

COMMENT ON CANADA'S NATIONAL BALLET SCHOOL TRADE-MARK CASE

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A. INTRODUCTION

Today, there are increasing expectations that charities and not-for-profit organizations need to properly identify, protect and use all of the organization's assets to further the purposes for which the organization was established. These assets include an organization's intellectual property.

Protecting a charity's or not-for-profit organization's intellectual property requires more than simply registering it with the Canadian Intellectual Property Office, more than drafting proper license agreements, and more than using the intellectual property in an appropriate manner. It also requires that the organization monitors the intellectual property to enforce intellectual property rights and to stop unauthorized third parties from using the intellectual property.

For example, in the case of trade-marks, once an organization decides to adopt and use a trade-mark, it will expend substantial amounts of money, time and effort to promote and advertise the trade-mark. As a result, its trade-mark will obtain a high degree of fame and become infringement targets for other organizations wishing to capitalize on the trade-mark for their own benefit. In such a situation, the charity or not-for-profit

organization must take pro-active steps to protect its intellectual property, as illustrated below by the unreported case involving The National Ballet School/L'École nationale de ballet.¹

B. BACKGROUND

The National Ballet School/L'École nationale de ballet ("NBS"), based in Toronto, has used the same name in both English and French since its founding in 1959, and has owned the official marks to both 'The National Ballet School' and 'L'École nationale de ballet' since 1997 and 1999 respectively.

École nationale de ballet contemporain ("École"), based in Montreal, was founded in 1966 under the name École supérieure de danse des Grands Ballets Canadiens, changed its name in 1980 to École supérieure de danse du Québec, and changed its name again in 2003 to École nationale de ballet contemporain.

Before École publicly announced its latest name change, NBS wrote to it on May 21, 2003, to protest the similarity between the names and request that École immediately cease and desist from using a similar name. When École proceeded to publicly announce its latest name change anyway, NBS was forced to take legal action by seeking an injunction.

C. DECISION

NBS applied for a permanent injunction enjoining École from using the name École nationale de ballet contemporain on the grounds that the name was identical to L'École nationale de ballet, and was likely to confuse and had in fact confused the public with respect to the two organizations.

In response, École argued that the names and the services offered by the two organizations were sufficiently different that the public would not be confused between the two organizations.

The court established that all NBS had to prove was that there was a probable risk of confusion due to the similarity between the two names and the type of services offered. It was not necessary to establish that there actually was confusion, the risk of confusion was sufficient.

¹ "Canada's National Ballet School wins name defence case" (January 30, 2006), online: <http://www.nbs-enb.ca/pages/newsinfo/Defence.html>.

In order to establish confusion, NBS had to meet the factors set out in section 6(5) of the Trade-marks Act (Canada), which states as follows:

In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the wares, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

The court concluded that NBS had met and even surpassed its burden of proof. In fact, NBS had proved actual confusion when all it had to prove was the existence of probable risk of confusion.

The court found that the words used were more than similar, they were identical. Even if the name 'L'École nationale de ballet' were composed of generic words (i.e., words that are commonly used as a name or description of a kind or class of products or services), the juxtaposition and the use of the words since 1959 by NBS had made the name distinctive (i.e., distinguishes or identifies the particular source of the products or services).

The clientele targeted by the services offered by the two organizations could reasonably be confused. After all, both organizations were dance schools with the common objective of training young adolescents and professional dancers. Despite the differences in the teaching methods, the simple addition of the adjective "contemporain" was not enough to render confusion impossible. Furthermore, section 6(5)(e) contemplated exactly this situation by stating that "the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them" should be considered when determining whether trade-marks or trade-names are confusing. As such, it is not necessary that the words be identical for an organization to establish confusion.

Therefore, the court:

- ♦ determined that, with the exception of the adjective "contemporain," the names were identical and likely to confuse the public;

- ♦ granted a permanent injunction enjoining École from using the name École nationale de ballet contemporain; and
- ♦ awarded damages in the amount of \$1,000.00 to NBS.

D. COMMENTARY

The National Ballet School/L'École nationale de ballet case serves as a reminder to charities and not-for-profit organizations that they should exercise due diligence when naming their organization. This can be easily done by conducting a search for the proposed trade-mark, trade-name, operating name, slogan, campaign theme, etc. to ensure that it is not already in use. This can spare the charity and not-for-profit organization from embarrassing allegations of trade-mark infringement, passing off or confusion. It can also save the charity and not-for-profit organization from expending valuable money, time and effort to promote and advertise something that it cannot trade-mark.

More importantly, The National Ballet School/L'École nationale de ballet case encourages all charities and not-for-profit organizations to be diligent in protecting and enforcing their trade-mark rights. This will help in preventing the trade-marks from becoming wasting assets and will instead enable the trade-marks to preserve their significance as one of the most important assets that a charitable or not-for-profit organization will ever possess, as the trade-mark protects the organization's goodwill and enhances its reputation and associated branding.