

Of pink bunnies, salami, and MPs on motorcycles

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Edward Hore
Hazzard & Hore
141 Adelaide Street West, Suite 1002
Toronto, ON M5H 3L5
(416) 868-1340
edhore@ hazzardandhore.com

Many weighty issues are dealt with in recent cases on copyright and trade marks, such as:

- Who owns a picture of Sheila Copps in leathers sitting on a motorcycle?
- Can Duracell show Eveready's pink bunny dying in a commercial? Indeed, was the bunny in question really dead, or just resting?
- Is it trade mark infringement to use the colours of the Portuguese flag on salami?
- Will the hotel at the corner of Bloor and Avenue Road in Toronto continue to be known as The Park Plaza? More important, will the bar located on the top (once a favorite haunt of your correspondent) continue to be known as the Roof Lounge?

A brief round-up of recent IP decisions dealing with these and other questions follows:

Cameraman Keeps Copps Copyright

Allen v. Toronto Star Newspapers concerns a 1985 photograph of our deputy prime minister, at the time a opposition MP, sitting on a motorcycle clothed in appropriate leather garb. The photograph appeared on the cover of the November issue of *Saturday Night* magazine that year. The dispute arose when the cover was republished in the *Toronto Star* in 1990 without further compensation to the photographer Allen, the plaintiff. The *Star* claimed, somewhat implausibly, that Allen was not the owner of copyright, or if he was, that reproducing the photograph was "fair use."

The mystery is how the case ever got to trial. The amount of money at issue is tiny; in the end the plaintiff won and was awarded \$900.00, failing to obtain the additional \$10,000 in aggravated damages he had been hoping for. Despite the smallness of the amount at

issue, there is a lengthy decision of Mr. Justice Lissaman of the Ontario Court, complete with elaborate expert evidence. The witnesses included, in addition to numerous professional photographers, the art director of *Saturday Night* at the time, the present art director of *Toronto Life*, the publisher of *Saturday Night*, the reporter who wrote the *Star* story, the managing editor of the *Globe and Mail*, and the deputy managing editor of the *Star*. Unfortunately, Ms. Copps herself was not called, and the judgment is silent as to whether she still has the leather outfit and if so whether she wears it much.

Anton Piller orders

Intellectual property litigators are fond of *Anton Piller* orders, because such orders, obtained *ex parte*, permit the plaintiff to appear dramatically at the defendants' premises, often with police escort, and grab infringing goods, mountie-style. I have obtained several myself, and have always been secretly a little surprised at how casually such sweeping and intrusive orders are sometimes granted by Federal Court judges.

However such an order was recently refused by Madame Justice Reed on the grounds that she was not satisfied that the applicant, who claimed trade mark rights in the term JOCELYNE for use with skin creams, in fact owned the rights claimed. Madame Justice Reed released four pages of reasons, which serves as a reminder that such orders are potentially "very intrusive", and that "a very strong prima facie case" must be shown, in addition to the other criteria established by caselaw. (*Castlemore v. Intercontinental Trade et al.*)

Roof Lounge Safe for Now

Patrons of the Roof Lounge will be relieved to know that Associate Chief Justice Jerome of the Federal Court Trial Division dismissed an application for an interlocutory injunction preventing the present operator of the Park Plaza from using various trade marks, including PARK PLAZA, PRINCE ARTHUR LOUNGE and ROOF LOUNGE in November. The dispute arose out of a series of transactions which saw the hotel pass through various hands, with the result that it came to be owned by Crown Life and operated by a receiver and manager in June, 1995.

The trade marks had somehow been acquired along the way by a numbered company, the plaintiff, for reasons not fully explained in the judgment. The numbered company sued to stop use of the trade marks. The injunction application of the numbered company was dismissed on the grounds that there was no clear evidence that use of the trade mark until trial would result in irreparable harm to the plaintiff. (*1036029 Ontario v. Crown Life*). The decision is similar to a number of other recent decisions in which the Associate Chief Justice denied injunctions in patent and trade mark cases for the same reason.

“Functional” Trade marks: Close Shave for Remington

Is Philips Electronics entitled to trade mark registrations on the appearance of a triple-headed rotary electric shaver? No, said the Federal Court of Appeal in December in a decision likely to become a leading decision on the question of “functionality” in trade mark law.

The appeal concerned two trade mark registrations owned by Philips: a design mark for a representation of the top of one of those shavers with those three little round thingamabobs arranged in a triangle, and one for a “distinguishing guise” i.e. a proprietary interest in the three dimensional shape of the same widget. The effect of the registrations was to prevent Remington from marketing its own triple-headed rotary shaver. Remington therefore applied to have the trade marks expunged, but lost at the trial level.

The evidence was clear that the triangular arrangement of the rotary head was functional. The issue came down to an analysis of the caselaw as to in what circumstances functionality will preclude registration as a trade mark. Sometimes, the cases say, you can have a valid trade mark even though it is in some way functional - an example being Pizza Pizza’s telephone number 967-1111 which, although a functioning telephone number, has nevertheless been held to be a valid trade mark.

The line is crossed, however, found Mr. Justice MacGuigan of the Federal Court of Appeal, if the functionality is “part of the ware” rather than a secondary or peripheral feature. Otherwise, the effect of registration would be to grant applicants “a monopoly on functional elements of their wares” - that is, in effect, a patent -forever. This is against public policy. The Court of Appeal therefore granted the appeal, and expunged the marks.

Portuguese colours safe for salami-makers

A recent lengthy trade mark case concerned the issue of confusion over salami. Two competing makers of meat products selling mainly to the Portuguese community in Toronto both had registered trade marks on their respective product labels. Both used similar colours, namely, red, yellow and green, the colours found in the Portuguese flag. It was agreed that these colours made the products more attractive to members of the Portuguese community, particularly those who could read neither English nor Portuguese. Melo’s Food Centre, the plaintiff, claimed that it had earlier use and therefore exclusive rights to these colours, and that its competitor the defendant Borges Foods was infringing its trade mark.

The two marks did not look much alike, at least not when reproduced in smudgy black and white in my copy of the decision. The issue came down to the question of the colours. Were Borges’ products infringing with Melo’s registered trade mark by virtue of the fact that Borges used the identical colours? No, said Mr. Justice MacKay of the

Federal Court, Trial Division, because he was not satisfied that people would confuse one for the other, despite some evidence of actual confusion.

A somewhat unusual feature of the case is that damages were also dealt with (in case the result is overturned on appeal), breaking from the usual practice in trade mark cases whereby the parties agree to deal with damages after trial by way of reference.

Comparative Advertising: Ban on bunny bashing

Should battery-maker Eveready be able to stop Duracell from running a commercial showing the Eveready pink bunny dying, or maybe just falling asleep, at a party? Yes, said Mr. Justice Lane of the Ontario Court, who issued an interlocutory injunction preventing the commercial from running during the crucial Christmas season.

Duracell's commercial showed a unicorn, shown to be powered by a Duracell battery, dancing with a masked dancer at a party. The masked dancer's eyes close as she expires, and her mask falls away to reveal she is a pink bunny. There was apparently disagreement at the hearing as to whether the pink bunny was actually dead or not, but Mr. Justice Lane declined the rule on the point: "I regard this as a somewhat esoteric debate," he observed. Whatever the bunny's prognosis, it was clear that the thrust of the commercial was that Duracell batteries are better than other batteries, including those of Eveready.

As it happens, both Duracell and Eveready have pink bunny trade marks, although it was admitted by Duracell that the bunny in the ad was the Eveready bunny. The two parties had entered into a previous agreement as to their respective bunnies, a term of which prohibits use of either bunny in comparative advertising "unless the advertising party makes an unambiguous and truthful claim that the advertiser's brand possesses service-life superiority." The plaintiff Eveready relied on this and on the sections of the *Competition Act* and the *Trade-marks Act* prohibiting false and misleading advertising.

The test data as to the respective strength of the two batteries established that the plaintiff had a *prima facie* case that Duracell's claim of superiority could not be supported. It was clear there would be irreparable harm on either side if the commercial either was or was not enjoined. In the end, Mr. Justice Lane decided to grant the injunction on the basis that he believed Duracell had unfairly overstepped the parties' agreement with respect to their bunnies. "I cannot accept that these two enormous business enterprises ... intended to subject their trademarks to visual humiliation at the hands of the other party in comparative advertising."

The case is the latest in a series of comparative advertising injunction decisions over the past year, dealing with various consumer goods including baking soda, milk, pie crust, and headache pills. Injunctions have been granted in about half the cases.

One can't help but wonder: what would be the legal position if a pink bunny wearing the Portuguese flag died while dancing in the Roof Lounge with a Sheila Copps, after using a triple-headed rotary shaver? But we'll have to leave that for another column.