name www.travelleadersnetwork.ca, published the following statement: “[W]e have categorized our services to help you with your travel needs in Canada under the Travel Leaders Network, a[ll]so referred to as (“TL Network”),” and filed a formal complaint to the Travel Industry Council of Ontario (**TICO**) alleging that Travel Leaders was operating without registration or a proper travel agency license.

The Federal Court considered whether Ontario Inc.’s conduct established bad faith under paragraph 18(1)(e) of the *Trademarks Act*. The Federal Court considered key facts and knowledge that Ontario Inc. possessed, which included: i) knowledge of Travel Leaders’ existence; ii) knowledge of Travel

Leaders' U.S. travel business; iii) knowledge of Travel Leaders' significant Canadian expansion plans; iv) knowledge of Travel Leaders' prior application (in 2008) to register the TRAVEL LEADERS trademark when it filed its application for registration for its own mark in 2010; v) that Ontario Inc. had opposed Travel Leaders' application to register its trademark in 2008; and (vi) that Ontario Inc. had offered or engaged in negotiations with Travel Leaders to sell the relevant trademark in 2009 and in 2011.

The Federal Court held that Ontario Inc. likely had a dual purpose in applying to register the TRAVEL LEADERS trademark in 2010, e.g., to protect its ability to continue using the mark in connection with its troubled travel agency business, and to prevent Travel Leaders from using the same mark as a result of its Canadian expansion.

The Federal Court found that Ontario Inc.'s actions and knowledge as of the date of its application could not be found to constitute bad faith.

However, the Federal Court found that Ontario Inc.'s actions from 2015 onwards could reasonably be characterized as conduct in bad faith. Nevertheless, the five-year interval between the date of application (2010) and the date Ontario Inc. advertised the trademark for sale to Travel Leaders' competitors (2015) is a significant interval, and accordingly, the Federal Court was not satisfied that such conduct assists materially in establishing bad faith at the date of application.

The key takeaway from this case is that the intention to cause harm to another party's business is a key component to a finding of bad faith, but the timing of when this intention arises is crucial. Bad faith must be considered in light of conduct at the time of filing the trademark application. Conduct that becomes intentionally harmful following the date of the trademark application may not assist materially in establishing bad faith at the date of application, e.g., a five-year interval did not assist in this regard.

Trademark applicants beware: co-existence agreements do not guarantee registration

In *Tweak-D Inc. v. Canada (Attorney General)*, 2023 FCA 238 [*Tweak-D*],² the Federal Court of Appeal (**FCA**) recently upheld the refusal of a trademark application for registration, despite the Applicant leading evidence normally considered to contribute to a high likelihood of successful registration.

In *Tweak-D*, the Applicant applied for registration of the trademark “TRIBAL CHOCOLATE” (the **Applicant’s Mark**) in connection with various hair care and styling products.³ The Registrar of Trademarks (the **Registrar**) refused registration of the Applicant’s Mark, holding that it was confusingly similar to the prior registered trademark, “TRIBAL” (the **Prior Mark**), which was also registered in connection with various cosmetic products, including hair colourants and hair dye.⁴ The Applicant appealed the Registrar’s decision to the Federal Court (**FC**), who upheld the refusal, which led to the appeal to the FCA.⁵ The Applicant’s appeal primarily focused on evidence related to a co-existence agreement between the Applicant and the holder of the Prior Mark, as well as state of the Register evidence related to trademarks registered before the Prior Mark.⁶

A co-existence agreement evidences the intention of owners of potentially confusing trademarks to simultaneously exist in potentially overlapping marketplaces and channels of trade. In *Tweak-D*, the agreement at issue attempted to dispel any notion of confusion between the Applicant’s Mark and the Prior Mark in the marketplace through agreeing to

amend the Applicant’s Mark’s Application to remove and explicitly exclude some overlapping channels of trade (namely, beauty salons and spas), agreeing to restrict sale of its goods to only specific retailers, as well as both parties agreeing to the standard co-existence terms of not altering or promoting their trademarks in manners that may increase similarity or confusion between the Applicant’s Mark and the Prior Mark.⁷ The agreement required discontinuance of the Applicant’s trademark cancellation proceedings against the holder of the Prior Mark.⁸

The FCA also considered evidence of the state of the Register, which was led to establish “a pattern of registrability of similar marks.”⁹ This evidence included three trademarks permitted registration in addition to the Prior Mark, all of which prominently featured the word “TRIBAL” or “TRIBE.” This included the mark “TRIBE,” the registration of which the Prior Order agreed to once the permitted channels of trade were restricted in the goods and services description of the TRIBE trademark.

2 *Tweak-D Inc. v. Canada (Attorney General)*, 2023 FCA 238 [*Tweak-D*].

3 *Ibid* at para 2.

4 *Ibid* at para 6.

5 *Ibid* at para 1.

6 *Ibid* at para 10.

7 *Tweak-D Inc. v. Canada (Attorney General)*, 2023 FC 427 at paras 10-11 [*Tweak-D FC*].

8 *Ibid* at paras 9-10.

9 *Tweak-D*, *supra* note 1 at para 14.

The FCA upheld the refusal to register the Applicant's Mark. First, the FCA held that consent in the form of a co-existence agreement from the holder of the Prior Mark did not ensure registrability of the Applicant's Mark; rather, the agreement was just one factor amongst many to be considered in assessing confusion under s. 6.5 of the *Trademarks Act*.¹⁰ Thus, the FCA upheld the finding of the Registrar that the channels of trade continued to overlap because the Prior Mark's registration was not confined exclusively to providing goods to beauty salons and spas.¹¹ Second, the FCA held that only a large number of prior registered trademarks and evidence of their actual use make state of the Register evidence relevant, with the further caveat that prior registrations may be permitted in error and the Registrar has no obligation to follow those errors.

Both the FC and the FCA relied in part on an onerous standard of review in rejecting the Applicant's requests: in cases where the alleged error is a finding of confusing similarity between two trademarks, only an overriding and palpable error will suffice to justify the appeal unless there is a clearly identifiable error of law, or new evidence is adduced on appeal that would materially impact the decision. Both the FC and the FCA held that the overriding and palpable error standard applied such that substantial deference was accorded to the Registrar's decision.

The FCA's decision in *Tweak-D* serves as a cautionary tale to trademark applicants attempting to increase the likelihood of registration and meet the demands of the Registrar. Key takeaways are:

1. Co-existence agreements with the holder of a confusingly similar trademark consenting to registration will not ensure registrability. Applicants must think twice before agreeing to discontinue cancellation or invalidation proceedings against pre-existing and potentially confusing registered trademarks or trademark applications on the basis of a co-existence agreement.

2. Amendments to the goods, services and channels of trade of a trademark application will not ensure registrability. Any continuing overlap between goods, services, or channels of trade of a trademark application with a pre-existing trademark may still outweigh amendments to the trademark application that otherwise limit the same. Both parties must be willing to restrict their trademark applications to avoid any overlap for a co-existence agreement to more effectively assist in attaining co-existence on the Registry.

3. Steps that resulted in registration of one potentially confusing trademark will not ensure registrability of a second potentially confusing trademark. Each trademark application is unique. Even if a similar trademark has been registered after application amendments, those same application amendments may not result in registration for a subsequent application. The Registrar is simply not bound by past registrations. For applicants, state of the Register evidence will rarely apply and as such should be given little weight in evaluating the likelihood of success of trademark applications.

4. Many appeals will be subject to a demanding standard of review: Whenever an Applicant is appealing a refusal by the Registrar, significant deference will be accorded to the underlying decision unless the Applicant can identify an extricable legal error, or where the Applicant can adduce new material evidence.

¹⁰ *Tweak-D*, *supra* note 1 at para 15-16.

¹¹ *Tweak-D FC*, *supra* note 6 at para 13.

Seller beware: A caution for counterfeit culture

The Federal Court of Canada recently granted two luxury fashion companies default judgment against individuals who conducted an online business selling counterfeit merchandise.¹² In addition to punitive and compensatory damages for breaches of the *Trademarks Act* and *Copyright Act* in excess of CA\$1 million, the plaintiffs obtained a third party order requiring third parties, including shipping and delivery companies (the **Third Party Order**) to provide them with information about the defendants' infringing activities in order to help stop the counterfeit merchandise from being imported to Canada and reaching the defendants.¹³ This decision is a milestone in the ongoing battle between designers of luxury goods and counterfeiters.

Background

The defendants carried on an online business under an evolving set of business names selling the counterfeit merchandise on social media.¹⁴ The plaintiffs initially became aware of the defendants' business after the Canada Border Services Agency (**CBSA**) notified them about a shipment of counterfeit merchandise detained at the Canadian border.¹⁵ The counterfeit merchandise was imported into Canada under various names and business addresses. After clearing customs, the counterfeit merchandise would be redirected to the defendants' residential address, where it would be advertised and eventually sold.¹⁶

In order to sell the counterfeit merchandise, the defendants hosted several livestreamed Facebook events under different online names and on different Facebook pages.¹⁷ Private investigators hired by the plaintiffs attended and purchased several of the items advertised at these events, which were later confirmed to be counterfeits by trained individuals.¹⁸

Trademark and copyright infringement

The defendants were found liable for trademark infringement and passing off contrary to the *Trademarks Act*.¹⁹ The luxury brand plaintiffs had numerous registered trademarks that were infringed by the counterfeit merchandise. This infringing activity also depreciated the plaintiffs' goodwill and confused the public. The defendants' conduct also breached the *Copyright Act* by importing, possessing and selling merchandise bearing different versions of copyright a plaintiff had in its monogram.²⁰

12 *Burberry Limited v Ward*, 2023 FC 1257.

13 *Ibid* at paras 82, 87.

14 *Ibid* at para 16.

15 *Ibid* at para 28.

16 *Ibid* at paras 16, 36, 41.

17 *Ibid* at paras 46–49, 56.

18 *Ibid* at paras 50–54, 57.

19 *Ibid* at paras 59–67.

20 *Ibid* at paras 68–70.

The Third Party and Rolling Orders

In addition to granting a permanent injunction restraining the defendants from infringing the luxury fashion companies' trademarks and copyright, and an order requiring delivery up and destruction of the counterfeit merchandise, the Federal Court granted significant relief assisting the plaintiffs to get at the root of the infringement, which it found was reasonable given the evasive online activity of the defendants.²¹

The Federal Court ordered the defendants to disclose the names and contact information of the suppliers and manufacturers they obtained the counterfeit merchandise from.²²

Recognizing that the defendants relied heavily on shipping and delivery companies to conduct their infringing activities,²³ akin to a *Norwich Order*, the Federal Court also required third parties aware of the judgment, upon request, to provide information to the plaintiffs about the defendants' infringing activities, such as additional names and addresses used by the defendants which can then be provided to the CBSA.²⁴ The Third Party Order also enjoins third parties who have notice of the judgment from knowingly assisting the defendants.²⁵

Further, the Federal Court granted a rolling order (the **Rolling Order**) designed to allow additional names and future detentions of counterfeit merchandise by the CBSA to be added to the injunctive relief granted to the plaintiffs.²⁶ In granting the Rolling Order, the Federal Court acknowledged the CBSA's central role in intercepting the counterfeit merchandise and that the CBSA required a court order to release future detained shipments of counterfeit merchandise to the plaintiffs.²⁷

Takeaways

Sellers of any goods that are prone to being counterfeited can take comfort in the Federal Court's tough stance on counterfeits and its understanding about the modern realities of how counterfeit products are imported into and sold in Canada. The Federal Court cautioned that this decision:

send[s] a message to manufacturers and suppliers of counterfeit goods who export goods to Canada that their identity will be made known to the companies whose rights their products infringe.²⁸

Finally, the Federal Court has demonstrated its willingness to adopt novel approaches to tackle this problem, through remedies such as the Third Party Order and Rolling Order.

21 *Ibid* at paras 77–79, 80–81, 87, 89.

22 *Ibid* at paras 80–81.

23 *Ibid* at para 82.

24 *Ibid* at paras 84, 86–87; Note the plaintiffs will be required to satisfy the Court of certain evidentiary requirements prior to making such requests.

25 *Ibid* at paras 82, 87.

26 *Ibid* at paras 88–92; Note the plaintiffs will be required to satisfy the Court of certain evidentiary requirements prior to the injunctive relief being extended to additional names and future detentions.

27 *Ibid* at para 89.

28 *Ibid* at para 80.

Use of a trademark by anyone other than the trademark owner without a proper license in place is risky, no matter how you slice it

The case *Milano Pizza Ltd. v. 6034799 Canada Inc.* 2022 FC 425 (affirmed 2023 FCA 85) (Milano Pizza), certainly illustrates the potential negative impact to a trademark owner's rights if a proper trademark license is not in place in a franchise situation.

After almost three decades of use, the MILANO PIZZERIA trademark registration was expunged by the Federal Court for lack of distinctiveness as the trademark owner had not exercised sufficient control over its licensees' use of the trademark.

The owner of a trademark can license a third party to use a trademark, provided it maintains either direct or indirect control over the character or quality of the goods or services associated with the trademark.

In order to avoid the potential cancellation of a trademark registration, similar to what occurred in the Milano Pizza case, trademark owners should take into consideration the following three factors when licensing a trademark to a third party:

- 1. Public notice should be provided of the existence of the license and of the identity of the trademark owner.**

Subsection 50(2) of the *Trademarks Act* creates a presumption that a trademark is properly licensed and that the trademark owner retains control over the character and quality of the goods/services, *if* public notice is given of the identity of the trademark owner and the fact that the use is under license. However, it should be kept in mind that the presumption is refutable, and it does not replace the requirement for actual control by the trademark owner of the character and quality of the goods and/or services.

- 2. The trademark license agreement should be in writing.**

Although a trademark license agreement need not be in writing, as noted in the Federal Court of Appeal decision in the Milano Pizza case, the passage of time can make it difficult to establish the existence and terms of an oral license agreement. Written proof of a license arrangement can avoid ambiguity if it clearly sets out that the trademark owner maintains control over the character and quality of the associated goods/services.



3. The trademark owner should maintain control over the character and quality of the goods and/or services associated with the trademark.

The third piece of the puzzle is for a trademark owner to exercise actual control over the character or quality of the goods and services associated with the trademark. This control may be exercised by the trademark owner directly or indirectly through an agent.

In the Milano Pizza case, although the trademark owner's licensing agreement provided that the licensees had to purchase ingredients and supplies from the trademark owner's designated suppliers and distributors, the Court found the terms of trademark owner's licensing agreement did not demonstrate the requisite control under subsection 50(1) of the *Trademarks Act*, as the trademark owner did not exercise any control at all over the finished pizza products.

In conclusion, trademark owners should be diligent in licensing their trademarks to third parties. As the Milano Pizza case exemplifies, improper licensing can lead to loss of valuable trademark rights.

The Purloined Poppy Puppy: A lesson in the limits of copyright law

Imagine a puppy, some poppies, plush toys and the outer limits of copyright law protection. *French v. Royal Canadian Legion*, 2023 FC 749, has them all.

Identifying the limits of copyright law is often challenging – determining, for example, whether a given piece of creative expression is sufficiently “original,” or whether a particular proposed use constitutes “fair dealing,” is often not a particularly intuitive exercise. But the *Copyright Act* (Canada) also contains another sort of limit: one which says that if certain forms of expression have been reproduced *too many times*, then those forms of expression stop being protected by copyright law, and obtaining legal protection for them requires complying with the formalities of the regime found in the *Industrial Design Act*. That limit, sometimes called the “useful article” exception to infringement, is found in Section 64(2) of the *Copyright Act*, and assessments under that provision are likewise sometimes exercises in counter-intuitive reasoning. In 2023, the Federal Court issued a decision that provides guidance in making useful article assessments. The case involved, of all things, a stuffed toy dog festooned with poppies.

In the abstract, the “useful article” provisions of the *Copyright Act* are easy to understand: while many “designs” (which begin life, after all, simply as “drawings”) may be protected by copyright – think for example of a particularly elaborate design for a chair that starts off as a drawing to be turned into a manufactured good – at some point the design ceases to be the kind of thing that copyright law should protect, and starts being the kind of thing that industrial design should protect. The *Copyright Act* uses the arbitrary number of fifty copies – if you manufacture a single elaborate chair from your design, you’re protected by copyright; but if you manufacture a hundred of them (or any number more than fifty), then you leave copyright protection behind. Section 64(2) creates an exception to copyright infringement: if a useful article has been manufactured more than fifty times, it is not copyright infringement to copy the design of the useful article; it might be an infringement of the industrial design rights, if any, but it is not copyright infringement.

But what about “toys”? After all, they start off as designs; but then successful ones can be manufactured in the thousands or even millions of units. At this point the complications begin. There are a number of “exceptions to the exception” set out in Section 64(3), two of which are particularly relevant to toys. The first exception to the exception says that the exception to infringement does not apply to any artistic works that are applied to the surface of the toy (e.g., imagine a toy that is a child’s doll wearing a shirt, and the shirt features a drawing of a dinosaur - while the doll itself might be eligible for the exception in 64(2), the rendering of the dinosaur would not be eligible as a result of 64(3)(a)). The second exception to the exception is found in Section 64(3)(e), and limits the availability of the exception in 64(2) where an artistic work



that is “a representation of a real or fictitious being, event or place ... is applied to an article as a feature of shape, configuration, pattern or ornament.” The application of Section 64(3)(e) would seem fairly straightforward in the context of toys: it would mean that, for example, a Superman doll toy (which is functionally a doll that has been shaped to resemble an artistic work that is a representation of a fictitious being, namely Superman) is not eligible for the exception in 64(2); but that would also mean that the exception to the exception contained in 64(3)(e) removes a large number of toys from the exception to infringement, since many toys, particularly dolls and action figures, are “representations of a real or fictitious being” (e.g., Barbie, Cabbage Patch Kids, G.I. Joe, Transformers, My Little Pony – we could go on). At this point in the discussion, then, it would seem that many toys would not be subject to the exception to infringement found in Section 64(2) – so reproducing those toys, whether by photographing them or literally manufacturing copies, would constitute copyright infringement.

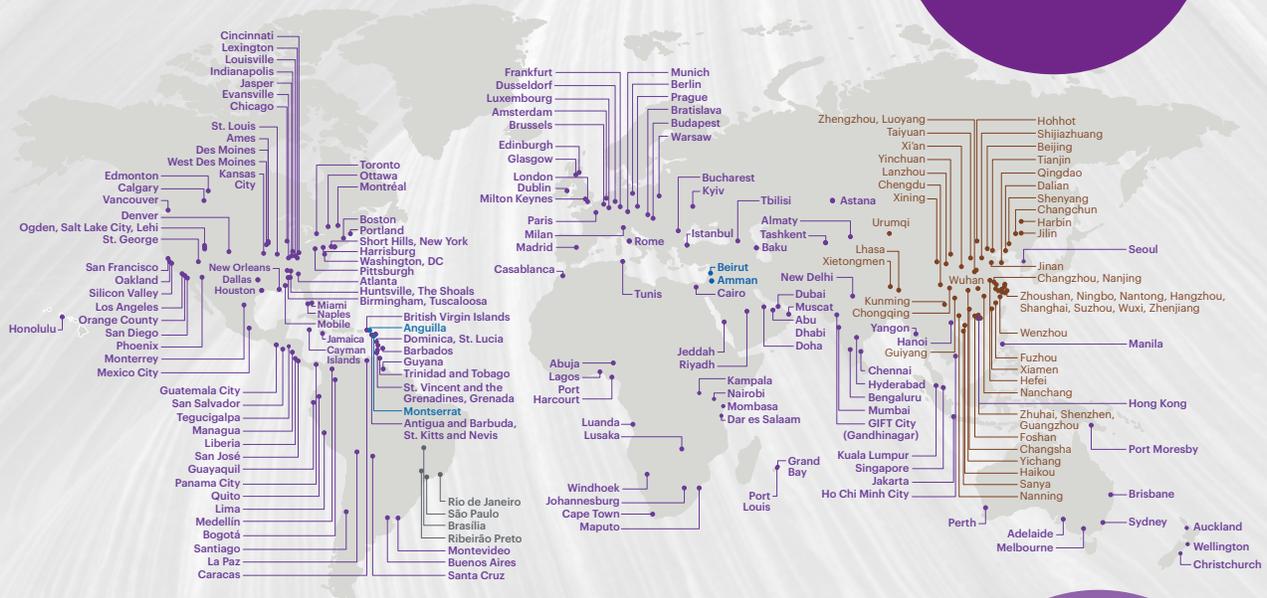
The decision in *French v. Royal Canadian Legion*, however, indicates that the wording of Section 64(3)(e) may require a narrower reading. The case involved a plush toy referred to as a “Poppy Puppy,” which had been designed by the plaintiff and licensed for manufacture and sale initially to the Royal Canadian Legion. The “Poppy Puppy” was what it sounds like: a plush toy shaped like a dog that had some poppy-coloured shapes embroidered onto its surface. The relationship between the plaintiff and the Legion appears to have broken down at some point and the plaintiff commenced an action for copyright infringement against the Legion on the basis that the Legion was continuing to have Poppy Puppies made by other suppliers; the Legion argued that it could not be liable for copyright

infringement as a result of Section 64(2) (meaning that the plaintiff should have commenced a claim for infringement of his registered industrial design), and the court agreed, dismissing the plaintiff’s action.

Two aspects of the reasons merit highlighting. First, the court confirmed that a child’s toy is a “useful article” for purposes of Section 64(2) because it has “a functional and practical use ... [i.e.] to be played with by children,” and thus toys are potentially eligible for the exception to infringement found in 64(2). Second, the court concluded that the Poppy Puppy toy does not fall within the exception to the exception contained in Section 64(3)(e) – and therefore that reproducing the Poppy Puppy did not constitute copyright infringement – because the Poppy Puppy “is not a representation of a fictitious being applied to an article,” and goes to further state that “even if the Poppy Puppy were construed to be a graphic representation or representation of a fictitious being applied to an article ... 64(3) would operate only to protect the copyright in the underlying representation and not the article to which it has been applied.” The court’s reasoning on this point is short and conclusory, but may be an indication that the language in Section 64(3)(e) only encompasses more fully “fleshed-out” “fictitious beings” (such as Spider-Man or E.T., the Extraterrestrial) and does not apply to more abstract or generic “beings” such as dogs, dinosaurs, etc.

Dentons by the numbers 2024

160+
locations



Locations in purple represent Dentons offices.
 Locations in blue represent associate firms, offices, jurisdictions of practice from other Dentons' offices or special alliances as required by law or regulation.
 Locations in gray represent Brazil Strategic Alliance.
 大成 is Dentons' preferred law firm in China.

80+
countries



80+
languages spoken



US\$47,250,000+
value of pro bono and volunteer work

Contacts



Jennifer E. McKay
Counsel
jennifer.mckay@dentons.com



Chris Zelyas
Partner
chris.zelyas@dentons.com



Meredith Bacal
Partner
meredith.bacal@dentons.com



Bob Tarantino
Counsel
bob.tarantino@dentons.com



Anna Clark
Trademark Agent
anna.clark@dentons.com



Jaclin Cassios
Senior Associate
jaclin.cassios@dentons.com



Radha Lamba
Associate
radha.lamba@dentons.com



Marcus Szyron
Associate
marcus.szyron@dentons.com



Brenden Roberts
Associate
brenden.roberts@dentons.com



Haya Masri
Student
haya.masri@dentons.com

ABOUT DENTONS

Across over 80 countries, Dentons helps you grow, protect, operate and finance your organization by providing uniquely global and deeply local legal solutions. Polycentric, purpose-driven and committed to inclusion, diversity, equity and sustainability, we focus on what matters most to you.

www.dentons.com

© 2024 Dentons. Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. This publication is not designed to provide legal or other advice and you should not take, or refrain from taking, action based on its content. Please see dentons.com for Legal Notices.