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## **WHAT CHARITIES AND NOT-FOR-PROFITS CAN LEARN FROM RECENT TRADE-MARK DISPUTES**

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*By Colin J. Thurston and Terrance S. Carter\**

### **A. INTRODUCTION**

Charities and not-for-profits can learn from two recent trade-mark disputes, both involving Waterloo, Ontario's Research in Motion Ltd. ("RIM"), which made headlines over the past couple of months. In cases in Canada and the United States, the Canadian technology company has found itself in court over its use of unregistered trade-marks in association with its products and services. These trade-mark disputes demonstrate the importance of conducting due diligence before adopting and using any trade-mark, and further demonstrate the value of registering an organization's trade-marks at home and abroad, as explained below. By taking the appropriate legal risk management measures, charities and not-for-profit organizations can significantly increase their protection against allegations of infringement, and can reduce the possibility of becoming involved expensive litigation.

### **B. THE "BBM" MARK IN CANADA**

On January 11, 2012, the non-profit organization Bureau of Broadcast Measurement Canada ("BBM Canada") sought injunctive and compensatory relief from RIM in Canadian Federal Court over RIM's use of the trade-mark "BBM" in Canada.<sup>1</sup>

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<sup>1</sup> Michael Lewis, "BlackBerry Maker RIM awaits judge's verdict on BBM trademark battle" *The Toronto Star* (January 11, 2012), available online at: <http://www.thestar.com/business/article/1114238--blackberry-maker-rim-awaits-judge-s-verdict-on-bbm-trademark-battle>.

RIM has used the acronym BBM as a trade-mark in association with its massively popular BlackBerry messenger service, which launched in 2005. BBM Canada, however, owns the registered trade-mark for “BBM” in association with services which it argues are similar to the services offered by RIM.<sup>2</sup> In this regard, BBM Canada has alleged that RIM’s use of “BBM” is causing confusion in the marketplace. As a result, BBM Canada is now seeking an injunction to prevent RIM from using the mark “BBM”, plus \$15 million in other damages, including \$5 million in punitive damages.<sup>3</sup> RIM has argued that there is no marketplace confusion on the basis that the two organizations “are in different industries and have never been competitors”. However, according to BBM Canada its employees have been mistaken for RIM employees and members of the organization have been called for client support related to the BlackBerry Messenger service.<sup>4</sup>

RIM brought an unsuccessful motion to have the case dismissed in December, and the trial was heard by the Federal Court on January 11, 2012. The Court has reserved its decision, which will likely be released in a matter of months.<sup>5</sup>

## C. THE “BBX” MARK IN THE UNITED STATES

In an unrelated United States trade-mark dispute, a federal judge in New Mexico barred RIM from using the name “BBX” at a conference to promote its new operating system for mobile devices.<sup>6</sup> The order against RIM was sought by Albuquerque, New Mexico based software company Basis International Inc., which owns the registered trade-mark for “BBX” in the United States in association with computer software.<sup>7</sup> Basis International Inc. has alleged that RIM’s use of the BBX trade-mark in association with similar wares and services is already causing confusion among U.S. consumers and erosion of customer goodwill. In the motion ruling issued on December 6, 2011 the registered trade-mark rights of Basis International Inc. were upheld, and prevailed over the RIM’s rights in its unregistered trade-mark.<sup>8</sup> Though the order barring RIM

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<sup>2</sup> Canadian Intellectual Property Office, trade-mark registration no. TMA701839.

<sup>3</sup> *Supra*, note 1.

<sup>4</sup> Iain Marlow, “RIM asks court to dismiss BBM trademark lawsuit” *The Globe and Mail* (December 23, 2011), available online at <http://www.theglobeandmail.com/news/technology/tech-news/rim-asks-court-to-dismiss-bbm-trademark-lawsuit/article2282495/>.

<sup>5</sup> *Supra*, note 1.

<sup>6</sup> *Basis International Ltd. v. Research in Motion Ltd and Research in Motion Corporation* (NM Dist Ct 2011) (Civil No. 11-00953-WJ-ACT), available online at <http://ia600700.us.archive.org/19/items/gov.uscourts.nmd.240203/gov.uscourts.nmd.240203.34.0.pdf>.

<sup>7</sup> United States Patent and Trademark Office, trade-mark registration no. 3111681.

<sup>8</sup> *Supra*, note 6.

from using the trade-mark was only temporary, the decision has prompted RIM to rebrand its product under the name “BlackBerry 10”, which it unveiled shortly after the court’s decision was made.<sup>9</sup>

#### **D. THE ADVANTAGES OF TRADE-MARK REGISTRATION**

The situations described above are examples of the potential risks involved for a Canadian organization using an unregistered trade-mark either in Canada or in another country. Potential consequences in this regard can include orders for damages and the cost of litigation, in addition to injunctive orders which may force an organization to rebrand, losing the valuable goodwill associated with its name and brand.

In most countries, an organization’s trade-marks can be registered with the government as a means of confirming, acquiring or enhancing trade-mark rights in that country. In Canada, trade-marks are registered with the Canadian Intellectual Property Office (“CIPO”). A significant advantage of registering a trade-mark with CIPO is that registration grants the owner a certificate confirming the right to exclusive use of the trade-mark throughout Canada in association with the registered wares and services. In this regard, the registration would be a complete defense to an action for infringement, such as in the first case described above.

The owner of an unregistered trade-mark is at risk of infringing the trade-mark rights of registered trade-mark owners, as well as owners of other unregistered marks. Infringement occurs when an organization adopts an identical or similarly confusing trade-mark to that of another organization. When infringement occurs, a registered owner is in a far more advantageous position to defend its right to use a trade-mark, or to enforce its rights against an infringing third party. Only in very limited circumstances will the rights of an unregistered trade-mark user prevail over the rights of a registered owner.

When an organization adopts a trade-mark, it is very important that it conduct the appropriate due diligence in ensuring that its use will not infringe the rights of other parties. This would include ordering searches of CIPO’s database for similar or confusing registered marks, as well as searches of common law sources (such as corporate registries, telephone directories, trade-journals and other publications) for similar or confusing unregistered trade-marks being used in the marketplace. If similar or confusing marks are discovered, then the organization should seek legal counsel to evaluate the potential risks involved in their use of the mark.

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<sup>9</sup> “RIM forced to rename smartphone over BBX trademark skirmish” *The Toronto Star* (December 7, 2011), available online at <http://www.thestar.com/business/article/1098218--more-bad-news-for-rim-court-bans-company-from-using-bbx-trademark-at-singapore-conference>.

The most effective measure to protect the organization from allegations of infringement would be to register the trade-mark with CIPO. In addition to confirming the registered owner's legal right to use the mark across Canada, trade-mark registration also offers the following benefits:

- **Automatic review by CIPO:** Once a trade-mark application is filed it is entered in the trade-marks database and will be an obstacle to later-filed applications for similar or confusing trade-marks.
- **Publicly listed:** The trade-marks database is available online to any member of the public. This public listing can deter third parties from adopting or using a similar or confusing trade-mark.
- **Enhanced options for trade-mark enforcement:** In the event that a third party adopts a similar or confusing trade-mark, a registered owner will have statutory actions available to enforce its trade-mark rights which are not available for owners of unregistered marks.

Acquiring trade-mark rights in one country does not grant rights in any other country and, as demonstrated by the United States case discussed above, a Canadian organization can face legal action in a foreign country for its use of a trade-mark, regardless of whether it has the right to use the same trade-mark in Canada or in other countries. As such, filing for a foreign trade-mark registration is a protective measure which charity and not-for-profit organizations should consider whenever they undertake activities in another country.

Trade-mark registration offers protection for the key aspects of an organization's brand including its name, logos and slogans. The ability to use trade-marks consistently and effectively is an important means for developing a strong market presence and adding value and goodwill to the organization's brand. Brand recognition allows an organization to build a reputation, making it a preferred provider of goods or services, or making it a desired provider in areas in which the organization's goods and services are not currently being offered. In this regard, an organization's brand is a valuable asset which must be protected.

## E. CONCLUSION

It is important for charities and not-for-profits to be proactive in protecting the key and valuable trade-marks which are integral to their brand. Trade-mark registration provides enhanced means to enforce trade-mark rights, and also provides a significant measure of risk protection against infringement allegations by other trade-mark owners. In this regard, charities and not-for-profits should consider applying for registration of any unregistered names, slogans or logos which they are using, or are may soon be using, either in Canada or abroad.



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