

**ISSUE OF CREDIBILITY PRECLUDES THE GRANTING OF SUMMARY JUDGEMENT,
FEDERAL COURT RULES IN LEPAGE TRADE-MARK INFRINGEMENT CASE**

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A recent decision of Canada's Federal Court considered circumstances when a summary judgement *cannot* be granted to a plaintiff, in a trade-mark infringement case brought before the Court. (*Henkel Canada Corporation v. Conros Corporation*, 2004 FC 1747 (December 17, 2004, Hugessen J.)).

Plaintiff Henkel Canada Corporation ("Henkel") is the owner in Canada of the trade-mark LEPAGE which has been used therein since the 1880's in association with a variety of adhesive products (albeit not on transparent adhesive tape). Transparent adhesive tape is the product that defendant Conros Corporation ("Conros") began selling in Canada, in 2002, in association with the trade-mark LEPAGE'S.

In its action before Canada's Federal Court against Conros, Henkel alleged, *inter alia*, that Conros' use of the LEPAGE'S trade-mark was contrary to sections 19 and 20 of Canada's *Trade-marks Act* (R.S.C. 1985, c. T-13). Section 19 provides that the registration of a trade-mark in respect of any wares or services gives its owner the exclusive right to the use throughout Canada of the trade-mark in respect of those wares or services. For its part, section 20 states that the right of the owner of a registered trade-mark to its exclusive use shall be deemed to be infringed by a person not entitled to its use who sells, distributes or advertises wares or services in association with a confusing trade-mark or trade-name.

Henkel applied to the Court for a summary judgement and put forward evidence of its various registrations, in its name, for its many LEPAGE-type trade-marks; however, none of these registrations were considered relevant under its section 19 claim. Section 19 allows a registered trade-mark owner to

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obtain relief if the infringer uses the plaintiff's mark as registered in association with those specific wares or services mentioned in the registration.

The Court examined Henkel's various registrations: the "LEPAGE'S" trade-mark registered on March 19, 1903 covers adhesive substances, namely cements and glues; the LEPAGE'S trade-mark registered on April 23, 1970 covers chemical and chemical compositions being adhesives, cements, glues and fillers, household and industrial cleaning compositions and solvents, chemicals and chemical compositions being coatings namely preservatives, stains and finishes; the LEPAGE trade-mark registered on October 17, 1975 covers adhesives, sealants and chemicals and chemical compositions being coatings namely, preservatives, stains and finishes; while the LEPAGE'S DESIGN trade-mark registered on October 1, 1976 covers adhesives, sealants, fillers and chemicals and chemical compositions being coatings namely, preservatives, stains and finishes.

As none of Henkel's registrations covered transparent adhesive tape, summary judgment could not be obtained on that ground. Moreover, with reference to the 1903 and 1975 registrations, Conros used the mark LEPAGE'S (without quotation marks, in possessive form); therefore, the "LEPAGE'S" (with quotation marks) registration secured in 1903 and the LEPAGE (without the 'S) registration secured in 1975 could not be relied upon in Henkel's section 19 claim, as the trade-mark used by Conros was not a taking of Henkel's marks registered respectively in 1903 and 1975.

(Although the Court did not take a definitive position as to whether the quotation marks formed part of the 1903 registration, it appears that their use was common place when registering a trade-mark in Canada during the early parts of the twentieth century; quotation marks served to isolate and identify the trade-mark to be registered. These quotation marks appearing in older registrations can today be deleted, upon application to the Registrar of Trade-marks, if they cast doubt as to the extent of the monopoly rights granted by a specific registration.)

Having dismissed Henkel's section 19 ground for summary judgement, the Court considered the section 20 ground and the protection granted to the owners of registered trade-marks against the use of confusingly similar trade-marks. On the latter point, Conros tendered expert opinion evidence purporting to demonstrate that the trade-marks at issue were not confusing because the parties' respective products were aimed at different markets. The Court was not persuaded by this evidence which was described as being based on anecdotal and impressionistic foundations.

The Court would have been ready to grant plaintiff's motion for summary judgement under section 20 but refrained from doing so in light of a recent decision by the Federal Court of Appeal in *MacNeil Estate v. Canada*, (2004) 3 F.C.R. 3 (F.C.A.) which precludes a judge from making an assessment of credibility in any motion for summary judgement. As a review of the evidence in plaintiff's motion for summary judgement implied commenting on the reliability and credibility of defendant's evidence, the Court felt that such matter ought best to be left to the Trial Judge.

The Court appears to have made this choice reluctantly and made the following comments on the issue of how "credibility" is to be viewed and assessed: "I am (..) uncomfortable with the Court's apparent view (in *MacNeil Estate*) that only a full trial in the traditional sense is an adequate fact finding mechanism; both this Court and the Court of Appeal exercise a very large part of their original jurisdiction in matters of judicial review which frequently raise disputed and critical questions of fact which are routinely decided on the basis of affidavits and the cross-examinations thereon.

While this Court has the possibility of converting an application into an action, that option is not open to the Federal Court of Appeal and I am not aware of any case in which it has exercised its related power to order the trial of an issue on the ground that it cannot fairly find the facts on the basis of affidavits and cross-examination. In my experience a Court's fact-finding capacity, especially where experts are involved, is rarely if ever dependant upon the opportunity of seeing and hearing witnesses in the box. It is not the witness' ability to "sell" a particular thesis but rather the reasonableness and cogency of that thesis viewed in the light of all the evidence which leads to a favourable or unfavourable finding of credibility".

With this recent decision and the *MacNeil* decision on which it is based, it now appears that in Canada, before the Federal Court, no motion for summary judgement can be granted when an issue is raised as to the credibility of a party's evidence. As Hugessen J. noted, this will have the effect of limiting the Court's ability in granting a motion for summary judgement, in cases where it should be granted, because of "credibility" issues which might be raised by a party facing such motion.

