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SIMILARITIES IN MENU ITEMS INSUFFICIENT FOR A FINDING OF PASSING OFF, RULES FEDERAL COURT IN LITIGATION OPPOSING COMPETING RESTAURANTS

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A recent decision by the Federal Court of Canada examined whether the owner of a restaurant was entitled to an injunction against a competitor on the basis of allegations of trade-mark infringement and passing off (*The Rude Native Inc. et al. v. Tyrone T. Resto Lounge et al.*, 2010 FC 1278 (F.C.), Russell J., December 13, 2010)).

In its claim, Plaintiff The Rude Native Inc. alleged that it was the owner of the trade-mark THE RUDE NATIVE along with its design version, both registered in association with restaurant services and with food products including spices, dressings, sauces and marinades. It was also alleged that another Plaintiff, RN Waterloo Inc., actually operated the establishment known as The Rude Native Bistro & Lounge in Waterloo, Ontario, where the trade-mark THE RUDE NATIVE was used.

According to the Plaintiffs, towards the end of 2009, the Defendant Tyrone T. Resto Lounge opened a restaurant that infringed upon the registered trade-marks of The Rude Native Inc. It was further alleged that the Defendant “mimicked” and “copied” the dining “concept” found in The Rude Native Bistro & Lounge. Both establishments were located approximately a hundred metres apart, in the same part of Waterloo.

In response to the perceived infringement by the Defendant of their trade-marks and their dining “concept”, the Plaintiffs requested the issuance of an interlocutory injunction against the Defendant. For its part, the Defendant brought against the Plaintiffs a motion for summary judgment whereby it asked the Court to dismiss all claims brought by the Plaintiffs.

At the time of hearing of the Plaintiffs’ motion for an interlocutory injunction in October 2010, the Court was advised that the Defendant’s establishment was no longer in operation. The Court therefore dismissed the Plaintiffs’ request for injunctive relief as moot. In any event, the Court found that whatever activity the Defendant had carried out, it was in fact legitimate competition and not, as the Plaintiffs had alleged, trade-

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mark infringement or passing off under Canada's *Trade-marks Act*, R.S.C. 1985, c. T-13. Moreover, evidence was presented showing that the trade-mark THE RUDE NATIVE and its corresponding design version were both registered in the name of a third party, not one of the Plaintiffs.

The Court then turned to the Defendant's motion requesting a summary judgment dismissing each and every one of the Plaintiffs' claims. Referring to *Granville Shipping Co. v. Pegasus Lines Ltd. S.A.* (1996), 111 F.T.R. 189 (F.C.T.D.), the Court outlined the rules relevant to summary judgments: The purpose of a summary judgment is to allow the Court to summarily dispense with cases which ought not to proceed to trial because there is no genuine issue to be tried. The test is not whether a party cannot possibly succeed at trial but rather is the case so doubtful that it does not deserve consideration by the trier of fact at a future trial. As a safeguard, a summary judgment should not be granted if the necessary facts cannot be found or if it would be unjust to do so. Likewise, if there is any serious issue with respect to credibility, the case should proceed to trial. That being said, any apparent conflict in the evidence does not necessarily preclude the granting of a summary judgment. Finally, it is assumed that the parties to a motion for summary judgment would put "their best foot forward" and that, if the case were to go to trial, no additional evidence would be presented.

The Defendant presented the following facts in evidence before the Court:

- 1) As mentioned above, the Plaintiff The Rude Native Inc. did not appear to be the current owner of the trade-marks alleged in the statement of claim. Rather, another company called Rude Food Inc. was named as the registered owner of the trade-marks.
- 2) The evidence did not reveal that the Defendant had used any one of the registered trade-marks at issue or adopted any confusingly similar trade-marks.
- 3) In fact, in promoting its services, the Defendant adopted marks, logos, advertising, indicia and colours that were clearly distinct from those adopted by the Plaintiffs.
- 4) The exterior of both parties' respective restaurants did not resemble each other.
- 5) The Plaintiffs' restaurant apparently adopted an "African style" while the Defendant's establishment presented a very different and "distinctly Asian style".
- 6) At least seven other restaurants were located between the parties.
- 7) No evidence of actual confusion was presented.

- 8) There were however some similarities in the description of certain items found on the parties' respective menus, such as "spicy mussels"; however, these names were not considered by the Court in any way distinctive of a single party.
- 9) Finally, although the parties both featured identical entertainers in their respective establishments, there was nothing distinctive in the way the Plaintiffs had presented the entertainers to their patrons.

Before the Court, the Plaintiffs conceded that their claim of trade-mark infringement could not be supported but highlighted rather its concerns regarding the Defendant's alleged passing off because of the content of its menus. On this issue, the Court disagreed with the Plaintiffs and indicated that the description of its menu items could not form the basis of a successful claim for passing off; it accordingly concluded that there was no genuine issue for trial regarding the content of the Defendant's menus. In the Court's view, the Plaintiffs' action appeared to be an attempt to stifle legitimate competition by raising passing off allegations, a conduct that was deemed vexatious. As a consequence, costs were awarded to the Defendant on a full indemnity basis.

The Court's decision is a reminder that judicial resources should not be taken up by claims that appear tenuous at most. Parties should therefore exercise care when examining perceived unfair competition from other traders and pursue those claims that have at least an appearance of merit to them.



