

Federal Court



Cour fédérale

Date: 20210401

Docket: T-2008-19

Citation: 2021 FC 291

Ottawa, Ontario, April 1, 2021

PRESENT: The Honourable Mr. Justice Ahmed

BETWEEN:

NINTENDO OF AMERICA INC.

Plaintiff

and

**KING OF WINDOWS HOME
IMPROVEMENTS INC. AND
WAYNE MACKENNEY**

Defendants

ORDER AND REASONS

UPON CONSIDERING the Plaintiff's *ex parte* motion for default judgment against the Defendants under Rule 210 of the *Federal Courts Rules*, SOR/98-106 ("*Rules*");

AND UPON BEING SATISFIED that the Defendants have failed to serve and file a Statement of Defence within the time set out in Rule 204 of the *Rules*;

AND UPON REVIEWING the evidence and oral submissions of the Plaintiff;

IT IS ORDERED THAT: the Plaintiff's motion for default judgment is granted.

[1] The Plaintiff, Nintendo of America Inc., is the owner of the Canadian trademark registrations listed in Exhibit "A" (the "NINTENDO and POKEMON Trademarks").

[2] I find that the Defendants have infringed the rights of the Plaintiff to the NINTENDO and POKEMON Trademarks, contrary to sections 19 and 20 of the *Trademarks Act*, RSC 1985, c T-13 ("*Trademarks Act*"). In particular, the Defendants imported into Canada video game consoles with packages bearing a design that is confusingly similar to the Plaintiff's registered trademarks NES Design (Color) (TMA964700) and NES Controller Design (TMA1016852). The printed games list inside the video game console packages also bore marks that are confusingly similar to the Plaintiff's registered trademarks PIKACHU (TMA565112) and PIKACHU (TMA565335). Considering the factors enumerated under subsection 6(5) of the *Trademarks Act*, I find that a casual consumer somewhat in a hurry would likely confuse the marks that the infringing goods bear for the NINTENDO and POKEMON Trademarks (*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20).

[3] The Plaintiff is the owner of the copyrighted works listed in Exhibit "B" (the "NINTENDO Works").

[4] I find that the Defendants have infringed the Plaintiff's rights to the NINTENDO Works, contrary to subsection 27(2) of the *Copyright Act*, RSC 1985, c C-42 ("*Copyright Act*"). In

particular, the Defendants imported into Canada video game consoles that contain unauthorized copies of at least three of the Plaintiff's registered copyrights, including TETRIS 2 (450098), TETRIS 2 (450099), and MARIO (1052603). As the Defendants imported 120 units of the infringing video game consoles, I find that the Defendants likely imported the goods for the purposes of sale or distribution, contrary to subsection 27(2)(e) of the *Copyright Act*.

[5] In light of the above findings, I order that the Defendants, and their officers, directors, servants, employees, agents, successors and assigns, and any other person under their power or control, are permanently enjoined from:

- A. infringing the Plaintiff's exclusive rights to the NINTENDO and POKEMON Trademarks;
- B. advertising, distributing, offering for sale or selling their goods in association with the NINTENDO and POKEMON Trademarks, or any other trademarks confusingly similar; and
- C. infringing the Plaintiff's rights to the NINTENDO Works.

[6] The Defendants shall deliver up or destroy under oath, at their own expense, all goods, labels, packaging, advertising materials, signage, printed matter, including all plates, molds, matrices, and other material for producing or printing such items, and any other matter or materials in their collective or individual possession, power or control that would offend the injunction granted.

[7] The Defendants shall disclose the full legal names and contact information of any known sources of the Counterfeit Goods, as defined in the Plaintiff's Statement of Claim.

[8] The Defendants shall pay the Plaintiff \$32,000 in damages for their unlawful activities with respect to the NINTENDO and POKEMON Trademarks. In particular, I award the Plaintiff \$8,000 in nominal damages for each of the four trademarks that I have found to be infringed (*Popsockets LLC v Case World Enterprises Ltd*, 2019 FC 1154 at para 42, citing *Kwan Lam v Chanel S. de R.L.*, 2016 FCA 111 at paras 17-18).

[9] The Defendants shall pay the Plaintiff \$60,000 in damages for the infringement of the NINTENDO Works. In particular, I award the Plaintiff \$20,000 in statutory damages for each of the three copyrighted works that I have found to be infringed, pursuant to subsection 38.1(1)(a) of the *Copyright Act*. This order is made in consideration of the factors enumerated under subsection 38.1(5) of the *Copyright Act*, including the lack of good faith negotiations on behalf of the Defendants before the commencement of these proceedings, and to deter the Defendants and others from engaging in similar illicit activities (*Nintendo of America Inc v King*, 2017 FC 246 at paras 162-166).

[10] I award the Plaintiff \$10,000 in costs payable by the Defendants forthwith. The Plaintiff provided the Defendants with several opportunities to settle this action without costs. After agreeing to do so, the Defendants refused to sign the agreement containing the terms to which they had agreed in principle. Specifically, counsel for the Plaintiff sent the Defendants a settlement agreement on June 18, 2020, and again on June 22, 2020 at the Defendants' request.

In the later message, counsel for the Plaintiff stated that if the Defendants did not execute the agreement by June 24, 2020, the Plaintiff would proceed with a motion for default judgment. On June 26, 2020, counsel for the Plaintiff informed the Defendants that the signed settlement agreement had not been received and that the Plaintiff would therefore proceed with seeking default judgment. Considering the factors under Rule 400(3) of the *Rules*, I therefore find that the Plaintiff's request for \$10,000 in costs is suitable.

[11] I grant the Plaintiff's request for a confidentiality order under Rule 151 of the *Rules* with respect to exhibits HH, II, and JJ in the affidavit of Jacinta De Abreu. I find that the Plaintiff has a legitimate interest in maintaining the confidentiality of its settlement negotiations with the Defendants, and that the salutary effects of the restriction requested by the Plaintiff outweigh the deleterious effects upon the open court principle (*Adeleye v Canada (Citizenship and Immigration)*, 2020 FC 681 at para 9, citing *R. v Mentuck*, 2001 SCC 76 at para 32; *Dagenais v Canadian Broadcasting Corp*, [1994] 3 SCR 835; *Sierra Club of Canada v Canada (Minister of Finance)*, 2002 SCC 41).

ORDER IN T-2008-19

THIS COURT ORDERS that:

1. The Plaintiff's motion for default judgment is granted.
2. The Defendants are prevented from further infringing the Plaintiff's rights in and to the NINTENDO and POKEMON Trademarks, and the NINTENDO Works. The Defendants shall deliver up or destroy any goods that would offend this injunction.
3. The Defendants shall disclose the full legal names and contact information of any sources of the Counterfeit Goods.
4. The Plaintiff is awarded \$92,000 in damages, plus pre- and post-Judgment interest.
5. The Plaintiff is awarded \$10,000 in costs, inclusive of disbursements.
6. Exhibits HH, II, and JJ in the affidavit of Jacinta De Abreu as contained in the Plaintiff's motion record shall be treated as confidential.

"Shirzad A."

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2008-19

STYLE OF CAUSE: NINTENDO OF AMERICA INC. v KING OF
WINDOWS HOME IMPROVEMENTS INC. AND
WAYNE MACKENNEY

PLACE OF HEARING: HELD BY VIDEOCONFERENCE BETWEEN
TORONTO AND OTTAWA, ONTARIO

DATE OF HEARING: FEBRUARY 23, 2021

ORDER AND REASONS: AHMED J.

DATED: APRIL 1, 2021

APPEARANCES:

Mark G. Biernacki
Graham A. Hood

FOR THE PLAINTIFF

No Appearance

FOR THE DEFENDANTS

SOLICITORS OF RECORD:

Smart & Biggar LLP
Barristers and Solicitors
Toronto, Ontario

FOR THE PLAINTIFF

Exhibit "A"





Trademark	Registration No.
	TMA300921
NINTENDO ENTERTAINMENT SYSTEM	TMA337914
SUPER MARIO BROS. 2	TMA394062
BALLOON FIGHT	TMA409150
SUPER MARIO BROS.	TMA428733
SUPER MARIO BROS 3	TMA439665
NINTENDO ENTERTAINMENT SYSTEM	TMA445890
SUPER MARIO	TMA544526
PIKACHU	TMA565112
PIKACHU	TMA565335
	TMA964700
	TMA1008069
	TMA1016852

Exhibit "B"

Title of Work	Type of Work	Registration No.
NES SUPER MARIO BROS. 3	Mechanical Contrivance	409676
NES SUPER MARIO BROS. 2	Mechanical Contrivance	409678
TETRIS	Mechanical Contrivance	410511
TETRIS 2	Literary/ Musical/Artistic Dramatic	450098
TETRIS 2	Literary/ Musical/Artistic Dramatic	450099
MARIO	Artistic	1052603
YOSHI (a.k.a. YOSSHI)	Artistic	1052604
LUIGI (a.k.a. RUIGI)	Artistic	1052605
PRINCESS PEACH (a.k.a. PEACH)	Artistic	1052606
DONKEY KONG (a.k.a. DK)	Artistic	1052607
BOWSER (a.k.a. KING BOWSER)	Artistic	1052608
TOAD (a.k.a. KINOPIO)	Artistic	1106199