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CONSENT TO USE VIVA NAME

The Rapid Transit Public/Private Partnership Steering Committee recommends the adoption of the recommendations contained in the following report April 12, 2006, from the Vice President, York Region Rapid Transit Corporation:

1. RECOMMENDATIONS

It is recommended that:

1. Council consent to the use of the York Region official mark, Viva, by Egana of Switzerland (America) Corp. for the marketing of their watches in Canada.
2. York Region's consent to use its trademark shall be contingent upon suitable compensation being negotiated with Egana of Switzerland (America) Corp.

2. PURPOSE

This report outlines why a request is being made by Egana of Switzerland (America) Corp. ("Egana") to use the York Region trade-mark Viva in Canada and provides the rationale for recommending that Egana be given consent to use the name Viva for their watches.

3. BACKGROUND

Egana has made application to the Canadian Intellectual Property Office to permit the word Viva to be used for marketing their watches in Canada. The Registrar of Trade-marks has refused Egana's application because the mark Viva is identical to the Region's official mark. This objection can only be overcome if the Region is prepared to consent to the use and registration of Viva by Egana for the purpose of marketing its watches.

Egana has requested the Region to permit use of the trade-mark Viva for the marketing of their watches in Canada. A form of consent (*see Council Attachment 1*) has been provided by Egana for execution by the Regional Chairman and Clerk upon Council's approval.

4. ANALYSIS AND OPTIONS

When the name Viva was selected for York Region's rapid transit service, it was in the full knowledge that the name would be shared with a number of pre-existing products

(viva paper towels, viva puff cookies, etc.). It was determined that Viva rapid transit could live with these others. Trade-mark applications were filed when the name Viva was adopted and it was made an “official mark” of York Region as soon as it was in use by the Region.

Generally, when a consent is required with respect to trade-marks or other intellectual property of the Region, the consent of Regional Council is required. This is the case, for example, when a corporation requests the use of "York" in its name. On occasion, Regional Council has refused a request because of concerns that the business might be wrongly assumed to be associated with or endorsed by the Region. The proposed use of the Viva brand for watches is not inherently offensive. Also, there is little risk of confusion between the two brands, ie. Viva public transit vs Viva watches.

Also of concern is that no negative impact should occur to the marketing of Viva rapid transit as a result of sharing a name that the public may perceive to be associated with a disreputable company or an inferior product.

Information provided by EganaGoldpfeil (Holdings) Limited on its website indicates that it and its member companies are global leaders in timepieces, fine jewellery, leather and lifestyle products and innovative leaders in the luxury industry. Other watch brands in the Egana line include such reputable names as Carrera, Field & Stream, Junghans, Pierre Cardin and National Geographic. Egana has an operating presence in 12 countries, distributes its product in 90 countries, and has over 5,000 employees. According to its website, Egana’s core mission is to bring the finest quality, innovative products to market by delivering luxury brands that instil consumer confidence. The website also states that the EganaGoldpfeil USA team all share a philosophy of unwavering commitment to integrity, innovation and quality.

Hence, the reputation of Egana and the quality of its products appears to present little or no threat to the marketability of Viva rapid transit. Consent by the Region for Egana to use the Viva mark will not impair the Region’s rights and use of Viva for public transit.

Official mark status, which the Region enjoys with Viva, allows the Region many rights as regards the Viva name and mark. The only thing the requested consent will allow is the use of the name for the purpose state in this particular application by Egana. The requested consent will not constitute a consent to any other application for the use of Viva by anyone else. Any such other applications would require a further consent from the Region and would be the subject of a report to Regional Council.

There appears to be negligible risk in permitting Egana to use the Viva trade-mark for the marketing of its watches.

5. FINANCIAL IMPLICATIONS

Staff will explore the potential for financial compensation for permitting the use of the Region's trade mark and will negotiate with Egana accordingly.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

When the name Viva was adopted for York Region's rapid transit system, it was done in the knowledge that the name was not unique and was shared with other product brands. The request by Egana to use the name Viva to market its watches in Canada appears to be reasonable and supportable. The company is a recognized global leader in the marketing of quality products and there is no direct association between Viva rapid transit and Viva watches that would imply the Region's endorsement of the product. Furthermore, Egana's use of the name Viva will not impair the Region's rights and use of the name Viva for public transit.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is included with this report.)