Federal Court



Cour fédérale

Date: 20161207

Docket: T-1687-15

Citation: 2016 FC 1339

Ottawa, Ontario, December 07, 2016

PRESENT: The Honourable Madam Justice McDonald

BETWEEN:

THOI BAO INC.

Applicant

and

1913075 ONTARIO LIMITED O/A VO MEDIA, TUAN THANH VO, AND TAM HOANG THANH TRAN

Respondents

JUDGMENT AND REASONS

[1] THOI BAO Inc. [TB Inc. or Applicant] claims that its rights under the *Copyright Act*, RSC, 1985, c C-42 and under the *Trade-marks Act*, RSC, 1985, c T-13 were infringed by the Respondent, Tuan Thanh Vo [Mr. Vo], who operated an infringing website. TB Inc. asks for an injunction and damages. [2] TB Inc. is a Vietnamese language news company offering news services across Canada through a number of platforms including newspapers, television shows, radio, and online.

[3] The claims against the Respondents, 1913075 Ontario Limited o/a Vo Media [Vo Media] and Tam Hoang Thanh Tran [Ms. Tran] were resolved prior to the hearing of this matter. The hearing proceeded only against Mr. Vo.

[4] Mr. Vo requested an adjournment when the matter was first scheduled to be heard in May 2016, to allow him additional time to file evidence. However he did not file any evidence. When the matter came back for this hearing, Mr. Vo attended the hearing in person, but did not offer any evidence, other than to state he no longer owns the domain name of the infringing website. Mr. Vo was not represented by legal counsel.

[5] For the reasons that follow, the application of TB Inc. is allowed and an injunction and damages are awarded against Mr. Vo.

I. <u>Background</u>

[6] TB Inc. relies upon the affidavit evidence of its Publisher, President and Chief Executive Officer, Dat Tuan (David) Nguyen. Mr. Nguyen states that THOI BAO means "time newspaper". He states that the company's newspapers have an average circulation of 48,000 copies per week, with an average total readership across Canada of over 100,000 per issue. He states that TB Inc. has used a number of trade-marks in association with its news services, including:

- a) THOI-BAO (registered in 1996; purportedly used in Canada in association with newspapers since 1987);
- THOI BAO (applied-for mark; purportedly used in Canada in association with: newspapers since 1987; radio since 2009; the internet since 2012; and television since 2013);
- c) TBTV (applied-for mark; purportedly used in Canada in association with television and the internet since 2013); and
- THOI BAO TV (copyrights asserted used in association with television and the internet since 2013).

[7] Mr. Nguyen explains that the company's news website, www.thoibao.com, was launched in 1999. Since 2012, it has streamed audio and video, and self-produced television shows and newscasts. Between January 2015 and October 2015, the website averaged around 45,000 visitors each month. The company also has a Facebook page: "THOI BAO – THE VIETNAMESE NEWSPAPER", and in 2013, they launched the TBTV Daily Show, a news webcast available on its website.

[8] Mr. Vo and the Respondent Ms. Tran were employees of TB Inc. In November 2013, the domain name www.thoibaotv.com was registered by Mr. Vo or Ms. Tran, or both, without the consent or knowledge of TB Inc. In 2014, the corporation Vo Media was created. Vo Media provides online news in Canada in the Vietnamese language via the website: www.thoibaotv.com, online news and media services in association with the trade-marks, trade-names, Meta tags and "hidden text" THOI BAO, TBTV, THOI BAO TV.

[9] It is important to note that Vo Media (www.vomedia.com) and the infringing website, share the same IP address (192.254.233.43).

[10] The infringing website is substantially similar to TB Inc.'s website, www.thoibao.com, in the following ways:

- a) Prominent use of the term TBTV Online as the website title;
- b) Audio and video streaming of television shows and newscasts that were produced by TB Inc.;
- c) An Internet news portal featuring links to news agency services;
- d) An online website with news, editorials and opinions on current events;
- e) Meta tags incorporating the Mark THOI BAO throughout its source code; and,
- f) Webcasts of news shows that were produced by TB Inc.

[11] A Facebook page titled THOI BAO TV was also developed by Mr. Vo and / or Ms. Tran, which contained different links to the infringing website.

[12] Neither Ms. Tran nor Mr. Vo are authorized licensees of THOI BAO, and they are not authorized to use, in whole or in part, any of the TB Inc.'s Marks. Additionally, they are not authorized to reproduce, adapt and / or publicly present TB Inc.'s cinematographic works. Ms. Tran's and Mr. Vo's activities are also done without any payment or compensation to TB Inc.

[13] As there is no responding evidence before the Court, this application is similar to an *ex parte* motion for default judgment, where the allegations in the Notice of Application are taken

as being denied. TB Inc. therefore has the onus, on a balance of probabilities, to prove that it is entitled to the relief claimed: *Teavana Corporation v. Teayama Inc.*, 2014 FC 372 at para 4 [*Teavana Corp*].

[14] The following are the issues to be determined:

- A. Is Mr. Vo personally responsible for any infringing activity?
- B. Has Mr. Vo engaged in an infringing activity contrary to section 20 of the *Trademarks Act*?
- C. Has Mr. Vo passed off TB Inc.'s trade-marks as his own contrary to section 7(b) of the *Trade-marks Act*?
- D. Has Mr. Vo depreciated the goodwill of TB Inc.'s trade-marks contrary to section22 of the *Trade-marks Act*?
- E. Has Mr. Vo engaged in activity that violated TB Inc.'s copyright pursuant to s.27(1) of the *Copyright Act*?
- F. Has TB Inc. proven entitlement to damages and an injunction?
- II. <u>Analysis</u>
- A. Is Mr. Vo personally responsible for any infringing activity?

[15] As a preliminary matter, this Court must determine if Mr. Vo can be held personally responsible for the alleged infringing activity of 1913075 Ontario Limited doing business as Vo Media. [16] For a finding of personal responsibility, there must be a deliberate, wilful and knowing pursuit of a course of conduct that was likely to constitute infringement or an indifference to the risk of infringement, as opposed to the direction of the company in the ordinary course of the personal Respondent's relationship to it: *Society of Composers, Authors and Music Publishers of Canada v. 1007442 Ontario Ltd. (c.o.b. I Don Knows)*, 2002 FCT 657 at para 19.

[17] TB Inc. submits that a finding of personal liability is warranted against Mr. Vo for the following reasons:

- a) Prior to incorporating Vo Media, and while employed as a webmaster with TB Inc., Mr. Vo registered www.thoibaotv.com without the company's consent or knowledge;
- b) Mr. Vo was aware of the THOI-BAO family of Marks from his employment with TB Inc.; and
- c) Mr. Vo failed to respond to the demands of TB Inc. and attempted to conceal his activity.

[18] Mr. Vo was employed as a television cameraman, editor, supervisor, and webmaster with TB Inc. from August 31, 2013 until July 31, 2014.

[19] It is alleged that Mr. Vo registered the domain name www.thoibaotv.com on November 18, 2013, while he was still employed with the company. Mr. Nguyen claims that Mr. Vo did not inform his former employer of this act, nor did he have the consent of the company to do so. [20] According to Mr. Nguyen, after Mr. Vo and Ms. Tran left the company, they launched Vo Media together in August 2014. A Business Names Report attached to Mr. Nguyen's affidavit indicates that the name "Vo Media", which is the business name of the Respondent's numbered company, which was registered on May 12, 2014. Ms. Tran is listed as the sole director of Vo Media. However, according to Mr. Nguyen, both Mr. Vo and Ms. Tran have publically acknowledged that they are co-founders of the business. As proof, Mr. Nguyen presents two screenshots of a YouTube video, dated September 2014 (Exhibit M), in which Ms. Tran states that she and Mr. Vo are the co-founders. Mr. Nguyen has also adduced a THOI BAO newspaper article, dated September 6, 2014, which covered the launch of Vo Media in support of the company's former employees (Exhibit N).

[21] Based upon the evidence, I am satisfied that Mr. Vo had a hands-on and personal involvement in the deployment of Vo Media and its website development and content. Therefore, if TB Inc. can establish the existence of infringing activity, Mr. Vo will be personally responsible.

B. *Has Mr. Vo engaged in an infringing activity contrary to section 20 of the Trade-marks Act?*

[22] Section 19 of the *Trade-marks Act* grants the owner of a trade-mark the exclusive right to use the mark in Canada. Section 20 of the *Trade-marks Act* is triggered if someone else sells, distributes or advertises wares or services with a confusing trade-mark or trade-name.

[23] The allegedly confusing activity by Mr. Vo is the operation of the website

www.thoibaotv.com. As compared to TB Inc.'s registered website name www.thoibao.com.

[24] The legal test for confusion was explained by the Supreme Court of Canada [SCC] in Canada in *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23 [*Veuve Clicquot*] at para 20:

> The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark], at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[25] In other words, it must be determined if, as a matter of first impression, "a casual consumer somewhat in a hurry" who sees the Respondents' name or mark, and has no more than an imperfect recollection of the Applicant's trade-mark, would be likely to think that the Respondents' ware or services would be from the same source as those of the Applicant. (*Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27 [Masterpiece] at para 41.)

[26] Section 6(5) of the *Trade-marks Act* states that the Court must consider all the surrounding circumstances, including the following factors, in determining whether trade-marks are confusing:

- a) The inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- b) The length of time the trade-marks or trade-names have been in use;
- c) The nature of the goods, services or business;

- d) The nature of the trade; and
- e) The degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

[27] In this regard, the SCC in *Masterpiece* established that in applying the section 6(5) factors to the question of confusion, it is generally appropriate to begin with the consideration of the degree of resemblance between the marks or names, as this is a factor that is often likely to have the greatest effect on the confusion analysis (*Masterpiece*, para 49). If there is a strong degree of resemblance between the parties' marks or names, the question now becomes whether any of the other circumstances reduce the likelihood of confusion to the point that confusion is unlikely to occur (*Masterpiece*, para 104).

[28] Here, the website name used by Mr. Vo is THOIBAO, while TB Inc.'s registered mark is THOI-BAO. There can be no doubt that these two trade-marks have a strong, in fact an almost identical, resemblance. Mr. Vo has therefore taken a substantial part of TB Inc.'s distinctive THOI-BAO trade-mark.

[29] I agree with the Applicant that the remaining confusion considerations listed in section 6(5) of the *Trade-marks Act* do not minimize the likelihood of confusion. First, the Applicant's Mark THOI-BAO has been registered and in use since 1996 and is very well known within the Vietnamese-speaking Canadian community as both a newspaper, and more recently, a multi-media and online news company. The www.thoibaotv.com website, on the other hand, has been operating for a short period of time. As well, there is no evidence as to whether the infringing

website became well known. Additionally, not only is the nature of the goods, services or business similar, but the customers and communities targeted, ethnic news media in Canada and Vietnamese-speaking Canadian community, are the same.

[30] For the reasons above, I am of the opinion that a casual consumer seeing the website THOIBAO and having no more than an imperfection recollection of THOI-BAO's trade-mark, would likely be confused regarding the source of those services.

[31] I therefore conclude that this conduct is an infringement of TB Inc.'s rights to the exclusive use of its registered trade-mark, contrary to section 20 of the *Trade-marks Act*.

C. Has Mr. Vo passed off TB Inc.'s trade-marks as his own contrary to section 7(b) of the Trade-marks Act?

[32] Section 7(b) of the *Trade-marks Act* prohibits conduct which directs public attention to their wares, services or business in such a way as to cause or likely to cause confusion. Here, the question is whether Mr. Vo directed attention to his website away from TB Inc.'s wares or services to his own website.

[33] In *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 S.C.R. 120, the SCC defined three necessary components to a passing-off action: 1) the existence of goodwill 2) deception of the public due to misrepresentation and 3) actual or potential damage to the Applicant (see page 132). This statement was confirmed in *Kirkbi AG v. Ritvik Holdings Inc.*, 2005 SCC 65 (see paras 66-69).

[34] TB Inc. argues that the THOI BAO family of Marks has the established goodwill in respect of the distinctiveness of its goods, wares and services. The second component, creating confusion to the public, is easy to establish given the almost identical use of wording. The last component, which is the matter of determining if the Applicant has or feasibly will experience damages due to Mr. Vo's activities, has also been established.

[35] I am satisfied that TB Inc. has established passing off contrary to section 7(b) of the *Trade-marks Act*.

D. Has Mr. Vo depreciated the goodwill of TB Inc.'s trade-marks contrary to section 22 of the Trade-marks Act?

[36] Under this provision of the *Trade-marks Act*, the issue for consideration is whether Mr. Vo's actions have or are likely to have the effect of depreciating the goodwill value of the Applicant's trade-mark.

[37] The SCC in *Veuve Clicquot* determined at para 46 that a section 22 infringement of the *Trade-marks Act* has four elements:

- a) That a claimant's registered trade-mark was used by the defendant in connection with wares or services;
- b) That the claimant's registered trade-mark is sufficiently well known to have significant goodwill attached to it;
- c) That the claimant's Mark was used in a manner *likely* to have an effect on that goodwill; and

d) That the *likely* effect would be to depreciate the value of its goodwill.

[38] Here, it is apparent that Mr. Vo used TB Inc.'s registered Mark THOI-BAO in connection with his wares or services. The mark is well known, having been registered since 1996 with a circulation of 48,000 copies of the THOI BAO newspaper. Mr. Vo used the THOI BAO's trade-mark for the name of a website of inferior quality, which projects an unprofessional character which is therefore likely to depreciate the value of the goodwill attached to TB Inc.'s trade-mark. TB Inc.'s trade-mark has developed a strong reputation and goodwill in Canada in the field of Vietnamese-language news services. In fact, TB Inc. produced evidence of awards and recognition it has received for its community involvement.

- [39] I therefore find that Mr. Vo's activities contravene section 22(1) of the *Trade-marks Act*.
- E. Has Mr. Vo engaged in activity that violated TB Inc.'s copyright pursuant to s. 27(1) of the Copyright Act?

[40] TB Inc. claims that its presumed copyright in the daily news program was infringed byMr. Vo when he played two of its daily shows on his website.

[41] When a copyright has not been registered, paragraph 34.1(1)(a) of the *Copyright Act* states that a copyright is presumed to subsist in the work at issue, unless the contrary is proven. When a copyright is presumed to subsist, originality is also presumed in the work. (see *Positive Attitude Safety System Inc. v. Albian Sands Energy Inc.*, 2004 FC 1022 at para 35.)

[42] Here, since TB Inc. is the first author and broadcaster of the TBTV Daily Shows, it is also the owner of the copyright in these works.

[43] The evidence shows that Mr. Vo's website, www.thoibaotv.com, broadcasted the identical TBTV Daily Shows on at least two occasions. Mr. Vo has not filed any evidence to rebut the presumption. Therefore, copyright in these productions is presumed to exist.

[44] By broadcasting the TBTV Daily Shows on the www.thoibaotv.com website, Mr. Vo violated TB Inc.'s cinematographic copyright contrary to the *Copyright Act*.

F. Has TB Inc. proven entitlement to damages and an injunction?

(1) Trade-mark Infringement

[45] TB Inc. submits that damages are presumed to result from a finding of infringement, even where there is no proof of loss of business. As Mr. Vo has not produced any evidence, it is impossible to determine what, if any, revenues he has earned with the use of the THOI BAO name.

[46] In the circumstances, TB Inc. argues that the appropriate convention for assessing its quantum of damages is the reasonable fees it would have charged Mr. Vo for the use of its Mark THOI BAO. TB Inc. claims \$22,500, based in part on the \$15,000 minimum annual royalty that it would have charged for the use of its Mark in association with web based Vietnamese-

language news (*Pick v. 1180475 Alberta Ltd (Queen of Tarts*), 2011 FC 1008 at 49-52; Aquasmart Technologies Inc. v. Klassen, 2011 FC 212 at para 71.)

[47] Based on the annual royalty approach proposed, I find that TB Inc. is entitled to the sum of \$15,000.00 for trade-mark infringement by Mr. Vo.

(2) Copyright Infringement

[48] TB Inc. claims \$20,000 for the two incidents of alleged copyright infringement involving the TBTV Daily Shows. As there is no evidence of profit, TB Inc. has elected to recover an award of statutory damages under paragraph 38.1(1)(a) of the *Copyright Act*.

[49] The overarching mandate in assessing statutory damages is to arrive at a reasonable assessment in all of the circumstances in order to yield a just result: *Telewizja Polsat S.A. v. Radiopol Inc.*, 2006 FC 584 at para 37.

[50] Here, I am satisfied that an award of \$5,000 per incident, for a total of \$10,000.00, is appropriate given the wilful and knowing conduct of Mr. Vo in infringing TB Inc.'s copyright (see *Canadian Standards Association v. P.S. Knight Co*, 2016 FC 294 at para 61).

(3) Punitive Damages

[51] TB Inc. requests \$15,000 in punitive damages and relies upon *Mitchell Repair Information Company L.L.C. v. Long*, 2014 FC 562. TB Inc. submits that the facts of that case are similar to the case at hand.

[52] Punitive damages are intended to punish a defendant for malicious, oppressive and highhanded misconduct that offends the Court's sense of decency see: *Louis Vuitton Malletier S.A. v. Yang*, 2007 FC 1179 at para 47.

[53] Here, the only factor weighing in favour of the punitive damages is that Mr. Vo previously worked for TB Inc. and therefore had knowledge of the company's intellectual property. However, there is no evidence of malice, nor is there any evidence suggesting the conduct persisted over a lengthy period of time. It appears that www.thoibaotv.com went offline within two months of receipt of a demand letter. There is no evidence that www.thoibaotv.com was profitable.

[54] Therefore, this case is not similar to *Mitchell Repair Information*, and I decline to award punitive damages.

(4) Injunction

[55] TB Inc. is entitled to an injunction against Mr. Vo as follows:

- Tuan Thanh Vo or his employees, agents or otherwise, are hereby permanently enjoined from:
 - a) Selling, distributing, or advertising wares or services in association with THOI-BAO registered trade-mark or with any other trade-mark or trade-name that is confusing with THOI-BAO trade-mark, including without limitation any mark or name that is or that includes the element "THOI BAO", "TBTV", or "THOI BAO TV";
 - b) Directing public attention to its wares, services or business in such a way as to cause or be likely to cause confusion in Canada between its wares, services or business and the wares, services or business of THOI-BAO contrary to section 7(b) of the *Trade-marks Act*, including without limitation by adopting, using or promoting "THOI BAO", "TBTV" or "THOI BAO TV" as, or as part of, any trade-mark, trade-name, trading style, Meta tags (or other internet search engines, optimization tools or devices), corporate name, business name, domain name (including any active or merely re-directing domain name);
 - c) Using any trade-mark registered by THOI-BAO in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto, contrary to section 22(1) of the *Trade-marks Act;*
 - d) Downloading, reproducing and distributing the Works, and;
 - e) Authorizing, inducing or assisting others to do any of the aforesaid acts.
- Tuan Thanh Vo shall transfer to THOI-BAO ownership and all rights of access, administration and control for and over the domain name www.thoibaotv.com, together with any other domain name, Facebook account, Twitter account, or other social media

accounts registered to or in control of Tuan Thanh Vo containing "THOI BAO", "TBTV", or "THOI BAO TV" or any confusingly similar trade-mark, and shall otherwise take any and all further steps necessary to complete such transfer in a timely manner, thereafter including directing the applicable Registrar(s) to transfer ownership and all rights of access, administration and control for and over all such domain names to THOI-BAO.

- III. <u>Costs</u>
- [56] TB Inc. shall also have its costs in the amount of \$7,500.00.

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JUDGMENT

THIS COURT'S JUDGMENT is that the Applicant is entitled to:

- 1. Damages for trade-mark infringement of the Applicant's "THOI BAO" trade-mark in the amount of \$15,000 payable by the Respondent Tuan Thanh Vo;
- Statutory damages under section 38.1 of the *Copyright Act* in the amount of \$10,000 payable by the Respondent Tuan Thanh Vo;
- 3. Costs of this action in the amount of \$7,500 payable by the Respondent Tuan Thanh Vo;
- 4. A permanent injunction restraining the Respondent Tuan Thanh Vo or his employees, agents or otherwise from:
 - a) Selling, distributing, or advertising wares or services in association with THOI-BAO registered trade-mark or with any other trade-mark or trade-name that is confusing with THOI-BAO trade-mark, including without limitation any mark or name that is or that includes the element "THOI BAO", "TBTV", or "THOI BAO TV";
 - b) Directing public attention to its wares, services or business in such a way as to cause or be likely to cause confusion in Canada between its wares, services or business and the wares, services or business of THOI-BAO contrary to section 7(b) of the *Trade-marks Act*, including without limitation by adopting, using or promoting "THOI BAO", "TBTV" or "THOI BAO TV" as, or as part of, any trade-mark, trade-name, trading style, Meta tags (or other internet search engines, optimization tools or devices), corporate name, business name, domain name (including any active or merely re-directing domain name);

- c) Using any trade-mark registered by THOI-BAO in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto, contrary to section 22(1) of the *Trade-marks Act;*
- d) Downloading, reproducing and distributing the Works, and
- e) Authorizing, inducing or assisting others to do any of the aforesaid acts.
- 5. The Respondent Tuan Thanh Vo shall transfer to THOI-BAO ownership and all rights of access, administration and control for and over the domain name www.thoibaotv.com, together with any other domain name, Facebook account, Twitter account, or other social media accounts registered to or in control of Tuan Thanh Vo containing "THOI BAO", "TBTV" or "THOI BAO TV" or any confusingly similar trade-mark, and shall otherwise take any and all further steps necessary to complete such transfer in a timely manner, thereafter including directing the applicable Registrar(s) to transfer ownership and all rights of access, administration and control for and over all such domain names to THOI-BAO.

THE COURT ORDERS that all amounts noted above are payable within thirty (30) days of being served with this Judgment.

"Ann Marie McDonald" Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-1687-15

STYLE OF CAUSE: THOI BAO INC. v 1913075 ONTARIO LIMITED O/A VO MEDIA, TUAN THANH VO, AND TAM HOANG THANH TRAN

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: OCTOBER 11, 2016

- JUDGMENT AND REASONS: MCDONALD J.
- DATED: DECEMBER 07, 2016

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