

Federal Court



Cour fédérale

Date: 20190808

Docket: T-2086-17

Citation: 2019 FC 1054

Ottawa, Ontario, August 8, 2019

PRESENT: The Honourable Mr. Justice Norris

BETWEEN:

GIVENCHY, SOCIÉTÉ ANONYME

Plaintiff

and

**NATALIE MARY TOBEY AKA
NATALIE HENRIE**

Defendant

JUDGMENT AND REASONS

I. OVERVIEW

[1] The plaintiff is a well-known manufacturer and distributor of luxury merchandise. In an action commenced in late 2017, the plaintiff alleges that the defendant sold counterfeit merchandise bearing one or more of its trademarks. Specifically, the plaintiff alleges that, beginning in or about October 2017, the defendant sold this counterfeit merchandise through a retail business operating at various locations including a home located on Old Yonge Street in

Toronto that had been converted into a clandestine retail establishment. The plaintiff seeks damages and punitive damages from the defendant. It also seeks delivery up and custody of the counterfeit merchandise.

[2] Essentially identical actions against the defendant were launched at the same time by three other plaintiffs. These actions are further described below.

[3] By Notices of Motion dated July 3, 2018, all four plaintiffs have sought summary judgment as to liability in the underlying actions and a reference under Rule 153 of the *Federal Courts Rules*, SOR/98-106 to quantify the monetary compensation due to the plaintiffs. The plaintiffs have also sought declaratory and injunctive relief against the defendant, among other things.

[4] For the reasons that follow, the motions for summary judgment are allowed. The plaintiffs' requests for related forms of relief are allowed in part.

[5] These reasons will be filed in each of the four actions. Each set of reasons will have attached to it a Schedule applicable the specific action in question.

II. PROCEDURAL HISTORY

[6] Before addressing the merits of the motions for summary judgment, it is necessary to set out briefly the somewhat convoluted history of this matter.

[7] As noted, these reasons deal collectively with four separate motions for summary judgment in four separate actions. For the sake of simplicity, I will refer to these matters as follows:

- T-2085-17 – the *Celine* Action
- T-2086-17 – the *Givenchy* Action
- T-2088-17 – the *Dior* Action
- T-2089-17 – the *Louis Vuitton* Action

[8] All of the plaintiffs have been represented by the same counsel since the commencement of these matters.

[9] Statements of Claim in each of the four matters were issued on December 22, 2017. They were served on the defendant on January 6, 2018.

[10] On February 2, 2018, the defendant filed separate Statements of Defence (all dated January 31, 2018) in each of the four actions. She was represented by counsel at the time.

[11] Subsequently, the plaintiffs served and filed motions for summary judgment. Two of the motions – one in the *Givenchy* Action, the other in the *Louis Vuitton* Action – were returnable on July 24, 2018. The other two motions – in the *Celine* Action and the *Dior* Action – were returnable on August 28, 2018.

[12] On July 24, 2018, the defendant requested an adjournment of the two motions returnable on that date on the basis that she had discharged her counsel of record and was in the process of

retaining new counsel. The request was made by the defendant's previous counsel before withdrawing. My colleague Justice Walker granted the request on terms agreed to by the parties. Importantly, the two motions for summary judgment that had been returnable on July 24, 2018, were adjourned to the General Sitting of the Court on August 28, 2018, peremptory to the defendant. Justice Walker also set a schedule for the delivery of any material upon which the defendant intended to rely in opposing the motions for summary judgment in the *Givenchy* and *Louis Vuitton* Actions.

[13] All four motions for summary judgment came before me at the General Sittings on August 28, 2018. At that time, the defendant requested an adjournment of the motions on the basis that her previous counsel had not informed her in a timely way about what was to be happening on that date (particularly with respect to the *Givenchy* and *Louis Vuitton* matters) and that she had retained new counsel only a few days earlier. For brief oral reasons delivered then, I denied this request. The defendant had elected to represent herself between the discharge of her former counsel on or about July 24, 2018, and the retainer of new counsel on or about August 24, 2018. Having done so, the onus was on the defendant to inform herself as to the status of all four matters and to deal with them diligently. I was not satisfied that she had done so. Moreover, I was satisfied that further delay would cause significant prejudice to the plaintiffs, particularly the two plaintiffs whose motions had already been adjourned once before. Accordingly, the defendant's request to adjourn the four motions for summary judgment was denied.

[14] The motions for summary judgment then proceeded before me on the basis of the written record filed by the plaintiffs and the submissions of counsel. The defendant did not file any evidence in response to the motions. I reserved my decision.

[15] On November 15, 2018, the plaintiffs wrote to advise the Court that, as a result of recent events, they each intended to file a motion to adduce additional evidence in support of their motions for summary judgment and related relief. These motions were eventually filed along with a request to replace their earlier request for a reference on damages with a request that I quantify an award of damages, disgorgement of profits and costs. The motions were set to be heard on February 20, 2019. On that date, however, the parties jointly proposed adjourning the motions *sine die* pending further discussions between them.

[16] At a case management teleconference conducted on April 16, 2019, the plaintiffs advised that they had decided to withdraw their motion to file additional evidence. Accordingly, the present motions for summary judgment have been determined solely on the basis of the record of evidence and the relief sought as of August 28, 2018.

III. THE TEST ON A MOTION FOR SUMMARY JUDGMENT

[17] Rule 215(1) of the *Federal Courts Rules* directs that the Court shall grant summary judgment if it is “satisfied that there is no genuine issue for trial with respect to a claim or defence.” Under Rule 215(2), if the Court is satisfied that the only genuine issue is the amount to which the moving party is entitled, the Court may order a trial of that issue or grant summary judgment with a reference under Rule 153 to determine the amount.

[18] The test to be applied on a motion for summary judgment is well-known and not disputed here. The Supreme Court of Canada explained in *Hryniak v Mauldin*, 2014 SCC 7 [*Hryniak*], that there will be no genuine issue requiring a trial “when the judge is able to reach a fair and just determination on the merits on a motion for summary judgment. This will be the case when the process (1) allows the judge to make the necessary findings of fact, (2) allows the judge to apply the law to the facts, and (3) is a proportionate, more expeditious and less expensive means to achieve a just result” (para 49). On a motion for summary judgment, the court must consider whether a process short of a trial gives it confidence that it can find the necessary facts and apply the relevant legal principles so as to resolve the dispute (para 50).

[19] While *Hryniak* arose under Rule 20 of the Ontario *Rules of Civil Procedure*, RRO 1990, Reg 194, and the *Federal Courts Rules* are worded differently, it serves as a helpful reminder of the imperatives and principles that reside in the Federal Courts’ rules concerning summary judgment (*Manitoba v Canada*, 2015 FCA 57 at paras 10-17; see also *E. Mishan & Sons v Supertek Canada Inc*, 2016 FC 613 at para 31).

IV. ANALYSIS

[20] The evidence relied on by the plaintiffs was not contested by the defendant. On the basis of the record before me, I am satisfied that there is no genuine issue for trial as to the defendant’s liability for trademark infringement and passing off.

[21] In particular, the evidence before me establishes that:

- a) Each of the four plaintiffs owns their respective trademarks, as identified in detail in the respective Judgments and attached Schedules in the four actions;
- b) Each of the four plaintiffs is the exclusive distributor in Canada of authentic merchandise bearing their respective trademarks;
- c) Authentic merchandise manufactured by the plaintiffs always uses one or more of their respective trademarks;
- d) The defendant is the owner of a business operating using the unregistered business name, TBF Accessories;
- e) With respect to the *Celine* Action:
 - i. the defendant offered for sale and sold counterfeit Celine merchandise, notably handbags;
 - ii. this counterfeit merchandise was not made by or for the plaintiff and used one or more of its trademarks, all without the authority, license or permission of the plaintiff;
 - iii. the plaintiff has never authorized the defendant by license or otherwise to use its trademarks on goods that are not manufactured by, for or under license to the plaintiff or to deal in merchandise bearing its trademarks that is not manufactured by or for the plaintiff;
- f) With respect to the *Givenchy* Action:

- i. the defendant offered for sale and sold counterfeit Givenchy merchandise, notably handbags;
- ii. this counterfeit merchandise was not made by or for the plaintiff and used one or more of its trademarks, all without the authority, license or permission of the plaintiff;
- iii. the plaintiff has never authorized the defendant by license or otherwise to use its trademarks on goods that are not manufactured by, for or under license to the plaintiff or to deal in merchandise bearing its trademarks that is not manufactured by or for the plaintiff;

g) With respect to the *Dior* Action:

- i. the defendant offered for sale and sold counterfeit Dior merchandise, notably handbags and apparel;
- ii. this counterfeit merchandise was not made by or for the plaintiff and used one or more of its trademarks, all without the authority, license or permission of the plaintiff;
- iii. the plaintiff has never authorized the defendant by license or otherwise to use its trademarks on goods that are not manufactured by, for or under license to the plaintiff or to deal in merchandise bearing its trademarks that is not manufactured by or for the plaintiff;

h) With respect to the *Louis Vuitton* Action:

- i. the defendant offered for sale and sold counterfeit Louis Vuitton merchandise, notably handbags, wallets and scarves;
 - ii. this counterfeit merchandise was not made by or for the plaintiff and used one or more of its trademarks, all without the authority, license or permission of the plaintiff;
 - iii. the plaintiff has never authorized the defendant by license or otherwise to use its trademarks on goods that are not manufactured by, for or under license to the plaintiff or to deal in merchandise bearing its trademarks that is not manufactured by or for the plaintiff;
- i) In addition to infringing the plaintiffs' trademarks, the defendant's sale of counterfeit goods bearing the plaintiffs' trademarks has had a detrimental impact on the value of those trademarks and on the plaintiffs' businesses generally.

[22] The essence of the defendant's defence to the four actions is that the merchandise she sold is substantially different from the plaintiffs' merchandise and that a reasonably informed member of the public would not confuse that merchandise with the plaintiffs' merchandise. On the basis of the evidence before me, including the evidence of purchases made by investigators acting on behalf of the plaintiffs, this defence has no hope of success whatsoever.

[23] In oral submissions in response to the motions for summary judgment, counsel for the defendant submitted that there was a genuine issue for trial concerning the defendant's personal liability as opposed to the liability of a corporate entity – in other words, as to whether the

plaintiffs had demonstrated that the corporate veil should be pierced. This issue was not raised in the defendant's Statement of Defence to any of the actions. Had the defendant considered it a genuine issue, she would have raised it then or, at least, far earlier than she did. Even more to the point, there is no evidence that there is an incorporated entity behind which the defendant could shelter in any event.

[24] The defendant also submitted that there was a genuine issue for trial concerning the weight that should be attributed to the expert reports identifying merchandise sold by the defendant as counterfeit. I disagree. The defendant's objection concerned the fact that the expert relied on by the plaintiffs in each of the four actions is an employee of Louis Vuitton. While I agree that in theory this could be an issue (cf. *White Burgess Langille Inman v Abbott and Haliburton Co*, 2015 SCC 23 at paras 12-13), I am satisfied that in the present cases there is no basis for concern. The expert discloses his professional relationship with Louis Vuitton (and his authority to provide evidence on behalf of the other plaintiffs). His employment has provided him with the training, expertise and familiarity with the merchandise in question necessary to provide an informed opinion as to the genuineness of the items sold by the defendant to undercover investigators. The basis for the expert's opinion that the items purchased by the undercover investigators are counterfeit is set out in detail in affidavits of authenticity. In my view, the defendant has failed to show that the expert's opinions give rise to any genuine issues for trial.

[25] In view of the foregoing, I am satisfied that there is no genuine issue for trial with respect to the defendant's liability for trademark infringement and passing off in all four of these actions.

The only genuine issue for trial is the amount to which the plaintiffs are entitled. As provided for by Rule 215(2), this is best dealt with by a reference under Rule 153.

V. RELIEF REQUESTED

[26] For the foregoing reasons, in each of the four actions summary judgment in favour of the plaintiffs on the issue of liability will be granted.

[27] The appropriate mechanism for dealing with the issue of the amount the plaintiffs are owed is a reference under Rule 153 of the *Federal Courts Rules*.

[28] The plaintiffs also requested various orders relating to the management of this reference. In my view, it would be better for these matters to be dealt with by a case management judge, if necessary. If so advised, the parties may request the appointment of a case management judge.

[29] The plaintiffs sought injunctive relief to prevent the defendant from continuing to infringe their respective trademarks or passing off counterfeit merchandise as theirs. I agree that this is appropriate.

[30] There was evidence before me suggesting that the defendant's business was the subject of a search warrant executed by the Toronto Police Service on or about November 22, 2017, and that merchandise and business records were seized by the police. As part of this motion, the plaintiffs requested an Order directing the defendant to deliver up all goods bearing one or more of their trademarks that are or were in her possession, including goods seized by the police. At

the hearing of this motion, I expressed concerns about the propriety of the breadth of this request and counsel for the plaintiffs did not attempt to defend it. I am, however, prepared to narrow the relief sought to any goods currently in the possession, custody and control of the defendant.

[31] Similarly, the plaintiffs sought the release of all business documents obtained by the police in the execution of the warrant. In my view, any documents seized by the police are not in the custody or control of the defendant. Even if copies of those documents were provided to her by way of disclosure in another proceeding, this would have been subject to undertakings (whether express or implied) that limited her ability to share those documents with third-parties. Further, at the very least as a matter of comity between courts, I have serious doubts about the propriety making an Order concerning the disposition of documents whose seizure and retention were authorized by the Ontario Court of Justice under the *Criminal Code*. In any event, the plaintiffs did not press this part of their request for relief so I do not need to address it further.

[32] Finally, the plaintiffs each sought costs in the amount of \$15,000 for the detention and/or destruction of trademark-infringing goods that might be delivered up to them. On the record before me, this appears to be an entirely hypothetical possibility at the moment. Should there be evidence supporting an expenditure relating to storage and/or destruction of goods, this can be incorporated into the pending reference and relief sought there.

VI. COSTS

[33] As the successful parties, the plaintiffs are entitled to their costs on these motions. The parties are asked to see if they can come to an agreement as to a fixed amount for these costs.

Should they be unable to agree, the plaintiffs shall file written submissions of no more than five pages in length within fourteen days of receipt of this judgment. The defendants shall file responding submissions of no more than five pages in length within fourteen days of receipt of the plaintiffs' submissions. The plaintiffs may file reply submission of no more than two pages in length within three days of receipt of the defendant's submissions. It is not necessary to file separate submissions in all four matters. A single set of submissions bearing all four court file numbers will suffice. The submissions may be in correspondence form.

JUDGMENT IN T-2086-17

THIS COURT'S JUDGMENT is that

1. As between the plaintiff and the defendant, the Canadian registered trade-marks appearing on Schedule A to this Judgment ("Subject Trademarks") have been infringed by the defendant by virtue of the offering for sale and sale of goods, including handbags, wallets, apparel and accessories, bearing one or more of the Subject Trademarks without the consent, license or permission of the plaintiff ("Subject Goods") contrary to sections 19 and 20 of the *Trademarks Act*, RSC, 1985, c T-13.
2. The defendant has passed off the Subject Goods as and for those of the plaintiff by use of one or more of the Subject Trademarks in association with goods, contrary to the provisions of section 7(c) of the *Trademarks Act*.
3. The defendant has directed public attention to the Subject Goods in such a way as to cause or be likely to cause confusion in Canada between the Subject Goods and the plaintiff's authorized goods contrary to the provisions of section 7(b) of the *Trademarks Act*.
4. The defendant has used the Subject Trademarks in a false and material way which misled the public as to the character, quality or compositions of the Subject Goods and as to the mode of the manufacture, production or performance thereof contrary to the provisions of section 7(d) of the *Trademarks Act*.
5. The defendant has depreciated the value of the goodwill attaching to the Subject Trademarks, contrary to the provisions of section 22(1) of the *Trademarks Act*.

6. The defendant is directly and indirectly restrained from importing into Canada, exporting from Canada, offering for sale, displaying, advertising, selling, manufacturing, distributing, or otherwise dealing in the Subject Goods or in any other goods not being those of the plaintiff, bearing any one or more of the Subject Trademarks.
7. The defendant shall relinquish all right, title and interest in and to and deliver-up to the custody of the plaintiff, all Subject Goods and any other goods not being those of the plaintiff bearing any one or more of the Subject Trademarks, in the possession, custody and control of the defendant, wherever situated, but excluding goods that were formerly in the possession, custody and control of the defendant and which were seized by the Toronto Police Service, on or about November 22, 2017.
8. The defendant shall pay to the plaintiff damages or profits arising from the infringement by the defendant of the Subject Trademarks, at the election of the plaintiff.
9. The amounts owing to the plaintiff in the form of damages or profits shall be determined through a reference under Rule 153 of the *Federal Courts Rules* before a Prothonotary or other person appointed by the Court at a place, date and time to be fixed by the Referee on written application of the plaintiff.
10. The plaintiff is entitled to proceed to such reference after electing whether it is entitled to damages or to an accounting and payment of the defendant's profits.
11. The plaintiff is entitled to conduct an examination for discovery of the defendant in respect of the issues that are the subject of the reference before making the election referred to in paragraphs 8 and 10.

12. Should the defendant fail to appear on the reference although duly served with notice of the appointment, the Referee may determine the amounts referred to in paragraph 8 by way of affidavit evidence filed by the plaintiff.

13. The defendant is to pay to the plaintiff pre-judgment interest on the amounts found due and owing to the plaintiff at the reference at the rate to be determined by the Referee.

“John Norris”

Judge

SCHEDULE “A” - TRADEMARKS OWNED BY GIVENCHY, SOCIÉTÉ ANONYME

Trade Mark	Registration No.	Goods and/or Services
GIVENCHY	TMA164283	<p>GOODS:</p> <p>(1) Métaux précieux et leurs alliages et objets en ces matières ou en plaqué, nommément: bijouterie, joaillerie, pierres précieuses; horlogerie et autres instruments chronométriques, nommément: montres, réveils, pendulettes; articles en cuir et imitations du cuir et articles en ces matières non compris dans d'autres classes, nommément: portefeuilles, porte-monnaie, ceintures, peaux, malles, valises et sacs; parapluie, parasols et cannes; tissus, couvertures de lit et de table; vêtements en général et notamment vêtements féminins de tous genres, nommément: complets, vestons, vestes, gilets, cravates, pantalons, imperméables, pardessus, uniformes, vêtements de travail, jupes, blouses, pyjamas, chemisiers, robes, cardigans, tablier, costumes de bain, chandails, bas, chaussettes, manteaux, gants, jupons, slips, soutien-gorges, corsets, gaines, shorts, mouchoirs, blousons, chemises, corsages, écharpes, châles, manchons, cols, capes, manchettes, ceintures, chapeaux, bonnets de bain, casquettes, tailleurs, robes de chambre, bottes, souliers et pantoufles; dentelles et broderies, rubans et lacets, boutons, boutons à pression, crochets et œillets, épingles et aiguilles, fleurs artificielles.</p>
GIVENCHY	TMA372204	<p>GOODS:</p> <p>(1) Small leather goods, namely, briefcases, portfolios, bags, handbags, suitcases, purses, card cases, wallets, billfolds, key cases, tote bags; clothing, namely, shirts, tops, slacks, jeans, pants, shorts, coats, sport coats, jackets, suits, sweaters, cardigans, furs, hosiery, undershorts, undershirts, robes, loungewear, namely, lounging pants and jackets, warm-up suits, tennis-wear, formal clothes, ties, scarves, mufflers, pocket squares, shoes, belts, rainwear, namely, raincoats and rainjackets, underwear, swimwear, headwear, namely, hats and caps, handkerchiefs, socks, sports jackets, overcoats, gloves, pyjamas, skirts, dresses, blouses, negligees, bras, slips, panties and pantyhose.</p>

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2086-17

STYLE OF CAUSE: GIVENCHY, SOCIÉTÉ ANONYME v NATALIE MARY
TOBEY AKA NATALIE HENRIE

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: AUGUST 28, 2018, FEBRUARY 20, 2019

JUDGMENT AND REASONS: NORRIS J.

DATED: AUGUST 8, 2019

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