1. Consider a name for your fictional small business or a potential product that could, if misnamed, lead to a passing off action. What steps should your small business take to avoid being sued for passing off?

Le Petit Coin de la Loi Familiale, initially had the name Le Petit Coin, which below to the Le Petit Group Inc. Le Petit Group Inc. lost a claim and as part of the agreement changed the name for Le Petit Coin de la Loi Familiale.

How the claim come up? What Le Petit Group has learned?

In this claim the The Plaint Group (the plaintiff) claimed against the Le Petit Group Inc. (the defendant) for the tort of passing off and seeks an interlocutory injunction restricting the defendants from using the name "Le Petit Coin".

The plaintiff has, since 1991, owned and operated "Le Petit Coincer" in Quebec City and Montreal in QC, and in Vancouver, BC. Both the menu and the decor of the restaurant emphasize the relationship with the laws environment because of the areas where the restaurant operated and the customer that their serve (close to the Palace of Justice).

The restaurants also sells various goods which carry the plaintiff's trade name, "Le Petit Salle", “Le Petit Coin for Plaintiffs”, “Le Petit Coin for Defendants”. The trade name, "Le Petit Coincer" is a registered trade mark in Canada.

The defendant operates two restaurants, one in Edmonton with the name “Le Petit Coin” and the second in Vancouver with the name “Le Petit Coin de la Loi Familiale”. The first one was opened in March 1999 in the downtown area, and the second in September 2003 in commercial area.

The defendants took over "Le Petit Coin" restaurant and used its decorations enhanced by different professions, including law, engineering, accounting. The ambience is described as casual profesional restaurant. The menu has not identification with some traditional style. "Le Petit Coin de la Loi Familiale" restaurant uses its decorations enhanced by different
family styles. The ambience is described as family restaurant. The menu has not identification with some traditional style and it aims to the family target.

After getting their restaurant organized, Fracois Chatelle, the manager at Le Petit Group Inc., has lived in Quebec for 12 years and operated restaurants. Mr. Chatelle has worked in “Le Petit Coincer” at Montreal for 2 year as assistante of the manganer.

“Le Petit Coincer” has a strong good reputation in the cities and are where they operate. It has a huge presence in the jurisdiction and it is considered a reference for professionals working in the city.

The plaintiff stressed the loss of customers that they have experimented when these customers mis-identify “Le Petit Coin de la Loi Familiale” as “Le Petit Coincer”. The plaintiff added similitud in decoration in both restaurants.

The defendant argues that the plaintiff didn’t reach to establish a reputation in Vancouver, instead the she recognize the reputation in Quebec City and Montreal. In addition, the defendant argues the different customer target. “Le Petit Coin de la Loi Familiale” target is the family and “Le Petit Coincer” is casual business.

The plaintiff argues misrepresentation from the defendants in its restaurant at Vancouver in a way to constitute a passing off. This misrepresentation has caused damages in its business.

2- Develop a list of strategies or steps to take to ensure such a lawsuit is avoided.

When the plaintiff is our business, the strategies to avoid a lawsuit are very limited; so we will do focus trying to avoid being sued under passing-off claim. The principle behind the tort of “passing off” is that a person cannot represent their goods or services as from another. Having success in suing someone for passing off requires to demonstrate goodwill or reputation, a misrepresentation, and damage or threat of damage.

For avoiding a lawsuit related with passing off, we need:
- conduct a research of the names related with the chosen names for our business, trade-marks or products. We need to consider [5][6][7]:
  o trade-marks are used to distinguish the goods or services of one person or organization from those of another. The shape of a product or its packaging can be an aspect that distinguishes it from someone else’s product. We can register such a feature as an industrial design and later, in a separate process, as a trade-mark.
  o We need to distinguish between Trade-name and Trade-mark; a trade name is the name under which a business is conducted. Trade-mark is a word, a symbol, a design, or a combination of these, used to distinguish
the wares or services of one person or organization from those of other in
the mark place. They could be ordinary marks, certification marks or
distinguishing guise. Trade-mark Act and Trade mark regulations
- Visit the Canadian Intellectual Property Office (CIPO) web site for
  information related to potential conflict with the chosen name for product,
services or the business itself. In addition Trade-marks Journal helps to
  research in avoiding future problems.
- In addition, it should be developed a research beyond CIPO because the
  right over a trade mark also is establish under Common Law by the use of
  the mark. Using a mark for a certain length of time can establish
  ownership.

- Conduct a research for those product, services or business names that they could
  have a establish goodwill in the area where the business will be developed.
  Goodwill is an intangible property right with a strong relationship with the
  business to what is attached. This perception should be present to state a claim.
  This is a very difficult subject and it promotes many discussions and
  interpretations. It is easy to understand it when we think in a very know mark, but
  not at all for small business. In the case Dino’s Place Ltd. v. Corfu Restaurant
  Ltd., [1991], we can see this difficulty.
- In case of failing in pursuing the two first stages, we need to ensure that we don’t
  produce a misrepresentation to other business owner. We cannot use a mark,
  name, shape, etc. that it is distinctive of other potential plaintiff. Fail to do that
  conduct to a potential misrepresentation.
- In case of fail of failing in pursuing the previous states, we need to be sure of not
  damage the business and or goodwill from someone else. The kind of damage will
  potentially raise an action for passing off; it will depend with the kinds of
  goodwill protected and the types of confusion or deception against which that
  goodwill needs to be protected.
- The final step is remedies; relief in an action for passing off may take the form of
  common law damages or an equitable remedy, including account of profits,
  injunctions, and delivery up, or a combination of both.

Works Consulted


