Review of *Brand Management in Canadian Law* 5th ed. by John McKeown*

BRYCE TINGLE**

The last time the World Economic Forum measured national competitiveness in a granular way, Canada scored well: we were sixteenth out of one hundred and twenty-five countries.[1] We were particularly good at things like "health and primary education," "market efficiency," and business sophistication."[2] Where did we do especially poorly? Something called "value chain presence," in which Canada ranked worse than every other country in the OECD, fitting alongside countries like Pakistan, Greece and Latvia. "Value chain presence" essentially relates to whether a country's companies export design, marketing, and other high-value contributors to product value. These are the activities that go into building brands. The alternative to a high ranking in "value change presence" is usually a country that, like Canada, primarily exports natural resources.[3]

Canada's failure to create strong, internationally successful finished products is a long-established fact. In their 2001 report, *Canadian Competitiveness: A Decade after the Crossroads*, Roger Martin and Michael Porter noted that Canada's competitiveness ranking was particularly

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1 Klaus Schwab et al., "The Global Competitiveness Report 2006 – 2007" (2006) at 186, online (pdf): *World Economic Forum* <https://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2006-07.pdf> (the World Economic Forum ceased to provide detailed measurements and rankings of multiple factors going to competitiveness the following year).

2 *Ibid*.

3 *Ibid* at 531.

dragged down by, among other related factors, the "extent of branding."[4] Forbes' list of the "World's Most Valuable Brands" in 2020, did not include a single entry from Canada.[5] Even domestically, the biggest Canadian brands tend to be banks and telecommunication companies, and as one expert put it, "these are the kinds of brands we would expect to see at the top of a ranking in a developing economy, rather than a mature economy."[6]

Brands matter because they allow companies to capture greater profits than if their goods trade as commodities. Brands allow for differentiation and create barriers to entry; brands develop loyal customers, and they communicate intangible qualities that exceed the mundane reality of a product or service. Take the brand away from Coca-Cola and you have a moderately tasty, carbonated drink that is in no way connected to summer days spent with friends, American exceptionalism, or Christmas. No one would pay a premium for a soda with a similar taste profile to dozens of competitors.

Building brands is particularly important for Canadian entrepreneurial ventures. Brands are key to successful marketing strategies, and they are now extremely important contributors to enterprise value. Venture capitalists in this country are much more interested in financing firms focused on developing brands than those that are merely providing ingredients or components to other companies' value chains, even if the economic profiles of the two businesses are broadly similar. Brands act as a multiplier of cash flows; VCs know this, and they invest accordingly.

John McKeown's *Brand Management in Canadian Law* should be of particular interest to entrepreneurial ventures of all types. It is an excellent introduction to both the relevant law and brand strategy. McKeown's guidance on what makes for a good brand name, for example, is truly

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4 Roger Martin & Michael E Porter, "Canadian Competitiveness: A Decade after the Crossroads" (2001) at 12, online (pdf): *Rotman School of Management* <http://www-2.rotman.utoronto.ca/rogermartin/Competitiveness.pdf>.

5 Marty Swant, "The World's Most Valuable Brands: 2020" (2020), online: *Forbes* <https://www.forbes.com/the-worlds-most-valuable-brands/#36754f77119c>. See also Interbrand, "Best Global Brands" (last accessed 6 June 2022), online: *Interbrand* <https://interbrand.com/best-global-brands/> (another ranking of the top global brands with no Canadian firms in the top 100).

6 Quoted in Pamela Heaven, "Posthaste: Royal Bank Ranked Canada's Most Valuable Brand, Taking Crown from TD" (March 30, 2022), online: *Financial Post* <https://financialpost.com/executive/executive-summary/posthaste-royal-bank-ranked-canadas-most-valuable-brand-taking-crown-from-td>.

excellent, and deserves a place in a legal text, since lawyers are often at the table when entrepreneurs choose a corporate name or decide to seek trademark protection for a new product.[7]

Brand Management is also strong when it comes to integrating the relevant Canadian legal regimes with guidance on advertising campaigns and creating effective brand management processes.[8] McKeown's willingness to regularly update the text (now in its fifth edition) is also exemplary, as the arena in which brands are built can change dramatically over just a few years. The rise of social media in the past fifteen years, for example, presents marketers with a radically new environment in which to promote and defend their brands.

While the law in *Brand Management* is up to date, there are a few places where the text's description of the marketing environment is left over from earlier editions. For example, too much time is spent talking about the ways in which the Internet has changed the way products and services are marketed.[9] This was helpful early in this century, but the Internet by now has become the air we breathe in marketing; its benefits and challenges well understood. Similarly, certain factual assertions in the text need updating. Hotmail, for example, is no longer the "largest email provider in the world," having been surpassed by Gmail ten years ago.[10] Similarly, there is no mention in the text of "Instagram" or "Tik Tok," and "influencers" receive only three short paragraphs of (useful) attention, notwithstanding these platforms and personalities are arguably among the most important elements today of brand-building for consumer products.[11]

History occasionally bedevils *Brand Management* in other ways. Thoughtful lawyers know that the law is not just what is written in statutes or found in case law, but it includes the policy approaches that are reflected in the law and that seem to be informing the law's evolution.[12] Having a

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7 John McKeown, *Brand Management in Canadian Law*, 5th ed (Toronto: Thomson Reuters, 2019) at 17-25.

8 *Ibid* at chs 8 & 9.

9 See e.g. *ibid* at 89-90. See also *ibid* at 92-93 (explaining the internet).

10 *Ibid* at 90. See Sean Ludwig, "Gmail finally blows past Hotmail to become the world's largest email service" (28 June 2012), online: *Venture Beat* <https://venturebeat.com/2012/06/28/gmail-hotmail-yahoo-email-users/>.

11 See e.g. McKeown, *supra* note 7 at 162 & 165 (listing the most popular sites as Facebook, Twitter and YouTube (citing 2011 research).

12 See especially Ronald Dworkin, *Law's Empire* (Cambridge, Mass: Belknap Press for

sense for the trajectory of an area of law helps lawyers anticipate how judges and regulators will interpret statutes and cases, as well as how authorities will understand market behaviour. A focus on historical changes to the law is also useful for educating experienced practitioners on the ways their old understandings of the law need to be brought up to date.

These are valid reasons for including legal history in a text, but they inevitably conflict with another goal: educating inexperienced lawyers and even businesspeople on the law in this area. Some of the historical analysis in *Brand Management* will frustrate novices to this area of law by adding unnecessary complexity to the straightforward task of explaining the current state of the law. For example, it is probably unnecessary to provide deep detail (fifteen pages) on the way *The Economic Action Plan* of 2014 altered various aspects of trademark law.[13] The way in which the definition of "sign" was incorporated into the definition of "trademark," following European practice, is interesting, but profoundly ancillary to a reader whose sole interest is understanding the current state of the law.[14]

There are many texts where these sorts of subterranean legal tours would not be an occasion for comment, but McKeown has written such a clear and accessible text, that any impediment to its widespread adoption seems like a shame. The truth is that lawyers in practice are seldom called when a marketing team is dealing with a bad product review on Amazon, or a critical tweet that is gaining traction. The contents of *Brand Management* should therefore be familiar to businesspersons, as well as their lawyers, including the kind of general practitioners who advise new ventures. The market need for this book is much broader than just experienced intellectual property lawyers.

McKeown is one of Canada's leading experts on intellectual property generally. In addition to *Brand Management* he has written three books covering the relevant ground, and he has been cited by the Supreme Court of Canada and the Federal Court of Appeal.[15] Invariably, when quibbles

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Harvard University Press, 1986).

13 McKeown, *supra* note 7 at 28-43.

14 *Ibid* at 29.

15 See Public Performance of Musical Works, Re, 2012 SCC 34 at nn 24, 38, 82, 125; Reference re Broadcasting Act, S.C. 1991 (Canada), 2012 SCC 68 at nn 36, 74; Robinson c Films Cinar inc, 2013 SCC 73 at nn 35, 77; Canadian Broadcasting Corp *v* SODRAC 2003 Inc, 2015 SCC 57 at n 53; Keatley Surveying Ltd *v* Teranet Inc, 2019 SCC 43 at nn 57, 129; Planification-Organisation-Publications Systèmes (POPS) Ltée *v*

arise with respect to some advice on strategy, the root of the issue is never the law, but the difference between the sorts of established companies that legal texts often assume, and the scrappy, poorly-funded, and export-oriented startups for whom branding is so essential.

On the subject of URLs, *Brand Management* opines, "[t]he use of a .ca domain names [sic] suggests a close connection with Canada and may be perceived as more reliable by Canadian consumers. Similar considerations will apply to other countries."[16] This is absolutely correct, but for a new Canadian entrepreneurial venture the emphasis would change to something like, "the largest consumer market in the world is in the United States and so for Canadian companies hoping to scale their business by taking advantage of their proximity to that market, they should attempt to secure a .com URL, as that is the most familiar and prestigious to U.S. consumers. A .ca suffix will be fine for Canadian consumers, but a matter of concern for Americans."

Similarly, it is not realistic to expect the typical start-up to seek an opinion "concerning the potential availability and registrability of the proposed [trade]mark."[17] When working with more established firms, the lawyer's objective is to ensure that everything possible is done to prevent adverse legal surprises. In contrast, for entrepreneurial ventures, the lawyer's goal is to help them decide what legal work is absolutely essential, and what risks they can probably get away with accepting. Many start-ups do their own trademarking to save on legal fees, but this means getting formal legal opinions is not likely to be adopted as part of their strategy until they are well along in commercializing their products. Fortunately, McKeown provides a comprehensive discussion of the kinds of searches that can be conducted by anyone to determine if a proposed mark infringes on another. (This is another example of the reason that *Brand Management* deserves to be read by businesspeople as well as solicitors with a general corporate practice.)

There is a final way that *Brand Management* assumes a sophisticated Canadian enterprise in its approach. It outlines the relevant regulations and practices, but often assumes the company will know what to do with

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9054-8181 Quebéc Inc, 2014 FCA 185 at n 68; PS Knight Co Ltd *v* Canadian Standards Association, 2018 FCA 222 at n 161.

16 McKeown, *supra* note 7 at 103.

17 *Ibid* at 70.

this information. It is one thing to know how copyright and trademark law apply to "gripe" or "sucks" sites, but how should a firm respond to these sites? When do libel and defamation laws apply?

In the same way that securities lawyers need to understand the rules of the principal stock exchanges in Canada, brand managers need to understand the rules of Amazon, eBay, Yelp, Facebook, and Google when it comes removing fraudulent comments or ensuring their brands are not associated with unacceptable content on those platforms. Large, established companies know these things, but Canadian entrepreneurs could use more guidance than *Brand Management* provides.

To note that a text is missing certain perspectives or details is merely to note the existence of finitude. No book can include everything or be addressed to every party. *Brand Management* is the best book in Canada on the legal aspects of managing a brand. It deserves to be read widely and used extensively by entrepreneurs and lawyers working to improve our country's competitiveness by creating the next great products with strong, carefully protected, identities.