



# Making your mark and protecting your brand online in Canada

## Part one – Brand enforcement online

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**In short:**  
Grey market goods can cause significant harm to a brand. While, grey market sales can be difficult to combat through traditional trademark and copyright law approaches, enforcement may be achieved through contractual allegations or asserting related IP rights.

### **Title: Grey market goods (parallel imports) and web sales**

#### **Key takeaways**

- Grey market goods (aka parallel imports) are genuine trademarked goods that are sold outside of authorized channels
- Typical scenario: goods are legally manufactured and/or distributed in one jurisdiction but then imported and sold into another jurisdiction without the consent of the brand owner
- Can arise from leakage at manufacturer level, distributor level or customer level
- Difficult to enforce against in Canada using traditional trademark and copyright law approaches
- Success may be possible if: differences in labelling or quality of products; different IP ownership; regulatory non-compliance
- Alternate approaches, such as enforcing contractual claims or asserting related IP rights (e.g., unauthorized seller is using copyrighted or trademarked material to advertise the sales), can yield success
- Take proactive steps such as: (i) building terms into manufacturing and distribution agreements (e.g. rights of audit, territorial clauses, quota limitations, liquidated damages); (ii) registering key brands in jurisdictions where manufacturing and sales occur; (iii) registering with brand owner programs offered by e-commerce platforms; and (iv) consistent monitoring of supply and distribution chains and web content (social media, e-commerce platforms)
- Enforcement steps may include: (i) purchase of test products; (ii) engagement of social media/e-commerce platform complaint systems; (iii) cease and desist letters; and (iv) lawsuit against seller and/or ultimate source of goods (third party manufacturer/distributor)

#### **Key contact**



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