



T-118-97

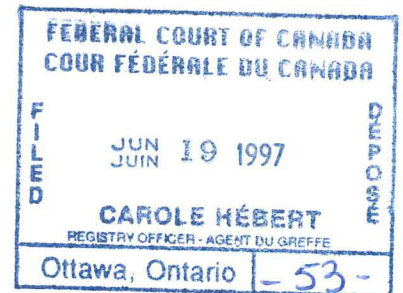
BETWEEN:

THE KUN SHOULDER REST INC.,

Plaintiff,

- and -

**JOSEPH KUN VIOLIN AND BOW MAKER INC.,
MARIKA KUN and MICHAEL KUN,**



Defendants.

REASONS FOR ORDER

TREMBLAY-LAMER J.

This is a motion brought by the Plaintiff for an order that the Defendant show cause why an order for contempt should not be granted with respect to the interim injunction order granted February 13, 1997 and for a further interim injunction relating to,

- (1) the Plaintiff's alleged Patent rights concerning violin and viola shoulder rests;
- (2) the Plaintiff's alleged rights to the design, appearance and get-up of violin and viola shoulder rests;
- (3) the trade-mark KUN in respect of which the Plaintiff has applied for a trade-mark registration;
- (4) alleged rights asserted by the Plaintiff relating to the defendants representing to the public that they are the successors of Joseph Kun in respect of the violin and viola shoulder rests business;

The Plaintiff also seeks an interim order directing the Defendants to deliver up all papers, files, prototypes, models and things in their possession, custody or control relating to violin or viola shoulder rests which were obtained from Joseph Kun, either prior to or subsequent to his death.

FACTS AND BACKGROUND

The Plaintiff, The Kun Shoulder Rest Inc. is a designer and manufacturer of shoulder rests for use with violins and violas whose head office is located in the city of Ottawa. Marina Kun is the President, chief operating officer and majority shareholder of the Plaintiff. Kun Shoulder Rest Inc. is the successor of Joseph Kun, now deceased, and is the owner of all rights of Joseph Kun, including industrial property rights, trade marks, patents of invention, goodwill, and business relating to violin and viola shoulder rests. Marina Kun is the former wife of Joseph Kun.

The individual Defendants are the children of Joseph Kun from a previous marriage. The Defendant, Joseph Kun Violin and Bow Maker Inc., is a company incorporated by the individual Defendants.

Joseph Kun engaged in the design and manufacture of violin and viola shoulder rests in Ottawa, Canada, and the sale of these shoulder rests throughout the world, since approximately 1970. Mr. Kun carried on a violin and bow making business as well. In or around 1975, Marina Kun began working with Mr. Kun whose business was then as an unincorporated proprietorship. Mr. Kun got married with Marina Kun in 1993. Their matrimonial agreement divided the business between them.

While Mr. Kun retained the violin and bow making business, the shoulder rest business was conveyed to Marina Kun.

Subsequent to the 1993 agreement, Mr. Kun continued the violin and bow making business. The Plaintiff, with Marina Kun as President, continued the shoulder rest business as a separate, unrelated legal entity.

On April 5, 1994, in a further memorandum of agreement which amended their original matrimonial agreement, Mr. Kun expressly assigned to the Plaintiff all of his patents, industrial and intellectual property rights in and to shoulder rests. Under the terms of the amending agreement, the obligations of Mr. Kun were to be binding upon his heirs, executors, and administrators.

The violin and viola shoulder rests have been advertised and sold worldwide since at least 1971 in association with the trade-mark KUN and have achieved recognition as the premier shoulder rests in the world for use by violonists and violists in orchestras and as soloists. Advertisement now identify the KUN shoulder rests with the Plaintiff.

Mr. Kun died in April, 1996. The individual Defendants, Michael and Marika Kun, are two of the four heirs to Joseph Kun's estate and are also the trustees. They did not inherit any interest in the the Kun shoulder rest business. They, however, inherited from their father the business of Joseph Kun violin and bow maker. They incorporated the Defendant company, Joseph Kun Violin and Bow Maker Inc., to continue this business.

On July 29, 1996, Michael and Marika Kun incorporated a company for the manufacture of shoulder rests. This company was M & M Kun Violin and Bow Maker Inc. The individual Defendants and their newly incorporated company intended to use the trade-mark KADENZA to market their shoulder rests.

In December, 1996, the Plaintiff put the Defendants on notice that it objected to the Defendants proposed shoulder rest business and would take action to protect its rights. Nevertheless, the Defendants circulated to distributors and customers around the world, a "greetings" card which announced a "new generation of shoulder rests". The Defendants included a notation in the card. They indicated that these shoulder rests would be exhibited at the Frankfurt, Germany Music Fair commencing February 26, 1997.

On January 23, 1997, the Plaintiff brought a motion for an interim injunction order restraining the Defendants from, *inter alia*, displaying shoulder rests at the Frankfurt Fair in association with the name Joseph Kun Violin and Bow Maker Inc. On February 13, 1997, Mr. Justice Nadon issued an interim injunction, applicable only to the Frankfurt Fair and subsequent music fairs, restraining the Defendants from, in essence, promoting and selling their new KADENZA shoulder rest in association with the names "Kun" or "Joseph Kun, Violin and Bow Maker" or "Joseph Kun Violin and Bow Maker Inc." Nadon J. stated, however, in his reasons, that "nothing prevents Michael and Marika Kun from attending the Frankfurt Fair and promoting their KADENZA".

Shoulder rests with the trade-marks KADENZA KLASIK and KADENZA KOMPAK were displayed at the Frankfurt Fair and

subsequently have been manufactured and sold to the public. These events led the Plaintiff to file the present motion.

I shall deal in turn with both issues arising from the Plaintiff's motion.

SHOW CAUSE ORDER

The plaintiff first stresses that notwithstanding the interim injunction granted by Nadon J., the defendants attended the Frankfurt Music Fair to display their KADENZA shoulder rests at a booth identified in the music fair program guide under the name Joseph Kun Violon and Bow Maker Inc. They distributed business cards and letters bearing the name KUN in association with the advertising and displaying of their shoulder rests.

The Defendants, on the other hand, indicate that all the shoulder rests manufactured and sold by them have been sold with either the trade-marks KADENZA KLASIK or KADENZA KOMPAK. They never used either Joseph Kun Violin and Bow Maker Inc. or M & M Kun Violin and Bow Marker Inc. on any KADENZA shoulder rest packaging sold or distributed to the public.

First, I do not agree with the plaintiff that the defendant should not have attended the Frankfurt Music Fair. On the contrary, as indicated above, the order of Nadon J. expressly allowed them to attend. Further, it flows from the correspondence that the organizers of the Fair were notified to remove the name KUN from any material which referred to the defendant's booth at the fair at the last minute. However, the catalogues were already printed and had already been distributed. Thus,

it was not within the power and control of the defendants to remedy the situation. In these circumstances, they cannot be found to have contravened Nadon J.'s order.

As to the use of business cards and signature, it is obvious, in my opinion, that nothing can be done legally to preclude an individual from using his own name.

The evidence in the record supports the Defendants' assertions and shows that the KADENZA shoulder rest and its packaging was only marked with the KADENZA trade-mark. The trade-mark "KUN" was not used in the KADENZA booth and on the material distributed therein, the word KUN only appeared in the catalogues which had already been printed on the date of Nadon J.'s order.

As stated by Marceau J.A., delivering the judgment of the Court in *Valmet OY v. Beloit Canada Ltd.*:¹

...it is well established that the activity said to have constituted the contempt must be one clearly covered by the prohibition, which implies that it be expressly or by necessary inference mentioned in the order.

Clearly, this is not the case here. Thus, it would, in my opinion, be inappropriate to issue a show cause order.

INTERIM INJUNCTION

As indicated above, Mr. Justice Nadon issued an interim injunction order on February 13, 1997. The Plaintiff's application for an interlocutory injunction is to be heard in September, 1997. In the meantime, the Defendants have provided an undertaking to the Court not

¹ (1988), 20 C.P.R. (3d) 1 (F.C.A.) at 17.

to use "M & M Kun Violin and Bow Maker Inc.", "Joseph Kun", "Joseph Kun Violin and Bow Maker" or "Joseph Kun Violin and Bow Maker Inc." on packaging or advertising material for violin or viola shoulder rests until a judgment is rendered at a trial on the merits of the case in their favour. The Defendants also undertook to keep an accounting until trial of all sales of the KADENZA shoulder rests manufactured and sold to the public. Notwithstanding this, the Plaintiff now seeks a further interim injunction and an interim order directing the Defendants to deliver up materials relating to violin and viola shoulder rests.

General Principles

The purpose of an interim injunction is not to replace the interlocutory injunction. It is generally requested *ex parte* when the urgency is such that the applicant cannot wait for the application for the interlocutory injunction to be heard. The injunction is then granted for a period not exceeding ten days. When both parties, as here, appear, make exhaustive legal submissions and adduce extensive affidavit evidence, they are in fact arguing an application for an interlocutory injunction. By proceeding this way and misnaming it a motion for an interim injunction, the parties unduly avoid the requirements of Rule 321.1 of the *Federal Court Rules* (the "*Rules*"),² namely the filing of a record at least 10 clear days before the date of the hearing. It is an attempt, in my opinion, to circumvent procedural requirements which were enacted *inter alia* to assist judges in deciding applications of such importance.

The granting of interim injunctions is provided for in sub-Rule 469(2) of the *Rules*. It marks a clear departure from the procedural

² C.R.C. 1978, c. 663, as amended.

requirements which are applied to standard applications for interlocutory injunction. Both the *Rules* and the particular nature of an application for an interim injunction require that the applicant demonstrate an urgency of such importance that there is no alternate way to proceed in order to counter the harm that might or is actually occurring.

Application to the facts of the case at hand

In the case at bar, the Plaintiff submits it cannot wait until September for its application for an interlocutory injunction to be heard because the overwhelming success of the Defendants during the intervening period of three months would continue to devastate its business. The Plaintiff submits that the delay will cause it to suffer immeasurable harm.

In deciding whether the Plaintiff has shown a "great urgency" which would warrant the issuance of an interim injunction order, I note that the plaintiff's previous motion for interim injunction was granted on February 13, 1997. The Plaintiff, however, has not managed to move ahead with its application for an interlocutory injunction before May, 1997 when it asked that a date for the hearing be determined. The Plaintiff now argues that there is "great urgency".³ However, his behavior shows the opposite. For that sole reason, I am of the view that the Plaintiff's motion for a further interim injunction must fail.

³ See, by analogy, *Entreprise Rent-A-Car Co. v. Singer* (1993), 49 C.P.R. (3d) 537 (F.C.T.D.), wherein Noël J. stated that:

Interim injunctive relief can be obtained ex parte so as to allow a party to counter the immediate harm which can result from unilateral actions taking place in violation of his or her rights. By its nature, the relief sought contemplates the need for urgent redress. It would be unusual to grant such a relief where the behaviour on the part of the party sought to be restrained is known to the aggrieved party and tolerated for a substantial period of time.

Further, in light of the Defendants' undertakings to the court not to use the impugned names on packaging and advertising material for violon or viola shoulder rests and to keep a separate accounting of all the sales of KADENZA shoulder rests, I am satisfied that the applicant did not show that he would suffer irreparable harm not compensable by monetary damages should his application be dismissed. Indeed, any loss of market share caused by the alleged infringements would, in my opinion, be readily ascertainable.

For these reasons, the Plaintiff's motion is dismissed with costs.

OTTAWA, ONTARIO
This 18th day of June 1997

JUDGE