# **Memories**

## Marshall Rothstein\*

I have been a judge for sixteen years. I have selected an early trade-mark case, a well known patent case and a recent copyright case for purposes of this contribution to the *Cahiers de propriété intellectuelle*, 20th Anniversary Edition.

#### LEARNING THE HARD WAY

I became a judge in the Trial Division of the Federal Court in 1992. My wife and I had four children at home in Winnipeg. When I became a judge I had to move to Ottawa. When we moved my wife and I brought only our youngest son of 14 years with us. The others were finishing their university studies in Winnipeg.

It was difficult for my son to make the adjustment. He did not know anyone here and the first few months were pretty rough for him.

Before I became a judge I knew nothing about intellectual property, but within a month of moving to Ottawa and becoming a judge I had my first intellectual property case. It was called *Cooper* v. *Barakett*. In 1992, there was a trade-mark, certainly well known among young people at the time, called INDIAN MOTORCYCLE. It was on T-shirts and jackets and mugs. And Cooper, the distributor of the legitimate trade-marked goods, sought an injunction to prevent Barakett from selling counterfeit INDIAN MOTORCYCLE T-shirts and other wares.

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Cooper's counsel brought the legitimate T-shirts and the counterfeit T-shirts into court and was pointing out the differences.

That afternoon, after the case was over I took home all the T-shirts to inspect them to see if I could tell the difference between them. I spread them out over the living room couches and tables and chairs and left them there when I had to go out and pick up my son from school. When we came home, we went into the living room and his eyes widened as he could not believe what he was seeing: all these INDIAN MOTORCYCLE T-shirts.

Well, he turned to me and gave me a big hug and before I could say anything he said that INDIAN MOTORCYCLE was what all the kids were wearing and he was happy that I recognized the difficult time he was going through being new in Ottawa and he really appreciated that I had brought these very popular T-shirts home for him.

Then I said, "Can you tell the difference between the T-shirts?" He looked, but he was more interested in the designs and the logos than the quality, and he could not really tell the difference.

Then I had to tell him that the T-shirts were not for him, that they were evidence in a court case I was hearing and that they had to go back to court. He thought I was joking. I wasn't.

He was so dejected that the following week-end I had to go out and buy him some INDIAN MOTORCYCLE T-shirts. The real thing I assure you. So that case actually cost me money. By the way, I granted the injunction.

#### ALMOST VINDICATED

No judge likes to be overturned by a higher court. I am no exception. When I was at the Federal Court of Appeal, I decided a well-known case called the *Harvard Mouse*, finding that higher life forms were compositions of matter, that they were inventions and therefore they could be patented. So a genetically altered mouse that was prone to getting cancer and had value for research purposes could be the subject of patent protection.

The Supreme Court wrongly overturned my decision.

However, only a year and a half later, the Supreme Court of Canada decided the *Monsanto Canada* v. *Schmeiser* case. Monsanto

had sued Schmeiser for patent infringement. Schmeiser's crop was Round-up Ready Canola, but Schmeiser had never purchased Round-up Ready seed from Monsanto, nor obtained a licence to plant it. Monsanto had a patent on the modified gene and cell into which the gene was inserted which would make the canola plant resistant to Round-up weed spray. But the seeds or plants which contain the modified gene and cell were not sought to be patented. Both the

and that where Parliament had not seen fit to distinguish between inventions concerning plants and other inventions, neither should the courts.

So who is reading words into the *Patent Act*? The majority in *Harvard Mouse* who said that ethical and environmental concerns meant that Parliament did not intend that higher life forms be patentable? Or the majority in *Monsanto* who said it was Parliament and not the court that could take moral concerns into account in limiting patentable subject matter? Each majority asserted that they were the ones interpreting the *Patent Act* and that it was the dissenters who were reading words into the Act. And of course the dissenters in each case said the opposite. I'll leave it to you to decide.

### **EVERYONE IS AN EXPERT**

A complicated area of intellectual property law involves the grey market. The grey market is the trade in goods that are supplied through unofficial, unauthorized or unintended distribution channels. Frequently, the goods come from other countries under a system of parallel importation.

Cases involving the grey market can be complicated. In 2007 we had a case in the Supreme Court called *Euro-Excellence* v. *Kraft Canada* involving the importation to Canada of CÔTE D'OR and TOBLERONE chocolate bars from Europe. These are the well known chocolate bars in long triangular packages. Kraft Foods of Europe, which produces these chocolate bars, had a Canadian subsidiary to which it granted an exclusive right to distribute the chocolate bars in this country. Another distributor, Euro Excellence obtained genuine CÔTE D'OR and TOBLERONE chocolate bars from another source outside of Canada and distributed them in Canada in competition with Kraft Canada.

Kraft Canada wanted to prevent Euro Excellence from distributing the chocolate bars in Canada. However, the chocolate bars obtained and sold by Euro Excellence were genuine Kraft TOBLERONE or CÔTE D'OR products. Therefore, there was no infringement of trade-mark. Euro Excellence was not trying to pass off counterfeit chocolate bars. They were distributing the real thing.

However, Kraft Europe had registered copyrights in Canada for the logos on the chocolate bar wrappers and had granted Kraft Canada an exclusive licence to use those copyrighted logos. Kraft Canada sued Euro Excellence for copyright infringement. Kraft Canada argued that the logos on the chocolate bar wrappers were protected by copyright and the parallel importation of these chocolate bars by Euro Excellence in the wrappers with the copyrighted logos would infringe the Kraft copyrights. Kraft was successful in the trial and appeal courts. The Supreme Court reversed the lower courts

Two judges said that s. 27(2) of the *Copyright Act* was applicable in this case and the exclusive licencee had the right to sue the owner of the copyright for infringement and therefore could prevent a competitor from the parallel importation and sale of the copyrighted logos. They would have dismissed the appeal. Seven judges disagreed and allowed the appeal.

We'll have to wait for the next case to take another stab at these issues.