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FOX ON CANADIAN LAW OF TRADEMARKS AND UNFAIR COMPETITION

Gill

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Fox on the Canadian Law of Trademarks and Unfair Competition, 4th edition remains the authoritative text for trademark lawyers and agents in Canada. It provides intellectual property law practitioners with the most comprehensive coverage of trademark issues available today.

This release features the addition of the September 2023 version of the Canada Border Services Agency Memorandum D-19-4-3 Copyright, Trademarks and Geographical Indications to Appendix F. Canada Border Services Agency Enforcement. This release also features updates to Appendix K. Quantum Table – Trademark Infringement and Passing Off. This release also features the addition of CIPO's Process to Request that a Geographical Indication be Entered on Canada's List of Geographical Indications to Appendix P. List of Geographical Indications. This release also features the addition of Can. Reg. 2023-73 By-laws of the College of Patent Agents and Trademark Agents to Appendix S. College of Patent Agents and Trademark Agents. This release also features updates to Appendix PS. Procedural Summaries III. Summary of Procedure for Appeals Pursuant to Section 56 of the Trademarks Act.

Highlights

Quantum Table – Trademark Infringement and Passing Off – Damages

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under Section 7 - Keezio claimed that it lost profits totalling \$93,718 USD as a result of the November 2019 Complaints, but Justice Loo regarded the evidence advanced regarding damages as inadequate. There was no independent or expert evidence regarding the assessment or the calculation of damages. Keezio's evidence in support of its damages claim came only from Clutek and aspects of the damages calculation were problematic. Justice Loo noted that there was no clear evidence contradicting Clute's assertions as to damages, and it was reasonable to conclude that the delisting of Keezio's product pages caused a decrease in Keezio's sales on the days on which the delisting occurred. Accordingly, Justice Loo would assess damages on that basis. In Justice Loo's view, it was appropriate to assess damages by comparing Keezio's 2018 figures to its 2019 figures, without a 30% increase in sales. The decreased sales would then be multiplied by a profit margin of \$50 USD per unit for the days during which the Keezio sales pages were delisted. Justice Loo calculated that the sales on the relevant days in 2018 totalled 1,129 units, and the sales on the relevant days in 2019 totalled 640 units. Therefore, the decrease in sales totalled 489 units. At a loss of profit of \$50 USD per unit, the damages were \$24,450 USD: *Keezio Group, LLC v. The Shrunk's Family Toy Company Inc.*, 2024 BCSC 64 (B.C.S.C.).

Summary of Procedure for Appeals Pursuant to Section 56 of the Trademarks Act – Case Law – Cross-Examinations - The Associate Justice confirmed the right of a party to cross-examine a party adverse in interest on its affidavit. Rule 83 provides cross-examination as of right on affidavits served in a motion or application. Where a request to cross-examine is not frivolous or otherwise an abuse of process, a party seeking to cross-examine a deponent need not justify its decision to do so. Equally, a party filing an affidavit in support of its position cannot demand a reason from the examining party before submitting to cross-examination. As to the mode of cross-examination, Rule 88 provides that cross-examination on an affidavit may be conducted orally or in writing. As to which party is entitled to determine the mode, cross-examination in writing constitutes an exception to the examining party's right to cross-examine an affiant by way of oral examination. Wanglaoji sought an oral cross-examination and communicated that position to Multi Access's counsel the very day the Chan affidavit was served. Some three weeks later, Multi Access responded and proposed a written cross-examination. The Associate Justice concluded that no principled reason was established as to why Wanglaoji should be denied its right to an oral cross-examination. The Associate Justice was satisfied that Wanglaoji had a right to an oral cross-examination of Chan. The Associate Justice explained that whether to permit a party to withdraw an affidavit is a discretionary decision of the Court, noting that the determining factor is the clear existence of prejudice to the party seeking to withdraw if leave is not given. Multi Access had not adduced any evidence of prejudice whatsoever. Multi Access's motion must fail on that basis alone. In any case, the Associate Justice noted that the email thread between counsel disclosed that this was not a case where an affiant had fallen ill or had left the employ of the party on whose behalf the affidavit was sworn. In those situations, prejudice of the sort necessary to permit the Court to exercise its discretion may be found. Here, the justifications offered to substitute affidavits and refuse oral cross-examination did not rise above mere inconvenience to the affiant. The Associate Justice was satisfied that the request to withdraw the Chan affidavit was an ill-disguised attempt to shield Chan from cross-examination. The Associate Justice noted that the jurisprudence of the Federal Court and others was clear; a Court should not exercise its discretion to permit the withdrawal of an affidavit merely

to prevent cross-examination: *Guangzhou Wanglaoji Grand Health Co., Ltd. v. Multi Access Limited*, 2023 CarswellNat 1264, 2023 CarswellNat 1265, 2023 FC 287, 2023 CF 287, 2023 A.C.W.S. 826, 202 C.P.R. (4th) 162 (F.C.).