



## Federal Court Judge Sees Red: Rare Interlocutory Injunction Granted

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On February 20, 2015, Justice Brown of the Federal Court granted an interlocutory injunction – relief *rarely* granted in Federal Court trademark proceedings – to Reckitt Benckiser LLC and its Canadian subsidiary Reckitt Benckiser (Canada Limited), against the Canadian vitamin and dietary supplements manufacturer, Jamieson Laboratories Ltd.

The injunction was sought in the context of an action filed by Reckitt against Jamieson for Jamieson’s use of the mark OMEGARED which Reckitt alleges is confusingly similar to its registered MEGARED mark. Both companies use their respective marks in association with omega-3 fatty acid supplements. Reckitt claims that Jamieson deliberately switched from its SUPER KRILL mark used in association with krill oil products, to OMEGARED, just as Reckitt was trying to enter the Canadian market with its MEGARED-branded krill oil products. Although Jamieson has applied to register OmegaRed as a trademark, their packaging presents Omega in black letters, with “RED” in red lettering below the word Omega.

Justice Brown, in conducting the **three-stage test for granting an interlocutory injunction**, found that there was a serious issue as to whether Reckitt’s trademark registration for MEGARED was infringed by Jamieson’s use of OMEGARED. With respect to whether irreparable harm to Reckitt would arise if an injunction was not granted – which is usually the key issue on whether interlocutory injunctive relief will be ordered – Justice Brown found:

In my view, where use of a confusing mark will cause the Plaintiffs’ mark to lose its distinctiveness, that is, its ability to act as a distinctive and unique signifier of the Plaintiffs’ wares or business, such damage to goodwill and the value of the mark is impossible to calculate in monetary terms. The courts have found that distinctiveness is lost when the infringer engages in national marketing which repeatedly emphasizes the confusing mark to the Canadian public. In my view, the evidence of confusion and my findings in relation to confusion provide clear and sufficient support to find irreparable loss of the MEGARED “name” goodwill and reputation if Jamieson’s conduct is not enjoined....

In my view, the likely infringing and confusing market entry by OMEGARED is the very situation contemplated by **RJR** at para 59 where our highest Court said that injunctive relief is available to prevent permanent market loss or irrevocable damage to business reputation. That is the situation here, irrevocable damage to the reputation of the registered trade-mark.



Lastly, with respect to the balance of convenience as between the parties, Justice Brown noted that he did not think it would be difficult for Jamieson to revert back to its SUPER KRILL mark in association with the relevant products. The balance of convenience, he found, accordingly favoured Reckitt.

Interestingly, the Federal Court of Appeal has agreed to hear an appeal of Justice Brown's decision on an expedited basis. Of particular note, the Federal Court of Appeal has granted a stay of the injunction pending the appeal, with Justice Noël stating on behalf of the Court:

I am satisfied that a serious issue arises as to whether the Federal Court judge went too deeply into the merits and allowed his findings in this regard [whether there was a serious issue relating to trademark infringement] to dictate the outcome of his assessment of the other branches of the test....

Specifically, I accept that a precipitated removal of the products, as ordered, may give consumers the impression that health issues are involved. I am also satisfied that the appellant's reputation in the eyes of its eight thousand odd retailers would be negatively affected in a manner that is difficult to quantify and therefore compensated by way of damages.

The appeal is scheduled to be heard on April 15, 2015. We will keep you updated on the outcome of the appeal.

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