



SWEET VICTORY FOR THE QUEEN OF TARTS: FEDERAL COURT RULES IN FAVOR OF REGISTERED TRADE-MARK OWNER

STELLA SYRIANOS^{*}
ROBIC, LLP
LAWYERS, PATENT & TRADEMARK AGENTS

The importance of registering a trade-mark in Canada was illustrated in a decision rendered by the Federal Court of Canada in relation to a trade-mark infringement action brought by a Plaintiff who owns the registered trade-mark THE QUEEN OF TARTS in connection with baked goods and wholesale and retail store services specializing in baked goods. The plaintiff equally sought relief based on a passing-off action (*Stephanie Anne Pick v. 1180475 Alberta Ltd., operating as Queen of Tarts and Linda Kearney*, 2011 FC 1008, (F.C.), Shore, J. August 18, 2011).

Background information

In or around February 14, 1999, the Plaintiff, Stephanie Anne Pick (hereafter “Ms. Pick”), adopted and commenced use of the trade-name and trade-mark THE QUEEN OF TARTS in association with “baked goods, namely, tarts, cookies, cakes, cupcakes, loaves, hand-decorated gingerbread men and holiday cookies, quiches and savoury tarts; wholesale and retail store services specializing in baked goods”. Ms. Pick’s trade-mark THE QUEEN OF TARTS was registered on March 31st, 2005 in association with the aforementioned goods and services under registration number 636,521.

Since February 1999, THE QUEEN OF TARTS trade-name and trade-mark had been prominently presented in Ms. Pick’s advertisements, on web-sites, on her product packaging and at her retail store location in Toronto, in the province of Ontario, in association with baked goods and related services. Ms. Pick had extensively used and advertised THE QUEEN OF TARTS mark in newspapers, in trade and consumer magazines, on television and through the Internet. By the time she sought relief from the Court, Ms. Pick had been operating her Toronto bakery for over ten years, under THE QUEEN OF TARTS trade-mark/trade-name.

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ROBIC, LLP
www.robic.ca
info@robic.com

MONTREAL
1001 Square-Victoria - Bloc E - 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: +1 514 987-6242 Fax: +1 514 845-7874

QUEBEC
2828 Laurier Boulevard, Tower 1, Suite 925
Quebec, Quebec, Canada G1V 0B9
Tel.: +1 418 653-1888 Fax.: +1 418 653-0006

In November 2010, Ms. Pick discovered that the Defendant 1180475 Alberta Ltd. was operating a booth at a farmers market in downtown Edmonton, in the province of Alberta. To the best of Ms. Pick's knowledge, 1180475 Alberta Ltd. opened a retail bakery in Edmonton some time around November 2010, operating under the trade-mark and trade-name QUEEN OF TARTS. Ms. Kearney was the sole director of 1180475 Alberta Ltd. Noteworthy, Ms. Kearney lived in Toronto prior to 2003.

In her quest to prevent and discourage both 1180475 Alberta Ltd. and Ms. Kearney from persisting in their infringing activities, Ms. Pick filed a Statement of Claim on April 19, 2011 alleging trade-mark infringement and passing-off pursuant to the *Canadian Trade-marks Act*. The Defendants failed to serve and file a Statement of Defense within the prescribed time and therefore Ms. Pick brought a Motion *ex parte* seeking relief through a Motion for Default Judgement.

The Court fully agreed with Ms. Pick's claims.

Trade-mark infringement

On the issue of infringement, the Court ruled the Defendants had engaged in the sale, distribution and/or the advertising and the retail sale of baked goods in association with a trade-mark and/or trade-name, namely, QUEEN OF TARTS which infringed Ms. Pick's trade-mark rights in and to her mark THE QUEEN OF TARTS in association with identical goods and services.

In reviewing the applicable criteria for assessing confusion as prescribed by the *Trade-marks Act*, the Federal Court ruled they mitigated in favour of a finding of confusion.

Insofar as concerned the inherent distinctiveness and the extent to which the marks at issue had become known, the Court noted that Ms. Pick's THE QUEEN OF TARTS trade-mark had become known over the last decade and that by virtue of her extensive use, advertising and promotion of THE QUEEN OF TARTS, the mark had become known, recognized and exclusively associated throughout Canada with a certain quality of baked goods and related services offered by Ms. Pick. The Defendants' had commenced use of the QUEEN OF TARTS trade-mark/trade-name well after Ms. Pick's THE QUEEN OF TARTS trade-mark/trade-name had already become known in Canada.

As for the length of time the trade-mark/trade-name had been in use, Ms. Pick had used

THE QUEEN OF TARTS trade-mark and trade-name since 1999—by contrast, the Defendants commenced use of the QUEEN OF TARTS trade-mark/trade-name over ten years later, at least to the best of Ms. Pick's knowledge.

There was no disputing that the nature of the wares, services and trades of the respective parties were identical, namely baked goods and retail sale services of such goods.

As for the degree of resemblance between the trade-marks/trade-names in appearance or sound or ideas suggested, there was likewise little debate: with the only difference lying in the removal of the element “THE” from Ms. Pick’s mark THE QUEEN OF HEARTS, the marks at issue were quasi-identical.

Statutory passing-off

On the issue of statutory passing-off, the Court held that by virtue of the Defendants having used the QUEEN OF TARTS trade-mark and trade-name in the context of operating retail baker services, they acted to direct public attention to their wares and services in such a way as to likely cause confusion with Ms. Pick’s wares and services.

The Court noted that Ms. Kearney either directed use of the QUEEN OF TARTS name without conducting any preliminary searches to locate potential conflicts, thereby having engaged in wilful and knowing pursuit of conduct that was likely to constitute passing-off or, in the alternative, she did conduct preliminary searches to locate potential conflicts but chose to ignore the search results, thereby engaging in conduct that was likely to constitute passing-off .

Noteworthy, the Court made reference to the fact that Ms. Kearney had lived in Toronto prior to 2003, thereby making it possible that she would have known of Ms. Pick’s THE QUEEN OF TARTS mark, as Ms. Pick operated a bakery in Toronto during that same period.

On the issue of damages, for both trade-mark infringement and passing-off, Ms. Pick sought relief in the amount of \$10,000.00. The Court noted that in default cases, the assessment of damages is always difficult due to a lack of records and financial information. However, the Court stated that owners of intellectual property have a right to damages arising from infringing activity even without proof of actual damages or damage to goodwill.

In this *ex parte* case, the Court awarded damages for both trade-mark infringement and passing-off in the fixed sum of \$10,000.00 as compensatory damages in relation to Ms. Pick’s lost sales as well as in relation to the damage to the reputation and goodwill of Ms. Pick’s THE QUEEN OF TARTS trade-mark caused by Defendants’ actions.

Ms. Pick was therefore successful in obtaining a permanent injunction retraining the Defendants from either directly or indirectly using the words THE QUEEN OF TARTS and/or QUEEN OF TARTS or any confusingly similar variant thereof, in any trade-name or any trade-mark.

Conclusion

While this case is far from groundbreaking on the issue of confusion, it nevertheless serves as an important reminder in relation to one of the primary advantages to registering a trade-mark in Canada: securing the exclusive right to its use *throughout* Canada, even if the mark is only being used in one specific area of the country and enjoys goodwill in a particular geographic location in Canada. The power to enforce a mark in any part of Canada where it has not been used or not been used enough to establish goodwill, should not be neglected by trade-mark owners seeking protection of their trade-marks in Canada.



ROBIC, LLP
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info@robic.com

MONTREAL
1001 Square-Victoria - Bloc E - 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: +1 514 987-6242 Fax: +1 514 845-7874

QUEBEC
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Tel.: +1 418 653-1888 Fax.: +1 418 653-0006