

Defamation lawyer: 3 Key Differences Between Defamation And Trade Libel

Comparing defamation and trade libel is like comparing apples and oranges. While both are similar (apples and oranges are fruit), they are fundamentally different in other ways.

One key difference between the two is with respect to the harm each is designed to address or protect. Defamation is meant to protect the reputation of the person, whereas trade libel is designed to compensate the plaintiff for pecuniary damage. The reason this distinction is critical is because " . . . [trade libel](#) requires pleading and proof of [special damages](#) in the form of pecuniary damages." *Leonardini v. Shell Oil Co.* (1989) 216 Cal.App.3 547, 572. However, proof of special damages solely in the form of pecuniary damages is not required to plead and prove a cause of action for damages.

A second difference is that plaintiff is required to plead and prove that a disparaging statement is false in regard to trade libel, whereas in a cause of action the plaintiff is NOT required to plead that the statements are false in most cases. *Lipman v. Brisbane Elementary School Dist.* (1961) 55 Cal.2d 224, 233.

Third, plaintiff may not recover damages for mental distress upon prevailing on a cause of action for trade libel. He or she is limited to the loss of pecuniary damages caused by the libelous statement or statements.

Understanding the differences between these torts will help you plan your strategy, whether you are the plaintiff or the defendant in a case.