

Case Study- Target Apparel vs Target Corp

The first example I just wanted to touch on was an example that's a little bit more close to home and the importance of jurisdiction and thinking about protection of your IP, not just in Canada.

Canada may not be important to you depending on where your markets are. The US might be the most important market where you want to get protection, or Europe is really where you have a lot of business.

And so in this situation, what we had here, where I'm getting into the Target example, is just because you have a registered trademark in the US, doesn't necessarily mean you're going to have a trademark in Canada. And if you don't seek trademark rights in Canada then you don't have trademark protection in Canada.

And so this is the story of Target.

Target had trademark registered rights in the US, was operating in the US. And as you know, a few years ago, wanted to enter the Canadian Market. Unfortunately for one of our Canadian companies, we had a company known as Target Apparel that had a Canadian trademark registration in Canada. And they were in the clothing business selling clothes in a few locations in Canada. And at the time they were able to show use, when they got that registration they were using that trademark in association with clothing.

A decade later, Target Corp tried to expand into Canada, as you know, and they found that their house brand Target was already in use in Canada for clothing, which was obviously going to be a very big aspect of what Target was going to be selling here in Canada, in addition to all the other goods and services, potentially they were going to sell in Canada.

So Benitah, the holder of the trademark-- the trademark Target in Canada sought to prevent Target from entering the Canadian Market because they had a registered trademark.

And when you have a registered trademark in Canada, even if you're operating in one location such as Sudbury, you have registration rights across the country now. Which means that someone else can't come in and expand with a trademark that is confusingly similar with yours across the country. Which is why registered trademark rights are so important. And so Benitah was able to stop Target its tracks.

Even though it had only a few locations, had maybe a dozen locations across the country, its registered trademark rights meant that there were no geographic options open to the bigger Target corporation to move into Canada unless they settled on the matter. And they were able to settle on the trademark dispute, but for an undisclosed amount that was estimated in the millions. Far more probably for Target, had they had the forethought years ago to seek a trademark registration in Canada.

So if you are thinking -- the moral of the story here is, if you're thinking about expanding into jurisdictions outside of where you are doing business currently, you need to be thinking about whether you have freedom to operate in those countries with your trademark.

There may be trademark rights in-- let's say Germany is your next market. There might be a registered trademark that is confusingly similar with yours, and will prevent you from selling your product or service in Germany.

So having this understanding that we live in a global market and these registration rights can help you and can also hinder you, and making sure that you really are more savvy in that regard.