

Packaging and Product Configurations

Proper Usage of Names and Marks

A trademark, if used properly, may last indefinitely. However, misuse of a mark as a generic or descriptive term can destroy the mark or weaken its scope of protection. Failure to properly use a trademark can ultimately lead to loss of the mark's recognition as a trademark. For example, the generic terms "aspirin," "thermos," and "escalator" were once valuable trademarks.

Use of Marks and Generic Terms

Whenever possible, the common or generic term for the product should be used along with the mark to show that the mark is not a generic name of the product (for example, "SANKA brand decaffeinated coffee"). On packaging and labelling, trademarks should appear prominently and be set apart from other text in order to distinguish the mark from descriptive or generic language. Trademarks should be made visually distinct, by positioning the mark apart from other text, using the word "brand" with the trademark, or by altering its size, font, or colour, or by using a highly stylized version of the trademark.

Use of Symbols

"TM" may be placed after a trademark (and "SM" for a service mark), even before an application is filed, to notify the public that the mark is being used as a mark. Alternatively, an asterisk may be used with a legend such as "MARK is a trademark of COMPANY" or "MARK is a trademark owned by COMPANY."

After registration, any of the following statutory notices is allowed: the letter R enclosed in a circle (®), "Registered in Canadian Intellectual Property Office". After registration, the legend may read "MARK is a registered trademark of COMPANY."

Additional Claims on Packaging

Although notice is not mandatory, without it or defendant's actual notice of plaintiff's registration, recovery of damages and profits in an infringement

suit are not available. To reinforce the public's awareness of an exclusive right to a trademark, an additional claim may be included on packaging or labelling. For example, "Made only by COMPANY," "Exclusively from COMPANY" or "Only from COMPANY" are acceptable.

Packaging and product configuration may be protectable as trade dress, if features such as size, shape, colour or colour combinations, texture, or graphics identify the source of the product, and distinguish the product from products manufactured by other companies. Distinctive and unusual packaging is more likely to be protected as trade dress. The source-identifying function of the trade dress can be featured in advertising (such as Owens-Corning's advertising for its pink fibreglass insulation featuring the Pink Panther).

Use of Rules of Grammar

Certain rules of grammar should be followed to distinguish trademarks from generic terms. A mark should be used as an adjective modifying a generic term, and not as a noun or verb (wrong: "buy KLEENEX when you shop next"; correct: "buy KLEENEX tissues when you shop next"). A trademark should not be used in the plural (wrong: "John Jones wears only ROCKPORTs"; correct: "John Jones wears only ROCKPORT walking shoes") or in the possessive form (wrong: "the IBM's best feature is"; correct: "the best feature of the IBM printer is").

Product Inserts

Trademarks used solely on product inserts may not be protectable. A mark identifies the source of a product, and distinguishes that product from products manufactured by other companies. A mark that appears only on inserts is often ineffective because a decision to purchase the product has already been made when the inserts are seen by consumers. Thus, it is important to use the mark on the external packaging or labelling in order to preserve rights in the mark.

Investigating Infringing Activities

Investigating for acts of patent infringement entails two primary activities: (1) understanding the scope of protection provided by a patent; and (2) ascertaining whether the activities of another company (or individual) fall within that scope.

What Constitutes Infringement?

An unexpired Canadian patent is infringed if the patented invention, without permission of the patent owner, is made, used, offered for sale, or sold in Canada or imported into Canada. A patent is infringed if a substantial portion of the components of the patented invention is exported outside Canada intentionally to combine such components outside Canada in a manner covered by the patent. A Canadian patent also is infringed if an imported product is manufactured outside Canada in the manner covered by the patent. A patent covering a system ordinarily is infringed if all of its components are located in Canada, but the patent also is infringed if a component is located outside Canada, so long as the system as a whole is "used" in Canada, where use is "the place where control of the system is exercised and beneficial use of the system obtained."

The invention that is "patented" is defined by the claims that are set forth in the patent, and a patent is infringed if one or more of those claims is infringed. Also, each of the claims is construed in light of the file history of the patent's underlying application. Thus, it is essential for a company to understand the proper construction of the claims set forth in a patent for it to truly understand what is protected.

A claim set forth in a patent can be infringed either "literally" or under the "doctrine of equivalents." For a claim to be literally infringed, every element recited in that claim must exist within a product that is made, used, offered for sale, sold, or imported by another company. A claim in a patent may also cover a process. A process claim is literally infringed if every step recited in the claim is carried out by another company. If the claimed process is carried out outside Canada, the process claim is infringed if the product that is produced by that process is imported into Canada.

In the absence of literal infringement, a claim still may be infringed under the doctrine of equivalents if the accused product or process is substantially equivalent to the patented invention. Generally, the doctrine of equivalents expands the literal scope of a patent claim to encompass insubstantial changes to a patented invention. This expansion however is limited by the doctrine of prosecution history estoppel, which provides that a patent owner is estopped from capturing subject matter that had been previously surrendered during the examination stage of the patent. The doctrine of equivalents is further limited by the basic premise that a claim cannot be expanded to cover the prior art. Because of these inherent difficulties with a claim of infringement based on the doctrine of equivalents, patent owners strongly prefer to litigate a claim in a patent that is literally infringed.

Who Can Be Liable for Infringement?

To uncover potentially infringing activities, a patent owner should periodically search for products sold by other companies, or processes carried out by other companies, that appear to fall within the scope of protection provided by its patents. Competitors and their licensees, distributors, importers, and other market participants should also be watched. Employees should be instructed to report all potentially infringing conduct of which they become aware.

While conducting its investigation, a patent owner should examine the activity of all parties that might be liable for patent infringement, including both direct and indirect infringers. A direct infringer is a party that actually infringes a patent. If a patent covers a product, Canada-based manufacturers, distributors, wholesales, retailers, and any other party making, using, offering for sale, or selling that product, as well as importers of the product, are direct infringers.

Companies that indirectly infringe a patent also are liable for patent infringement. Indirect infringers include parties that contribute to the infringement of a patent or that induce another to infringe a patent. Patent infringement is a tort, and all infringers, whether direct or indirect, are liable to the patent owner jointly and severally.