

TRADE-MARK BULLIES

By John McKeown

The United States

Recently, the Secretary of Commerce of the United States launched a study on the extent to which small businesses may be harmed by the litigation tactics of trade-mark owners attempting to enforce trade mark rights beyond a reasonable interpretation of the scope of those rights.

Feedback is being sought from interested parties regarding their experiences with such tactics.

To date, there has been a significant response to this request for information. It appears there are divergent views concerning the issue. One response among professionals in the intellectual property field is that courts have sufficient jurisdiction to control any abuses which might take place.

Quebec

A recent case in the Quebec Superior Court illustrates the problem. The plaintiff manufactures and sells alimentary products, especially juices and fruit drinks in association with the trade mark OASIS. The defendant sells products, produced exclusively for it in Turkey, which feature pure olive oil as an essential ingredient. The products are sold in association with the trade-mark OLIVIA'S OASIS which includes a design element. The defendant filed a trade-mark application for this mark, which was opposed by the plaintiff. The opposition was dismissed. In response the plaintiff brought an action for trade-mark infringement and depreciation of the value of the goodwill attached to its trade-mark.

The defendant defended the proceedings in the usual fashion, but also invoked legislation specific to the province of Quebec which allows the plaintiff to be condemned as an abusive litigator and to be ordered to pay punitive damages, damages to defray the defendant's legal fees relating to the proceedings and other relief.

Without going into the specific findings that were made in the plaintiff's action which was dismissed, the Court concluded that the plaintiff had used its economic power and experience in a shot-gun approach to attack the defendant on several fronts, attempting to intimidate and thwart the defendant from its legitimate use of its trade mark. It was found that this conduct was both menacing and abusive. As a result, the Court ordered the plaintiff to pay the defendant \$125,000, representing \$25,000 in punitive damages and \$100,000 in extra legal fees.

Comment

It appears that the study in the US may encourage discussion about whether the US trade mark legislation should provide for the award of attorney's fees to the party that prevails in a trade-mark infringement action. Similar considerations likely prompted the legislation in Quebec. For the balance of the common law provinces, the courts have sufficient jurisdiction, particularly concerning the award of costs, to control any abuses which might take place.