

# The Trademark Reporter®



## The Law Journal of the International Trademark Association

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## BOOK REVIEW

*By Julian Bibb\**

**The Canadian Law of Unfair Competition.** Daniel R. Bereskin, Q.C., 2020, Pp. 567. \$150.00 (hardback). Thomson Reuters Canada Ltd., One Corporate Plaza, 2075 Kennedy Road, Toronto, Ontario, M1T 3V4.

Encyclopedic in scope and lavish in detail, *The Canadian Law of Unfair Competition*, by Daniel Bereskin, is a comprehensive treatise on the history, development, and current state of Canadian unfair competition law. The work, which spans twenty chapters over nearly six hundred pages, includes a detailed table of contents, doubling as an outline and serving as a practical reference for practitioners or for the intellectually curious who prefer diving into specific sections of the scholarly discourse, such as “Trademark Enforcement v. Freedom of Competition,” “Goodwill Is a Property Right,” or “Direct Competition of Parties (Is) Not Essential,” to name a few. A complementary table of cases, ordered alphabetically for ease of reference, covers forty-four pages, an indication of the depth of coverage provided in this wide-ranging examination of issues related to the law of unfair competition.

Beginning with the Paris Convention for the Protection of Industrial Property, signed March 20, 1883, the treatise recounts the inception of Canada’s recognition of a prohibition on “all acts of such a nature as to create confusion by any means whatever ... false allegations in the course of trade ... indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity of the goods.” Bereskin uses the initial chapters to lay the groundwork for the rest of the treatise, setting forth the general scope of unfair competition law in Canada, addressing the historical context and development of jurisprudence in the United Kingdom and the United States, taking care to discuss the Quebec Civil Code, and setting the foundation that the “law of passing off is based on the principal that no person is permitted to deceive the public by the offer for sale of goods or services as possessing a connection with a particular trader, which they do not in fact possess.”

Chapter 4 provides the reader with a detailed look at the roles of the Canada–United States–Mexico Agreement (“CUSMA”), the

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World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (the “TRIPS Agreement”), and the Canadian Trademarks Act, offering explanations behind the enactment and adoption of each, as well as key differences, distinctions, and applicability of each. The text examines concepts under each law such as acquired distinctiveness, registration and renewal, geographical indications, and enforcement.

In Chapters 5, 6, 7, 8, 11, 13, and 14, Bereskin digs deep into core concepts and substantive case decisions undergirding unfair competition legal law in Canada. Central to the text are detailed discussions regarding goodwill and reputation, wrongful interference with economic relations, injurious falsehoods, and misrepresentations in passing off, along with evidence and examples of misrepresentations, the transfer and licensing of goodwill, and distinctiveness. It is here, during a meaningful discussion regarding a variety of passing off offenses, that Bereskin offers, “Wily thieves tend to have fertile imaginations, and so cases frequently arise where defendants try to avoid liability by disguising their dishonest motives.” Indeed they do, and the numerous accounts of evidence and examples regarding misrepresentations help bolster that memorable chestnut. Starting with the importance of the degree of resemblance between the marks at issue, whether there are descriptive components, any gaps between the goods and services at issue, and the fame of the mark at issue, the text leads into a wide-ranging discussion analyzing whether a claim of misrepresentation will lie when the parties are competitors and the marks are similar, as well as an analysis when the parties are not competitors.

Central to establishing an action for passing off, whether under Canadian common law or under the Canadian Trademarks Act, is the distinctive nature of the plaintiff’s mark—as well as its reputation in the relevant marketplace. While this may be stated simply enough, Bereskin takes a leave-no-prisoners approach in offering an eighty-eight-page in-depth review of the role of the concept of distinctiveness in unfair competition law, illustrating for the reader all of the factors that shape this legal concept in Canada. Along the way, as he often does at various points throughout the treatise, Bereskin provides his own commentary and opinion on judicial decisions in a manner that keeps the discussion moving in an informative and interesting manner. As an example, regarding the use of opinion evidence offered by a market research expert, when such opinion contradicts “the common trier’s common sense,” Bereskin offers that such evidence should be rejected or at least significantly discounted. “Most people know that the first word of a trademark or name is generally the most important element, and the element that people most remember. You don’t need an advanced degree in marketing to understand that logic. Had the

trial judge relied more on his common sense than this testimony, the case may have ended then and there, and not reached the Supreme Court of Canada.”

Other offenses are explored in Chapters 10, 17, and 18, with fulsome discussions of dilution, initial interest confusion and keyword advertising, and deceptive marketing practices. The text considers the role of freedom of expression and parody in renown marks and dilution. With respect to initial interest confusion and keyword advertising, Bereskin discusses the use of paid keyword advertising as a means to compete for business online, noting that Canadian court decisions “present a mixed record on the issue of whether use of a keyword or metatag can constitute passing off.” And regarding deceptive marketing practices, the text reminds the reader that while several laws, regulations, guidelines, and codes address advertising, it is the Competition Act that most broadly deals with false and misleading advertising under both criminal and civil proscriptions. The work explores false advertising, product claims, bait and switch, sales above advertised prices, testimonials and endorsements, and contests. Bereskin even addresses Canada’s Anti-Spam Law, as well as comparative advertising claims and ambush marketing (in which a party attempts “to capitalize on the notoriety of an event without being an official sponsor”).

Damages and remedies are each discussed in fine detail in each of Chapters 9 and 12. Bereskin looks at the kinds of damage protected by unfair competition law. In Canada, proof of damage or likely damage must be real and substantial. Remedies for violations of unfair competition law range from injunctions to recovery of damages and lost profits. The text reviews the elements required to establish irreparable harm, a precursor to obtaining an injunction, and Bereskin notes that while some courts have “tended to relax” the irreparable harm requirement “by presuming irreparable harm if the court is of the view that damage to the plaintiff’s goodwill is probably difficult to assess,” he warns that this approach “has the potential for colliding with the public’s interest in freedom of competition, because the injunction curtails the defendant’s right to compete before there is proper adjudication of the merits of the plaintiff’s actions.” If a plaintiff is able to access other remedies, such as general damages or compensatory damages, Bereskin observes that Canadian courts “are not infrequently tasked with the burden of having to give their best estimate of damages that cannot be calculated with precision.”

Bereskin then moves to defenses in Chapter 15. A plaintiff bringing such claims, Bereskin cautions, should be sure to come with “clean hands.” Indeed, the text offers examples of plaintiffs who are tripped up by their own material misrepresentations. Defendants may also be aided by establishing that the mark at issue is not distinctive (perhaps it is descriptive, or perhaps it is not

actually being used as a trademark by the plaintiff) or that the plaintiff has otherwise acquiesced to the defendant's use, perhaps by a lengthy delay in bringing action (estoppel by acquiescence). Other concepts discussed include public policy considerations, concurrent use rights, and parody (although, Bereskin notes, that "[u]nlike the U.S.A., Canadian courts are more reluctant to allow parodic or social commentary uses where there is some evidence of financial gain").

The final chapter of this work sets forth nearly seventy pages to address the topics of confidential information and trade secrets. As Bereskin notes at the outset of Chapter 20, "Perhaps the most unfair type of competition is when a trusted recipient of a secret betrays that trust, and either makes that secret public, and destroys its confidentiality, or misuses that secret to his or her own advantage." The text then embarks on detailed explanations of what constitutes a trade secret, what is meant by confidentiality, what legal bases create the protection of confidential information (contract, equity, and property), how information can be protected (or otherwise accessed and made publicly available), and how obligations of confidentiality are created (contract, fiduciary, and imposed by industry). When discussing types of disclosures, Bereskin covers a litany of potential secret breakers, each supported by case law references including employees, consultants, competitors, joint venturists, governments, and even thieves. Of the last group, Bereskin notes that Canadian courts may impose a duty of confidence in some situations "where it is obvious from the surrounding circumstances that the thief used surreptitious means to obtain another's commercially valuable information or trade secrets in the face of knowledge that the information was confidential." The text goes on to address various defenses and remedies to breaches of confidentiality and trade secrets, as well as a practical subsection on how to protect confidential information in litigation, concluding with three appendices containing a model non-disclosure agreement, a model confidentiality order, and a model protective order.

## CONCLUSION

In the book's preface, Bereskin notes that, for this treatise, "an important aim was to focus on what I and others see as the growing collision between overly aggressive enforcement of trademark rights and the concomitant adverse effect on competition." As a result, this work not only presents a strikingly vast account of unfair competition law in Canada, but it also does so with critical commentary and thoughtful observation. Perhaps this extra element is what helps make this work an indispensable contribution for the legal scholar, practitioner, or curious intellectual.

Like any good legal treatise, this work is not meant to be digested in its entirety in a single sitting (and it would likely be impossible to do so!). Rather, it should be treated like a well-worn, oft-thumbed-through “old reliable,” sitting at eye-level on the shelf of every interested legal expert who might take the book in hand, flip to the table of contents outline, find the section relevant to his or her concerns, and begin absorbing the detail-laced, comprehensive review of the topic at hand, within the broad scope of the law of Canadian unfair competition.

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