
Canada: Rare Interlocutory Injunction Granted in Trademark Infringement Case

Reckitt Benckiser LLC v. Jamieson Laboratories Ltd. (2015 FC 215)

The Federal Court of Canada recently issued an interlocutory injunction in favor of plaintiffs Reckitt Benckiser LLC and Reckitt Benckiser (Canada) Limited ("Reckitt Benckiser") against defendant Jamieson Laboratories Ltd.'s ("Jamieson") use of the unregistered mark OMEGARED in connection with its krill- and salmon-based dietary and nutritional supplements. [More](#)

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Background

In or about mid-2012, Plaintiffs Reckitt Benckiser sought to enter the North American market for krill-based dietary supplements, which contain omega-3 fatty acids. Although Reckitt Benckiser considered acquiring Jamieson, which had marketed such products in Canada under the SUPER KRILL brand since January 2012, Reckitt Benckiser ultimately purchased the MEGARED business from Schiff Nutrition International, Inc. ("Schiff") in December 2012. Schiff had successfully sold MEGARED supplements in the United States. Schiff also owned a 2011 Canadian registration for MEGARED, which Reckitt Benckiser acquired.

The MEGARED supplements had been under review by the Canadian health authority since 2009, and in 2012 were approved for sale in Canada. Reckitt Benckiser launched its MEGARED product in Canada in December 2013, but not before Jamieson had already changed the name of its SUPER KRILL supplements to OMEGARED in June 2013. Reckitt Benckiser sent two demand letters following Jamieson’s summer re-launch, advising Jamieson that OMEGARED infringed its registered mark MEGARED. Jamieson denied all the claims and increased the scale of its OMEGARED campaign in January and February 2014, just as Reckitt Benckiser’s supplements were going to market in Canada.

Interlocutory Injunction

In considering Reckitt Benckiser’s motion for interlocutory relief, the court applied the three-part test established under Canadian law, requiring: (1) a serious issue to be tried on the merits; (2) demonstration that the plaintiff will suffer irreparable harm if the motion is refused; and (3) a balance of convenience favoring granting the injunction.

A. Serious Issue on the Merits

In considering the seriousness of the infringement issue at hand, the court gave particular weight to the fact that Reckitt Benckiser owned a valid, prior registration for MEGARED. The court also examined Jamieson’s motivations for and timing of its launch of the OMEGARED product, concluding that Jamieson had acted to preempt the launch of the MEGARED brand. The court noted that Jamieson’s actions might have had a legitimate business motivation in other circumstances. Given the timing of its “massive” OMEGARED campaign in early 2014, however, which coincided with the launch of MEGARED, the court concluded that Jamieson deliberately sought to strike out the MEGARED brand. Even the packaging Jamieson adopted for its OMEGARED product was redesigned to have a similar look to the MEGARED packaging. Furthermore, Reckitt Benckiser put forward evidence of actual confusion, and the court acknowledged the close aural and visual similarities between the MEGARED and OMEGARED marks. The court held that Jamieson deliberately infringed and passed off the MEGARED mark.

B. Irreparable Harm

The court noted that “irreparable” refers to the nature of the harm, not its magnitude, and analyzed several prior Canadian cases holding that “irreparable harm” often occurs where a party cannot collect

damages. In this case, the court found that damages would be impossible to calculate since Reckitt Benckiser never had the opportunity to enter the Canadian market to enjoy the exclusive rights to which it was entitled based on its registration for MEGARED. The court relied on case law establishing that, where there is no methodology for quantifying and comparing the loss arising from the defendant's misconduct, on the one hand, and the loss that would have been owed to normal market competition, on the other, irreparable harm will be found.

The court also held that Jamieson's actions would damage the goodwill in the MEGARED mark, and that injunctive relief is available to protect against such irrevocable loss to reputation.

C. Balance of Convenience

The balance of convenience examines whether the plaintiff or the defendant would sustain greater harm arising from an injunction, or lack thereof. The court found that Reckitt Benckiser's ownership of a valid registration entitled it to all of the statutory benefits registration provides, and that Reckitt Benckiser should therefore be "favored" under the balance of convenience analysis.

The court determined that Jamieson should not be protected, where it had infringed the MEGARED mark with its "eyes wide open." Even before Jamieson had received Reckitt Benckiser's demand letters, it had conducted a trademark search in hope of registering the OMEGARED mark. This search disclosed the prior MEGARED registration. The court held that Jamieson, in proceeding with its launch under these circumstances and with overt knowledge of Reckitt Benckiser's prior rights, had itself brought about any losses it might sustain as a result of the injunction. This case presents a notable departure from the Canadian Federal Court's general reluctance to grant interlocutory relief. Although Jamieson has appealed the decision and further developments are pending, this decision may nevertheless signal a greater readiness by the court to grant interlocutory injunctions in suitable contexts, supporting the rights and business interests of trademark owners.

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