U.S. DECISION IN JONES V. CLINTON RELIED UPON BY FEDERAL COURT IN SUMMARY DISMISSAL OF I.P. CASE

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A recent decision of the Trial Division of the Federal Court of Canada has reviewed the issue of summary judgments under Rule 216 of the new *Federal Court Rules, 1998,* S.O.R./98-106 which came into force on April 25, 1998 (*F. Von Langsdorff Licensing Limited* -vs- *S.F. Concrete Technology, Inc.*, T-335-97, April 8, 1999 (Evans, J., F.C.T.D.)).

Plaintiff F. Von Langsdorff Licensing Limited ("Langsdorff") is the owner of the trade-mark UNI ECO-STONE in Canada in association with paving stones; this trade-mark has been in use since 1990, and in 1992, Langsdorff secured its registration. In 1996, S.F. Concrete Technology, Inc. ("Concrete Technology") advertised paving stones under the trade-mark SF-ECO; it also solicited licensees to manufacture or sell stones under this trade-mark.

When Langsdorff became aware of Concrete Technology's advertising, it filed a statement of claim before Canada's Federal Court alleging trade-mark infringement by Concrete Technology. As the proceedings were initiated, Concrete Technology ceased and desisted from further use of the trade-mark SF-ECO. Concrete Technology brought a motion seeking a summary judgment under Rule 216 of the *Federal Court Rules, 1998* seeking a dismissal of Langsdorff's statement of claim alleging that "there is no genuine issue for trial with respect to" plaintiff's statement of claim. Rule 216 reads in part: "where on a motion for summary judgment the Court is satisfied that there is no genuine issue for trial with respect to a claim or defence, the Court shall grant summary judgment accordingly".

The Court was provided with factual information concerning the parties' activities: Neither the plaintiff nor the defendant manufactured nor marketed goods but offered licenses to others to do so through each party's IP rights. Both parties' products were interlocking concrete paving stones which share an important feature, namely permeability.

In order for defendant to succeed in its motion under Rule 216, the Court reminded the parties that Concrete Technology had the burden of establishing that all the relevant issues could be properly decided on the evidence before the Court, and that there were no issues that could only fairly be resolved after a trial. A motion for summary judgment should be not be granted when there are questions of facts that turn on credibility or when conflicting evidence must be weighed and assessed.

When should a motion for a summary judgment be granted? The Court referred to the recent decision of the Ontario Court of Appeal in *Dawson* -vs- *Rexcraft Storage and Warehouse Inc.* (1998), 164 D.L.R. (4th) 257, at 271, where Borins J.A. adopted a test which was described in the U.S. case of *Jones* –vs- *Clinton and Ferguson*, 990 F. Supp. 657, 679 (1998) (U.S. Dist. Ct., E. Dist. Ark.): "… the record taken as a whole could not lead a rational trier of fact to find for the non-moving party and the Court therefore finds that there are no genuine issues for trial in this case".
In the case before the Court, could a rational trier of fact find for the plaintiff Langsdorff? The Court reviewed the plaintiff's allegations: Langsdorff complained that Concrete Technology had infringed its right to the exclusive use of the trade-mark UNI ECO-STONE by using the mark SF-ECO in respect of similar goods. This lead the Court to determine whether the plaintiff was entitled to a monopoly in Canada regarding the use of the word "eco" in connection with permeable concrete paving stones. This also invited the question: Are the trade-marks UNI ECO-STONE and SF-ECO confusing?

In presenting its motion, defendant Concrete Technology argued that the prefix or term "eco" is not inherently distinctive because it is widely used in both popular and technical contexts to mean what relates to ecology or to a natural environment. Evidence was submitted of the generic use of the word "eco" in the expressions "eco pavers" or "eco paving" used in the industry to refer to permeable paving stones generically, and not to the plaintiff's product in particular. This evidence satisfied the Court that the term "eco" in the Canadian construction industry did not refer solely to plaintiff's permeable concrete paving stones under its trade-mark UNI ECO-STONE.

The Court added that no issue of credibility had to be assessed in order to conclude that UNI ECO-STONE is a weak trade-mark: "… when used in association with concrete paving stones in Canada, the term "eco" is much more strongly associated with the attractive feature of permeability than it is secondarily associated with the plaintiff's stones, or even paving stones from a single source.". Additionally, the evidence revealed that the purchasers of the parties' paving stones were likely to be relatively sophisticated.

Reviewing the evidence submitted as a whole and considering that no issue of credibility was involved, the Court concluded that the defendant had discharged its onus of demonstrating that there were no factual issues that required a trial for their fair resolution.

In line with the reasoning expressed by the U.S. Court in *Jones* -vs- *Clinton*, the Court's decision provides an illustration of how a motion for summary judgment may be used by a defendant to defeat a plaintiff's claim in the field of Intellectual Property: No rational trier of fact would find for the non-moving party.

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