

## INJUNCTORY RELIEF FOR TRADE-MARK CONFUSION ON THE INTERNET

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The Federal Court of Canada recently issued an interlocutory injunction restraining the use of a domain name containing plaintiff's trade-mark **YELLOW PAGES** (*Bell Actimedia Inc. v. Andrea Puzo et al*, yet unreported, F.C.T.D no. T-1839-98, April 26, 1999, Justice Pierre Blais).

### BACKGROUND

#### THE FACTS

The plaintiff (hereinafter: "Bell") produces and distributes commercial and private telephone directories in Canada. Bell is also owner of the rights to the registered trade-marks **YELLOW PAGES** and **PAGES JAUNES**. Bell has used these marks since 1948 and has registered several Internet web-sites including "yellowpages.ca" and "pagesjaunes.ca".

The defendants registered the domain name "lespagesjaunes.com" with Internic and made use of said domain name on the Internet in association with the services of advertising for businesses. In September of 1998 justice Dubé of the Federal Court issued a provisional injunction against the defendants preventing them from usurping Bell's trade-marks. This provisional injunction was continued by justice Pinard in October of 1998.

#### APPLICATION OF THE *TRADE-MARKS ACT* TO THE INTERNET

When applying trade-mark law to Internet activities consideration must be given to section 4 of the *Canadian Trade-Marks Act* (hereinafter: the "Act") which defines the word "use" with respect to a trade-mark. In summary, section 4 states the following:

For wares, a trade-mark is deemed to be “used” if upon transfer of title to the wares or upon transfer of possession of the wares the trade-mark is:

- (a) marked on the wares;
- (b) marked on the packages in which they are distributed, or;
- (c) associated with the wares in a way that gives notice of association to the person to whom the possession or ownership of property is transferred.

For services however, a trade-mark is deemed to be “used” if it is used or displayed in the performance or advertising of those services.

Consequently, it may be easier to prove use of a trade-mark on the Internet for services than to prove use of same for wares. For services, the appearance of the trade-mark on the Internet in the performance or advertising of those services will constitute use. Whereas for wares, said appearance of the trade-mark on the Internet is not use that coincides with the time of transfer of title or possession of the wares.

## **DISCUSSION**

### **THE INTERLOCUTORY INJUNCTION**

An Interlocutory Injunction is an extraordinary and discretionary remedy and one which will not be granted unless the following tripartite test has been met, namely:

- (1) has the applicant shown a *prima facie* serious issue to be tried?;
- (2) is there a danger of irreparable harm to the applicant?, and;
- (3) does the balance of inconvenience lie with the applicant?

#### **Serious Question to be Tried**

The general rule is that the Court must be satisfied that the claim is not frivolous or vexatious. Justice Blais held that there was clearly a serious question to be tried because Bell extensively used its registered trade-marks for over 50 years generating annual sales of 500 million dollars.

#### **Danger of Irreparable harm**

Irreparable harm is a harm that can not be quantified from a monetary point of view or a harm that can not be remedied because a party to an action can not be compensated by the opposing party.

The Court held that use of the domaine name "lespagesjaunes.com" by the defendants on the Internet could result in confusion with Bell's trade-marks (PAGES JAUNES, YELLOW PAGES) and loss of goodwill to Bell and its licensees (hereinafter : the "Damages") Furthermore, said Damages could not be monetarily compensated because of the inherent difficulty in calculating same. Even if the Damages could have been monetarily calculated the defendants would not have had the financial capacity to compensate the plaintiffs for the Damages caused.

### **Balance of Inconvenience**

The test at this stage is which party will incur the greater prejudice if the Court were to grant, or, were to refuse granting the interlocutory injunction pending the decision on the merits? Justice Blais ruled that the scales clearly tipped in favour of Bell because of the scope of its revenues and the distinctiveness of its mark.

### **CONCLUSION**

Use of the Internet grows daily and exponentially. The Internet seems to be here to stay. So does Trade-mark law. This ruling once again confirms that infringers will not find immunity in cyberspace.

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