

CASE STUDY: COMPANY EXPANSION AND TRADEMARKS

THE IMPORTANCE OF JURISDICTION

Trademarks and many other IP rights are geographic (i.e., country-by-country). A registered trademark in the US does not give you the rights of a registered trademark in Canada.

Note that you *may* be able to use the US mark to give you an advantage when it comes to deadlines

The story of US-based Target Corp's entry into Canada highlights how much jurisdiction can matter--



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TARGET APPAREL VS TARGET CORP

In the early 2000s, Canadian fashion mogul Isaac Benitah registered “Target Apparel” as a Canadian trademark

At that time, an applicant for a Canadian trademark had to show that the trademark was in use

Benitah provided hanger tags to show that he was preparing to use the mark

About a decade later, when Target Corp. tried to expand into Canada, they found their house brand trademark was already in use with goods and services they needed (i.e., clothing)



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TARGET APPAREL VS TARGET CORP: SETTLEMENT

Benitah filed for an injunction to prevent the retailer using “Target” in Canada

By then, the Target Apparel mark had been in use for several years:

- two stores were operating under the name of Target Apparel at that time, one in Sudbury and one in Nanaimo
- more than a dozen Target Apparel stores opened before the lawsuit concluded

Target Corp. was eventually forced to settle with Benitah for an undisclosed amount estimated in the millions

- FAR more than trademark fees would have been

If you are thinking of expanding outside your home jurisdiction, develop a protection strategy early on

