

## Is the Era of the Injunction Over?

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Intellectual property litigation has completely changed in the last two or three years. The Era of the Injunction may now be over.

Two or three years ago, if a client came to you because it had a trade mark which was being infringed, for example, you probably did what IP lawyers had usually done in such a case: you moved for an interlocutory injunction, and you did it in the Federal Court.

The Federal Court was the place to be, so the conventional wisdom went, for a number of reasons. First of all, since the Federal Court only has jurisdiction over a few weird legal backwaters like patents, copyright, trade marks, immigration and admiralty (whatever that is), it is usually less busy than the general division courts of the province, so you might get heard faster. Second, since the Federal Court judges hear a lot of intellectual property cases, they are thought to know something about the area, or at least to be aware there is such a thing as intellectual property. *Ergo*, you might be more likely to get an injunction. True, the judge might be no rocket scientist, but oh well, no one's perfect.

In time, a body of case law grew up which made it somewhat easier to get an interlocutory injunction in the Federal Court, particularly in trade mark cases. For example, if your client had a trade mark registration, and you could establish that the registration had been infringed, there were cases which said your client was presumed to have suffered irreparable harm.

Many intellectual property cases went no further than the interlocutory injunction hearing. In effect, the hearing became a summary motion on the merits which resolved the case one way or another. This made intellectual property litigation different, and perhaps less boring, than other types of litigation. Instead of dragging on forever, intellectual property cases tended to be quick.

But a series of cases in the Federal Court of Appeal have now utterly changed all this. These cases have made it more difficult, some might say impossible, to get an interlocutory injunction in a trade mark or copyright case in the Federal Court (it has

always been difficult to get injunctions in patent cases). For practitioners in this area, these cases have changed the conventional wisdom as to how to handle cases of this type.

The first indication that the Federal Court of Appeal intended to make the Federal Court a less welcoming place for injunction-seekers was a pair of 1991 cases, both part of the bitter and long-standing war-to-the-death between innovator and generic drug companies: *Syntex v. Novopharm* and *Syntex v. Apotex*. In both cases, the Federal Court of Appeal overturned lower court judges who had awarded interlocutory injunctions. The lower court judges had said that, because there were trade mark registrations which appeared to have been infringed, there had been irreparable harm. This, said the Court of Appeal, was "a reviewable error of law".

Then came the *Nature Co. v. Sci-Tech* case in 1992, in which the Federal Court of Appeal made it all-but-impossible to get an injunction in a trade mark case. The Court stressed that mere infringement of a registered trade mark was not enough to constitute irreparable harm, and that the evidence of irreparable harm had to be "clear" and "not speculative". The Court also made clear it would be especially unwilling to grant an injunction where the validity of the registration was in issue (as is often the case in this kind of case).

Consider a situation where you represent the Acme Widget company, makers of world-famous Acme widgets. The company has a registration for their distinctive trade mark "ACME" for use in association with widgets. But another company begins selling widgets under the name Acme. You move for an injunction. What is your irreparable harm? Mere infringement of the trade mark is not enough. Traditionally, you would say there had been an unquantifiable loss of market share, a loss of control over the trade mark, and a loss of distinctiveness of the mark in the minds of consumers. But you cannot delay in seeking the injunction, so all these bogies necessarily lie in the future. The trouble is, because they have not happened yet, they are "speculative".

So Acme widget is in a catch 22. If it delays in seeking the injunction, it will probably lose, but if it moves quickly, its evidence of irreparable harm is merely "speculative," and , again, it will probably lose. If it can describe the harm it will suffer clearly, the damage may be compensatable in damages, so Acme does not get an injunction, but if the harm is difficult to quantify then it may be "speculative". Either way, no injunction for Acme.

A recent decision of the Federal Court released in November, *Upjohn v. Apotex* has now extended the test in these three cases to a copyright infringement injunction case.

So, in light of this change, how should trade mark and copyright cases be handled?

One view is that before long, a correction, or counterswing of the pendulum will materialize, and injunction-seekers will be back in business. But this has not yet happened, and in the meantime Federal Court judges are about as willing to grant injunctions as the Tories are to vote Kim Campbell "Most Popular Woman of the Year."

Rather than go for an injunction, you could instead push the action forward to trial as quickly as possible. In other words, treat the case as you would any other kind of civil litigation. Here, however, the Federal Court has some disadvantages over the General Division. For one thing, actions in the Federal Court have a tendency to bog down in motions over such matters as particulars of the Statement of Claim and whether the Federal Court does or does not have jurisdiction over a particular aspect of the Claim. This can drag on for months.

Another problem is that Federal Court lacks a workable summary judgment rule. In Ontario the 1990 *Pizza Pizza v. Glimpse* case has shown that the Ontario Court is prepared to deal with many different types of cases on a summary basis, even if there is some dispute in the evidence. This makes good sense in trade mark and copyright case where there often is no real disagreement on the fundamental facts, and the issue is whether the use of a particular trade mark or work infringes or not on someone else's intellectual property.

Consequently, I think we will start seeing more and more of these cases going in the courts of general jurisdiction of the provinces, perhaps using the summary judgment rule. Which may mean it will be even more peaceful in the halls of the Federal Court than it already is.