
ENFORCEMENT OF TRADE-MARK RIGHTS PUTS LARGE AND SMALL INFRINGERS AT RISK

*By Terrance S. Carter**

A. INTRODUCTION

Two recently publicized intellectual property disputes illustrate the risks associated with the infringement of another organization's registered trade-mark rights. These disputes highlight the potential consequences of using registered trade-marks belonging to another organization without a license to do so, even where no bad faith was intended.

B. CARIBANA ARTS GROUP

The first dispute involves Toronto's annual Caribana festival. In 2009 the massively popular summer festival was attended by 1.2 million people, and generated approximately \$483 million for the Ontario economy. Several major newspapers recently reported that on May 12, 2011, the Festival Management Committee, which currently controls the event, was told by a judge of the Ontario Superior Court that it may no longer use the name Caribana, because the name is a registered trade-mark belonging to another organization.¹

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¹ The unreported Ontario Superior Court case was referenced in the following articles: Don Robson and Nicki Thomas, *Don't call it Caribana – Toronto festival forced to find new moniker*, The Toronto Star, May 17, 2011, online: <http://www.thestar.com/news/article/992414--caribana-to-be-renamed-in-ongoing-struggle-over-popular-celebration>; Tim Alamenciar, *Caribana to be called Scotiabank Caribbean Carnival Toronto*, The Globe and Mail, May 25, 2011, online: <http://www.theglobeandmail.com/news/national/toronto/caribana-to-be-called-scotiabank-caribbean-carnival-toronto/article2034644/>.

The Caribana festival was started in Toronto in 1967 by Caribana Arts Group (which at the time was named the Caribbean Cultural Committee). Caribana Arts Group was the organizer of the festival until 2006, when the City of Toronto and the Province of Ontario cut funding for the festival due to Caribana arts Group failing to produce adequate financial statements.² As a result, the Festival Management Committee became the organizer of the festival. However, despite the change in control and ownership of the event itself, the name Caribana remained a registered trade-mark³ of Caribana Arts Group, which provides Caribana Arts Group with the exclusive right to the use of the name across Canada. Since coming under the control of the Festival Management Committee, the festival has been officially named the Toronto Caribbean Carnival, but has continued to be known and advertised itself as Caribana. Since the Court's decision, however, the Festival Management Committee must now cease all use of the name Caribana.

The decision serves as a warning to charities and not-for-profits of the strict approach that the courts will take with regard to trade-mark and intellectual property rights. For many charities and not-for-profits, the organization's name and brand are the most important assets it owns with regard to attracting donors and supporters. As such, the sudden removal of a name or brand may have devastating consequences. Charities and not-for-profits should therefore ensure proper ownership of all names, slogans, logos or other trade-marks which they use, and proactive steps, such as trade-mark searching and trade-mark registration, should be taken to avoid ending up in a situation such as that of the Festival Management Committee in the Caribana case.

² *Ibid.*

³ Canadian Intellectual Property Office, Registration Numbers TMA219611 & TMA485030.

C. THE NATIONAL HOCKEY LEAGUE

The second dispute appears at first to be a much more innocuous case of trade-mark infringement. However, the seriousness of the consequences which may occur serves as a warning to organizations that are alleged to infringe on another's trade-marks with no ill will, believing the display of another's trade-mark to be a good faith show of support.

This situation, recently reported on by several major Canadian news agencies,⁴ concerns the owner of a small Lebanese restaurant in Montreal who had until recently displayed a banner displaying the Montreal Canadiens logo outside his restaurant, along with a slogan which read "Go Habs Go." The owner received a cease and desist letter from a NHL lawyer alleging infringement of the Montreal Canadiens intellectual property rights, demanding payment of \$89,000.00, or \$1000.00 for each day the trade-marks were displayed.

The restaurant owner's alleged infringement may well have been intended as a good willed gesture to support the NHL franchise. However, the display of another organization's trade-marks without a license to do so was considered by the NHL franchise to be an infringement of that organization's intellectual property rights. A dispute such as this serves as a warning that trade-mark infringement by smaller organizations, even if intended as a good will gesture, can expose the organization to liability if the trade-mark use is not properly licensed by the registered trade-mark owner.

⁴ *NHL demands \$89,000 from Montreal restaurant*, CBC News, May 16, 2011, online: <http://www.cbc.ca/news/business/story/2011/05/16/restaurant-habs-nhl-fine.html>; *Restaurant owner fined \$89,000 for showing some Habs spirit*, CTV News Montreal, May 16, 2011, online: http://montreal.ctv.ca/servlet/an/local/CTVNews/20110516/mtl_basha_110516/20110516/?hub=MontrealHome; Nelson Wyatt, *NHL demanding \$89,000 from Montreal restaurant for trademark violation*, Winnipeg Free Press, May 16, 2011, online: <http://www.winnipegfreepress.com/sports/breakingnews/nhl-lawyers-demand-89k-from-montreal-restaurant-for-using-habs-logo.html>.

D. CONCLUSION

Charities and not-for-profit organizations need to take proactive steps to ensure that they have the legal rights to any name, logo, slogan, or other trade-mark which is used in association with their wares or services. Where trade-marks are known to belong to another organization, a proper licensing agreement from that organization should be set out in writing. Where a trade-mark is part of an organization's own branding, the organization should take steps to protect the trade-mark through a trade-mark search and trade-mark registration with the Canadian Intellectual Property Office. For more information on the importance of trade-mark protection for charities and not for profit organizations, see *Avoid Wasting Assets II: Trade-mark and Domain Name Protection for Charities*,⁵ at <http://www.carters.ca/pub/article/charity/2004/tsc0414.pdf>, and *Trade-mark and Domain Name Protection Primer for Charities*,⁶ available online at <http://www.carters.ca/pub/bulletin/charity/2004/chylb43-04.pdf>.

⁵ Terrance S. Carter, *Avoid Wasting Assets II: Trade-mark and Domain Name Protection for Charities*, presented at the 2nd National Symposium on Charity Law for the Canadian Bar Association and Ontario Bar Association (April 14, 2004), online: <http://www.carters.ca/pub/article/charity/2004/tsc0414.pdf>.

⁶ Terrance S. Carter, "Trade-mark and Domain Name Protection Primer for Charities" in *Charity Law Bulletin No. 43* (May 28, 2004), online: <http://www.carters.ca/pub/bulletin/charity/2004/chylb43-04.pdf>.