

Federal Court



Cour fédérale

Date: 20211006

Docket: T-1409-20

Citation: 2021 FC 1040

Ottawa, Ontario, October 6, 2021

PRESENT: Madam Justice Walker

BETWEEN:

**YIWU THOUSAND SHORES
E-COMMERCE CO. LTD.**

Applicant

and

JINXING LIN

Respondent

JUDGMENT AND REASONS

[1] This judgment addresses an application by Yiwu Thousand Shores E-Commerce Co. Ltd. (ThousandShores) for a declaration that Canadian trademark registration No. TMA1001070 (the Impugned Registration) for the word mark “OHUHU” is invalid and an order expunging the Impugned Registration from the register of trademarks pursuant to subsection 57(1) of the *Trademarks Act*, RSC 1985, c T-13 (the Act). ThousandShores also seeks injunctive relief and damages against and from the Respondent, Jinxing Lin.

[2] In support of its application, ThousandShores filed an affidavit affirmed by Qiusheng Lin, General Manager of ThousandShores Inc., a U.S.-based sister company. To avoid confusion, I will refer throughout this judgment to Qiusheng Lin and his affidavit as Mr. Lin and the Lin Affidavit, and to the respondent, Jinxing Lin, as the Respondent.

[3] The Respondent was duly served with ThousandShores' Notice of Application but did not file a Notice of Appearance or take part in this proceeding. Accordingly, ThousandShores presented its arguments to the Court on June 29, 2021 in the absence of the Respondent.

[4] For the reasons that follow, the application is granted.

I. Background

[5] The following background facts are affirmed in the Lin Affidavit with reference to extensive exhibits that include operational and sales records, photographic evidence, and relevant correspondence. Mr. Lin's evidence is uncontested and, in my opinion, is presented factually and is based on reliable source and documentary evidence.

[6] Since October 2014, ThousandShores has operated an online retail store in Canada (the OHUHU Storefront) in association with its trademark OHUHU via the e-commerce platform Amazon.ca. The OHUHU trademark is a coined word that is meaningless in English and French. ThousandShores sells a wide variety of goods in association with the OHUHU mark to consumers in Canada via the OHUHU Storefront including art supplies, garden and outdoor tools, furniture and accessories, home and kitchen tools, and sports and outdoor equipment (the

OHUHU Goods). Since the launch of the OHUHU Storefront, ThousandShores has made sales of OHUHU Goods in excess of \$25 million CAD to customers with shipping addresses located in Canada.

[7] Also since October 2014, ThousandShores has operated an online retail store in association with the trademark OHUHU via Amazon.com for U.S. consumers (the U.S. OHUHU Storefront). ThousandShores has sold in excess of \$150 million USD of OHUHU Goods via the U.S. OHUHU Storefront to customers with shipping addresses located in the United States.

[8] Since its 2014 launch, ThousandShores has spent more than \$450,000 CAD advertising and promoting the OHUHU Storefront and OHUHU Goods in Canada. ThousandShores' OHUHU mark appears on the OHUHU Goods sold in Canada, on their packaging, and on the invoices that accompany the OHUHU Goods when shipped to Canadian customers.

[9] The Respondent is the owner of the Impugned Registration. He filed the application to register the Impugned Registration on February 27, 2017 claiming use since January 1, 2015. The Impugned Registration contemplates a long list of goods and services from apparatus for recording, transmission or reproduction of sound or images, to bicycle equipment, furniture, household and kitchen utensils, industrial and household storage goods, textiles and clothing, and services related to the rental, recording and live performance of music. The full description of the goods and services referenced in the Impugned Registration is set out in Schedule A to this judgment.

[10] In early August 2020, ThousandShores received a first notification from Amazon.ca informing it that many of its OHUHU Goods had been removed from the OHUHU Storefront. The Respondent had requested the removal of the goods based on his representation to Amazon.ca that the OHUHU Goods infringed the Impugned Registration. The notification sent to ThousandShores referred to the OHUHU Goods as inauthentic and the infringement type as counterfeit. ThousandShores received similar notifications removing additional OHUHU Goods in September and November 2020. I will refer to the Canadian notifications collectively as the “Takedown Requests”.

[11] As a result of the Takedown Requests, ThousandShores lost in excess of \$348,000 CAD in sales and \$68,000 CAD in profits between August 2020 and December 2020. ThousandShores also incurred fees imposed by Amazon.ca to store the affected OHUHU Goods in excess of \$1,400 CAD.

[12] In parallel, ThousandShores received correspondence from Amazon.com stating that a significant number of its OHUHU Goods had been removed from the U.S. OHUHU Storefront based on a U.S. takedown request by the Respondent. In that instance, the Respondent relied on two (now cancelled) United States trademark registrations, U.S. Reg. No. 5296058 and U.S. Reg. No. 5127600, for goods such as firearm attachments, riflescopes and telescopic sights (the U.S. Registrations).

[13] On October 6, 2020, ThousandShores’ Canadian counsel wrote a detailed cease and desist letter (the October 2020 Letter) to the Respondent objecting to the Impugned Registration

based on invalidity and informing him of ThousandShores' prior rights to the OHUHU trademark in Canada. The October 2020 Letter also demanded that the Respondent acknowledge ThousandShores' prior rights in the OHUHU mark, cancel the Impugned Registration and cease his interference with its business.

[14] Despite receiving confirmation of delivery of the October 2020 Letter, ThousandShores received no response from the Respondent.

[15] On November 19, 2020, ThousandShores filed this application to strike in reliance on subsection 57(1) of the Act.

[16] In response to the U.S. takedown request, ThousandShores filed a petition for cancellation of the Respondent's U.S. Registrations with the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board (TTAB). The petition was based on ThousandShores' prior and ongoing use of the identical OHUHU trademark, the absence of any use by the Respondent of the OHUHU mark in the United States and the argument that continued registration of the Respondent's U.S. Registrations was likely to cause confusion and adversely affect ThousandShores' U.S. business. The Respondent failed to respond to the cancellation proceedings and, on November 23, 2020, the TTAB cancelled the U.S. Registrations.

[17] Since 2014, ThousandShores has conducted regular internet and marketplace searches and investigations to identify third-party use of any of its trademarks including the OHUHU trademark, or similar trademarks. Most recently, Mr. Lin conducted internet searches using the

search terms “OHUHU” and “OHUHU + LIN”. Despite its searches, ThousandShores has not identified any use of the OHUHU name or trademark or any confusingly similar name or trademark by any other person, including the Respondent.

[18] ThousandShores has filed two Canadian OHUHU trademark applications, each in association with a broad range of goods (the full description of the goods and services referenced in the applications is set out in Schedule B to this judgment):

- A. Trademark Application No. 1951858, filed March 18, 2019 and based on use in Canada since October 20, 2014; and
- B. Trademark Application No. 2049036, filed September 2, 2020, containing no date of first use due to the 2019 amendments to the Act.

II. Issues

[19] The following issues are before the Court:

- A. Does ThousandShores have standing to bring this application because it is a person interested within the meaning of section 57 of the Act?
- B. Is the Impugned Registration invalid because:
 - i. the OHUHU trademark was not distinctive of the Respondent as of November 19, 2020 in light of ThousandShores’ prior and ongoing use of the identical mark in Canada?;
 - ii. the Respondent was not the person entitled to secure registration of the OHUHU trademark on the basis that, at January 1, 2015, it was confusing with ThousandShores’ OHUHU trademark that ThousandShores had previously used and made known in Canada?;
 - iii. the Respondent has abandoned the OHUHU trademark in Canada?;
 - iv. it was obtained on the basis of fundamental material misstatement that the Respondent had used the OHUHU trademark in Canada since January 1, 2015?; and/or

v. the application to register the OHUHU trademark was filed in bad faith?

C. Has the Respondent, directly or indirectly, made false and misleading statements tending to discredit ThousandShores' goods, services and business in violation of subsection 7(a) of the Act?

III. Analysis

[20] For ease of reference, subsection 57(1) of the Act provides that:

57(1) The Federal Court has exclusive original jurisdiction on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the trademark.

57(1) La Cour fédérale a une compétence initiale exclusive, sur demande du registraire ou de toute personne intéressée, pour ordonner qu'une inscription dans le registre soit biffée ou modifiée, parce que, à la date de cette demande, l'inscription figurant au registre n'exprime ou ne définit pas exactement les droits existants de la personne paraissant être le propriétaire inscrit de la marque de commerce.

A. Does ThousandShores have standing to bring this application?

[21] The Registrar and any "person interested" in an entry in the register of trademarks may bring an application under subsection 57(1). Section 2 of the Act defines "person interested" as including "...any person who is affected or reasonably apprehends that he may be affected by any entry in the register, or by any act or omission or contemplated act or omission under or contrary to this Act...".

[22] The issue of whether ThousandShores has standing can be addressed quickly. A "person interested" is a *de minimus* threshold (*Beijing Jingdong 360 du E-commerce Ltd. v Zhang*, 2019

FC 1293 at para 11). The term is to be interpreted broadly and includes a party whose rights may be restricted by a trademark registration or who has a reasonable apprehension of prejudice or whose business is likely to be hampered by a trademark registration (*Apotex Inc. v Registrar of Trademarks*, 2010 FC 291 at para 7; *TLG Canada Corp v Product Source International LLC.*, 2014 FC 924 at para 38).

[23] ThousandShores argues it is a person interested for the purpose of bringing this application because its commercial interests have been prejudiced by the Respondent's reliance on the Impugned Registration to support the Takedown Requests. ThousandShores also argues that it is reasonable to expect that the Trademark Office will review and cite the Impugned Registration during examination of its two pending trademark applications in Canada for the identical mark OHUHU, which may prevent ThousandShores from registering and effectively enforcing its OHUHU mark in Canada. I accept these arguments. Accordingly, I find that ThousandShores is an interested person under section 57 of the Act and has standing to bring this application.

B. Is the Impugned Registration invalid?

[24] The starting point for my assessment of ThousandShores' submission that the Impugned Registration is invalid is the presumption that trademarks are valid until proven otherwise (*Beyond Restaurant Group LLC v Wang*, 2020 FC 514 at para 24 (*Beyond Restaurant*); *Mr P's Mastertune Ignition Services Ltd v Tune Master Inc.*, [1984] 82 CPR (2d) 128 (FC) at 134). The presumption underlines the normal burden of proof borne by an attacking party to present evidence that establishes that the trademark at issue is invalid (*Bedessee Imports Ltd. v GlaxoSmithKline*

Consumer Healthcare (UK) IP Limited, 2019 FC 206 at paras 14-15 (*Bedessee*), citing *Cheaptickets and Travel Inc. v Email.ca Inc.*, 2008 FCA 50 at para 12).

[25] The Respondent's use or failure to use the OHUHU trademark in Canada is the determinative issue in a number of ThousandShores' invalidity submissions (paragraphs 18(1)(b) (distinctiveness), 18(1)(c) (abandonment) and 18(1)(e) (bad faith)). Due to the Respondent's failure to participate in this proceeding or to respond to the October 2020 Letter, ThousandShores must attempt to prove a negative (that the Respondent has not used the OHUHU mark in Canada). Evidence of the Respondent's use can reasonably be expected to exist and to lie within his ability to access, if indeed the Respondent has used "OHUHU" in Canada as claimed in the Impugned Registration. The absence of such information from the Respondent is a factor in my assessment of whether ThousandShores' evidence has established non-use by the Respondent on a balance of probabilities (*Corporativo De Marcas GJB, SA DE CV v Bacardi & Company Ltd.*, 2014 FC 323 at paras 35-37).

[26] I accept ThousandShores' evidence that the company has routinely conducted Internet and marketplace searches and investigations since October 2014 to identify use of its trademarks or similar trademarks by third parties. At no time during that period has ThousandShores identified any use of the OHUHU trademark in Canada by a third party, including the Respondent. In addition, Mr. Lin attaches to his affidavit searches he conducted in 2020 through Google using the search terms "OHUHU", a coined word, and "OHUHU + Lin" that do not reveal any use of the OHUHU mark by the Respondent.

[27] In the absence of evidence from the Respondent, Mr. Lin's evidence is uncontradicted and establishes, on a balance of probabilities, that the Respondent has not used the OHUHU trademark in Canada.

- i. *Is the Impugned Registration invalid because the OHUHU trademark was not distinctive of the Respondent as of November 19, 2020 in light of ThousandShores' prior and ongoing use of the identical mark in Canada?*

[28] Paragraph 18(1)(b) of the Act provides that a trademark registration is invalid if the trademark is not distinctive at the time proceedings questioning the validity of the registration are commenced. In this case, that date is November 19, 2020. Pursuant to section 2 of the Act, a trademark is distinctive if on the relevant date it "actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or that is adapted so to distinguish them".

[29] The three conditions for distinctiveness are: (i) the mark and the goods or services must be associated; (ii) the owner of the mark must use this association in manufacturing and selling the goods or services; and (iii) the association must enable the owner of the mark to distinguish its goods or services from those of others (*Bedessee* at para 36; *Roots Corporation v YM Inc. (Sales)*, 2019 FC 16 at para 56).

[30] ThousandShores argues that the OHUHU trademark cannot be distinctive of the Respondent as the source of the goods and services listed in the Impugned Registration because ThousandShores has continuously used the OHUHU trademark in Canada since October 2014. ThousandShores relies on its evidence that the Respondent has not used the OHUHU trademark

in Canada or the United States in association with any goods or services to argue that the first two conditions for distinctiveness have not been met. I agree.

[31] As stated above, ThousandShores has established, on a balance of probabilities, that the Respondent has not used the OHUHU trademark in Canada since at least October 2014. It follows that (a) the mark is not associated with any goods or services listed in the Impugned Registration, and (b) the Respondent does not rely on that association in manufacturing and selling any such goods and services.

[32] Further, the third condition for distinctiveness is that the association of the goods and services listed in a trademark registration must enable the owner to distinguish its products from those of other parties. A trademark's distinctiveness resides in its ability "to indicate the source of a particular product, process or service in a distinctive manner, so that, ideally, consumers know what they are buying and from whom" (*Kirkbi AG v Ritvik Holdings Inc.*, 2005 SCC 65 at para 39). In other words, a trademark must be distinctive of a single source. It cannot lead to confusion as to the source of the goods and services associated with it.

[33] The well-known legal test for confusion was set out by the Supreme Court of Canada in *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 at paragraph 40 (*Masterpiece*):

[40] At the outset of this confusion analysis, it is useful to bear in mind the test for confusion under the *Trade-Marks Act*. In *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 S.C.R. 824, Binnie J. restated the traditional approach, at para. 20, in the following words:

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.

[34] ThousandShores' arguments regarding distinctiveness (paragraph 18(1)(b)) and the Respondent's entitlement to register (paragraph 18(1)(d)) both require an assessment of the issue of confusion. Under paragraph 18(1)(b), confusion is assessed as of the date ThousandShores filed its Notice of Application, November 19, 2020 and, under paragraph 18(1)(d) in combination with paragraph 16(1)(a), confusion is assessed as of the earlier of (A) the date the Respondent applied to register the OHUHU trademark, February 27, 2017; and (B) its claimed date of first use of the mark in Canada, January 1, 2015. In this case, there is no material difference in the confusion analysis as of November 19, 2020 and January 1, 2015.

[35] Subsection 6(5) of the Act requires the Court to have regard to all the surrounding circumstances in assessing a likelihood of confusion between two trademarks, including a list of prescribed factors. The factor that often has the greatest effect on a confusion analysis is the degree of resemblance between the two marks at issue (*Masterpiece* at para 49).

[36] Degree of resemblance: ThousandShores' OHUHU mark is identical to the Respondent's impugned OHUHU trademark. This factor strongly favours ThousandShores.

[37] Distinctiveness: Distinctiveness requires consideration of both the inherent distinctiveness of a mark and the extent to which the mark has acquired distinctiveness through use in the marketplace (*United Artists Corp. v Pink Panther Beauty Corp.*, [1998] FCJ No. 441

(CA)). A trademark is inherently distinctive if it is unique or is an invented or coined name.

Thousand Shores' OHUHU trademark is a coined word with no dictionary definition and no geographic connotation. I agree with ThousandShores that the mark has a high degree of inherent distinctiveness. Further, ThousandShores' evidence establishes that it has continuously used the OHUHU trademark in Canada in association with sales of over \$25 million CAD of its OHUHU Goods through the OHUHU Storefront since October 2014. As discussed above, there is no evidence of the Respondent's use of the mark since January 1, 2015. This factor strongly favours ThousandShores.

[38] Length of time the trademarks have been in use: Again, ThousandShores has established extensive and continuous use of its OHUHU trademark in Canada in association with the OHUHU Goods since at least October 2014. There is no evidence that the Respondent has used the mark since January 1, 2015. As a result, this factor also strongly favours ThousandShores.

[39] Nature of the goods, services or business and nature of the trade: ThousandShores uses its OHUHU trademark in Canada in association with a wide range of goods. The Respondent's Impugned Registration encompasses a long and broad list of goods and services. The range of goods does not directly overlap but the parties' goods fall at least in part in the same or similar broader categories such as household goods and furniture, and textiles and clothing. There is also likely overlap in the channels of trade for sales of the goods to consumers. I conclude that this factor slightly favours ThousandShores or is neutral.

[40] Conclusion on confusion: I have concluded that the majority of the factors identified in subsection 6(5) of the Act, including that of resemblance, strongly favour ThousandShores. There is no evidence before me of any other relevant surrounding circumstances that would diminish or otherwise affect the likely degree of confusion between the two marks. I find a likelihood of confusion between the parties' marks as of the material dates of November 19, 2020 (paragraph 18(1)(b)) and January 1, 2015 (the earlier of the material dates for paragraphs 18(1)(d) and 16(1)(a)).

[41] Accordingly, I find that, as of November 19, 2020, the OHUHU trademark did not enable the Respondent to distinguish its goods and services from those of ThousandShores. The OHUHU trademark is not distinctive of the Respondent as of November 19, 2020 and I find the Impugned Registration invalid under paragraph 18(1)(b) of the Act.

- ii. *Is the Impugned Registration invalid because the Respondent was not the person entitled to secure registration of the OHUHU trademark on the basis that, at January 1, 2015, it was confusing with ThousandShores' OHUHU trademark that ThousandShores had previously used and made known in Canada?*

[42] Pursuant to paragraph 16(1)(a) of the Act, any applicant who has filed an application to register a registrable trademark is entitled to secure its registration unless, on the earlier of the date of filing of the application or the date of first use of the trademark in Canada, it was confusing with a trademark that had been previously used or made known in Canada by another person. Paragraph 18(1)(d) works in combination with paragraph 16(1)(a) to render invalid the registration of a trademark where the applicant for registration was not the person entitled to secure the registration.

[43] The issue of the Respondent's entitlement to register the applied-for OHUHU trademark in Canada turns on whether it was confusing with ThousandShores' OHUHU mark on January 1, 2015, the date of the Respondent's claimed first use. The confusion analysis is virtually the same as that set out in the prior section of this judgment, although the evidence in ThousandShores' favour is marginally less compelling as it covers a shorter period of time. Nevertheless, the evidence supports a conclusion of a likelihood of confusion between the parties' marks.

[44] As a result, I find that the Respondent was not entitled to secure registration of the OHUHU trademark. The Impugned Registration is invalid under paragraph 18(1)(d) of the Act.

iii. Is the Impugned Registration invalid because the Respondent has abandoned the OHUHU trademark in Canada?

[45] Paragraph 18(1)(c) of the Act provides that the registration of a trademark is invalid if it has been abandoned. The relevant date for the purpose of considering invalidity of a trademark due to abandonment is the date of the application to strike: November 19, 2020 (*Bedessee* at para 43; *Cross Canada Auto Body Supply (Windsor) Limited v Hyundai Motor America*, 2007 FC 580 at para 10).

[46] A finding of abandonment turns not only on non-use of a trademark but also on an intention to abandon (*Iwasaki Electric Co. Ltd. v Hortilux Schreder B.V.*, 2012 FCA 321 at para 18 (*Iwasaki*)). However, in the absence of any evidence of use, an intention to abandon may be inferred from a person's failure to use the mark for a long period of time (*Iwasaki* at para 21).

[47] ThousandShores submits that it can be inferred from the record that the Respondent has abandoned the OHUHU trademark in Canada. The Respondent was not using the OHUHU trademark in Canada as of November 19, 2020 and, at a minimum, has not used the mark since or prior to October 2014. ThousandShores relies on the absence of any indication of use of the OHUHU trademark by the Respondent in the regular Internet and marketplace searches it has carried out since 2014. In addition, the Respondent has been given numerous opportunities to establish his use of the OHUHU mark but has failed to respond to the October 2020 Letter or to participate in any way in the U.S. cancellation proceedings or in this expungement proceeding.

[48] I agree with ThousandShores' submissions and find that the Impugned Registration is invalid pursuant to paragraph 18(1)(c) of the Act on the basis that it has been abandoned.

iv. Is the Impugned Registration invalid because it was obtained on the basis of fundamental material misstatement that the Respondent had used the OHUHU trademark in Canada since January 1, 2015?

[49] ThousandShores submits that the Respondent's application to register the OHUHU trademark, filed on February 27, 2017, contained a material misrepresentation that was fundamental to the application: the Respondent's claim of use of the mark since January 1, 2015. The Respondent did not include any other basis for registration in the application. On this basis, ThousandShores argues that the Impugned Registration is invalid and void *ab initio*.

[50] The jurisprudence establishes that a fundamental misstatement in an application may render a registration invalid and void *ab initio* (*Coors Brewing Company v Anheuser Busch, LLC*, 2014 FC 716 at para 38; *WCC Containers Sales Ltd. v Haul-All Equipment Ltd.*, 2003 FC

962 at para 25). There is no requirement to establish fraud or an intent to deceive in these circumstances. A false statement of use has been recognized as a fundamental misstatement because the registration could not have been secured without the misstatement.

[51] Consistent with my prior analysis of use, and emphasizing the Respondent's failure to participate in this proceeding and to adduce any proof of use, I find that ThousandShores has established, on a balance of probabilities, that the Respondent's claimed date of first use is false. Therefore, I find that the Impugned Registration is invalid and void *ab initio*.

v. *Is the Impugned Registration invalid because the Respondent's application to register the OHUHU trademark was filed in bad faith?*

[52] ThousandShores submits that the Impugned Registration is invalid pursuant to paragraph 18(1)(e) of the Act because it was filed in bad faith. Paragraph 18(1)(e) came into force on June 17, 2019 but subsection 73(1) of the Act provides that matters arising after that date in respect of a trademark registered before June 17, 2019 are to be addressed according to the current provisions of the Act.

[53] ThousandShores argues that the Respondent has attempted to usurp the OHUHU name and trademark in both Canada and the United States. ThousandShores also argues that bad faith need not be egregious and that an action taken with intent to block or otherwise disrupt a business is sufficient to establish bad faith. In the current circumstances, when the Respondent applied to register the OHUHU mark in February 2017, ThousandShores had already used the mark extensively in Canada for over two years. In the absence of any evidence of use by the

Respondent of the trademark and in light of the business disruption and losses it has suffered, ThousandShores states that an inference of bad faith could and should be drawn.

[54] I do not agree. There is no evidence in the record that the Respondent purposely filed his trademark registration in 2017 to usurp the OHUHU trademark. ThousandShores has not established that the Respondent was then familiar with ThousandShores' business or its OHUHU trademark and brand, or that he intended to harm its business. The U.S. TTAB's cancellation of the Respondent's U.S. Registrations is not necessarily indicative of bad faith. According to the evidence, the U.S. Registrations were cancelled because of the Respondent's failure to respond. While the Respondent's actions in Canada and the United States may suggest a burgeoning pattern of conduct from which an inference of bad faith could be made, I am not convinced that it should be made on the record before me.

[55] I find that there is insufficient evidence in the record to warrant a finding of bad faith on the part of the Respondent.

C. Has the Respondent, directly or indirectly, made false and misleading statements tending to discredit ThousandShores' goods, services and business in violation of subsection 7(a) of the Act?

[56] ThousandShores submits that the Respondent's statements to Amazon.ca regarding the validity of the Impugned Registration, the inauthenticity of ThousandShores' OHUHU Goods, and its infringement of his rights were false and misleading. In addition, the statements led to the removal by Amazon.ca of ThousandShores' OHUHU Goods and to material loss of profits.

ThousandShores takes the position that the Takedown Requests were threatening letters (*Fluid*

Energy Group Ltd. v Exaltexx Inc., 2020 FC 81 at paras 99, 101). The Respondent alleged infringement and ThousandShores had no opportunity to respond or to provide an explanation. His false inauthenticity and infringement allegations tend to discredit its OHUHU Goods and the OHUHU Storefront in violation of subsection 7(a).

[57] Pursuant to subsection 7(a), no person shall “make a false or misleading statement tending to discredit the business, goods or services of a competitor”. The Supreme Court of Canada in *S & S Industries Inc. v Rowell*, [1966] SCR 419, outlined the three elements that must be met to establish an allegation based on subsection 7(a):

1. A false and misleading statement;
2. Tending to discredit the business, wares or services of a competitor; and
3. Resulting damage.

[58] I agree with ThousandShores that the Respondent made false allegations and misstatements to Amazon.ca in the Takedown Requests, at least one of which was made after the Respondent’s receipt of the October 2020 Letter. ThousandShores had no ability to respond directly to his allegations. The absence of any evidence of use of the OHUHU trademark by the Respondent and the likelihood of confusion between the parties’ marks means the Impugned Registration is invalid. Accordingly, the Respondent’s statements regarding the Impugned Registration, the inauthenticity of ThousandShores’ OHUHU Goods and its infringement of the Respondent’s rights were false. The statements clearly tended to discredit ThousandShores’ business, the OHUHU Storefront, and the OHUHU Goods. They misled Amazon.ca, causing it to remove ThousandShores’ listings for the OHUHU Goods with a resulting loss of profits.

ThousandShores' only recourse was to provide evidence of authorization or license by the Respondent, or to challenge the validity of the Impugned Registration.

[59] I find that the Respondent's false and misleading statements tended to discredit ThousandShores' business and OHUHU Goods in violation of subsection 7(a) of the Act.

IV. Relief Sought

[60] In addition to its request that the Court strike the Impugned Registration and for declaratory and injunctive relief, ThousandShores requests damages for lost profits and storage costs in the amount of \$69,400, the quantum to be updated from December 2020, and punitive damages in the amount of \$50,000, both payable forthwith.

[61] The Respondent's false and misleading statements in violation of subsection 7(a) caused ThousandShores to lose over \$348,000 in sales of OHUHU Goods in Canada and over \$68,000 in profits between August and December 2020. ThousandShores was also required to spend over \$1,400 to store the OHUHU Goods removed by Amazon.ca. I am satisfied with Thousand Shores' evidence in this regard. In addition, it is reasonable to expect that the damages suffered by ThousandShores and the storage fees it has incurred in the months since December 2020 have increased on a straight-line basis and are at least double their amount at the end of 2020.

[62] Therefore, I will award to ThousandShores damages for lost profits and storage costs in the amount of \$138,800.

[63] ThousandShores submits that the Respondent's callous and malicious conduct in Canada and the U.S. merits an award of punitive damages in this proceeding. ThousandShores alleges that the Respondent's takedown requests in Canada and the United States were planned and deliberate and clearly intended to harm its business, goodwill and reputation. The Respondent persisted in this behaviour despite receiving notice of ThousandShores' rights to the OHUHU trademark in the U.S. cancellation proceedings and in the October 2020 Letter. Further, the Respondent failed to defend or participate in this or the U.S. cancellation proceedings, an indication that he is indifferent to the results of his actions. He effectively forced ThousandShores to commence unnecessary and expensive legal proceedings in two countries.

[64] The principles applicable to the award and assessment of punitive damages are found in the Supreme Court of Canada decision in *Whiten v Pilot Insurance Co.*, 2002 SCC 18 (*Whiten*) (see also, *Louis Vuitton Malletier S.A. v Singga Enterprises (Canada) Inc.*, 2011 FC 776 at para 163). Punitive damages are an exceptional remedy to be awarded where a party engages in malicious, oppressive and high-handed behaviour that offends the Court's sense of decency (*Whiten* at para 36) and where other remedies are insufficient to accomplish the objectives of retribution, deterrence and denunciation (*Young v Thakur*, 2019 FC 835 at para 52).

[65] I find that an award of punitive damages is not appropriate in this case. I acknowledge the Respondent's failure to defend his registrations when provided the opportunity in Canada and the United States, and his misstatement(s) to Amazon.com and Amazon.ca, despite being made aware of ThousandShores' claims. In addition, the fact that the Respondent decided not to participate in this proceeding is a relevant consideration that suggests an indifference to the

consequences of his actions. However, I cannot characterize his actions to date as malicious, oppressive and high-handed. In my opinion, the substantial award of compensatory damages against the Respondent, an individual, will deter others who may be inclined to pursue a similar course of conduct in the hope of some gain.

V. Costs

[66] ThousandShores made general costs submissions at the hearing and subsequently submitted a detailed table of costs incurred and claimed on a solicitor and client basis (\$61,760.73), calculated at the middle of Column III of Tariff B (\$9,645.58), and calculated at the top of Column V of Tariff B (\$19,170.58).

[67] I have considered ThousandShores' request for an award of costs on a solicitor and client basis in light of the Respondent's inaction in this proceeding and the resulting increased burden on ThousandShores to prove facts clearly within his knowledge. I have also considered the Respondent's apparent disregard of this proceeding despite the ongoing harm to ThousandShores' business. While I find that full solicitor and client costs are not appropriate, I agree with ThousandShores that its has been forced to incur additional costs due to the Respondent's conduct and that there is a public interest in deterring such conduct. As a result and taking into account the factors set out in Rule 400(3), I will exercise my discretion under Rule 400(1) and award costs in the lump sum amount of \$25,000 to ThousandShores.

JUDGMENT IN T-1409-20

THIS COURT'S JUDGMENT is that:

1. The application is granted.
2. The Court declares Canadian trademark registration TMA1001070 for the word mark "OHUHU" invalid.
3. The Registrar shall strike Canadian trademark registration TMA1001070 for the word mark "OHUHU" from the register of trademarks.
4. The Respondent has made false and misleading statements tending to discredit ThousandShores' OHUHU business and OHUHU goods in violation of subsection 7(a) of the *Trademarks Act*, RSC 1985, c T-13 (the Act).
5. The Respondent and any and all persons or entities under his control are prohibited from directly or indirectly making any false or misleading statements tending to discredit ThousandShores' OHUHU business, OHUHU Storefront and/or OHUHU Goods in violation of subsection 7(a) of the Act.
6. The Respondent shall pay to ThousandShores damages in respect of lost profits and storage costs in the amount of \$138,800.00.

7. The Respondent shall pay to ThousandShores costs in the lump sum amount of \$25,000.00, payable forthwith.

"Elizabeth Walker"

Judge

SCHEDULE A**Ohuhu — 1824657****Application number**

1824657

Registration number

TMA1001070

Type(s)

Word

Category

Trademark

CIPO status

REGISTERED

Filed

2017-02-27

Registered

2018-07-18

Registration Expiry Date

2033-07-18

RegistrantJINXING LIN 6179 Azure Rd
Richmond BRITISH COLUMBIA
V7C2N8**Index headings**

OHUHU

Goods (Nice class & Statement)

- 9 (1) Audio cassette and CD players; audio cassette players; audio tapes featuring music; bicycle flashing safety lights; bicycle helmets; bicycle speedometers; car cassette players; cassette players; cassette tape players; CD music recordings; CD players; CD-ROMs containing music; compact disc players; compact discs containing music; computer software for creating and editing music; digital audiotape players; digital music downloadable from internet; digital versatile disc player; downloadable music; downloadable music files; DVD players; helmets for bicycles; intelligent videodisc players; lasers for compact disc players; loudspeakers, headphones, microphones and cd players; mp3 players; mp4 players; music headphones; music-composition software; needles for record players; phonograph record players; prerecorded audio tapes featuring music; pre-recorded compact discs containing music; pre-recorded DVDs containing music; record players; record players for digital compact disks; short range radios; speed regulators for record players; styli for record players; tape and videotape players; tape recorders and players; tone arms for record players; video cassette recorders and players; video disc players; video disk players; video tape players; videodisc players
- 11 (2) Bicycle lamps; bicycle lights; coal stoves; electric cooking stoves for household purposes; electric stoves; electrical elements for stoves; gas stoves; Japanese charcoal cooking stoves for household purposes (shichirin); oil cooking stoves for household purposes; oil stoves; reflectors for bicycles; slow-burning stoves; solid fuel burning stoves; stove elements; stoves; wicks for oil stoves
- 12 (3) Air pumps for bicycles; air pumps for two-wheeled motor vehicles and bicycles; baskets adapted for bicycles; bicycle bells; bicycle bottom bracket spindle; bicycle brake lever grips; bicycle brakes; bicycle carriers; bicycle chains; bicycle frames; bicycle frames and bicycle handlebar grips; bicycle handle bars; bicycle handlebar grips; bicycle handles; bicycle horns; bicycle kickstands; bicycle mudguards; bicycle parts; bicycle pedals; bicycle pumps; bicycle rims; bicycle saddles; bicycle seats; bicycle spokes; bicycle stands; bicycle tires; bicycle trailers [riyakah]; bicycle wheel rims; bicycle wheels; bicycle wheels, rims and structural parts therefor; bicycles; chain guards for bicycles; child safety restraints for bicycles; collapsible

- bicycles; delivery bicycles; direction indicators for bicycles; dress guards for bicycles; electric bicycles; frames for bicycles; freewheels for bicycles; front forks for bicycles; handle bars for bicycles; handlebar grips for bicycles; handlebars of two-wheeled motor vehicles or bicycles; inner tubes for bicycle tires; inner tubes for bicycles; luggage racks for bicycles; motorized bicycles; mountain bicycles; mudguards for bicycles; mudguards of two-wheeled motor vehicles or bicycles; racing bicycles; road racing bicycles; saddle covers for bicycles; saddlebags adapted for bicycles; saddles for bicycles; shock absorbers for bicycles; spokes for bicycles
- 20 (4) Book cases; box springs; boxes of wood and plastic; cabinets for display purposes; costume display stands; display boards; display cases; display cases for merchandise; display counters; display racks; display stands; display tables; floor display units; hive boxes or honeycombs; jewellery organizer display stands; kindling boxes; letter boxes of plastic; letter boxes of plastic and wood; letter boxes of wood; life-size forms of the human body to display clothes; metal storage cabinets; nesting boxes; nesting boxes for animals; nesting boxes for household pets; newspaper display stands; plastic shipping and storage boxes; plastic tool boxes sold empty; polyethylene liquid storage tanks for industrial purposes; shelves for storage; storage closets; storage racks; toy boxes and chests; wooden boxes; wooden boxes for industrial packaging purposes
- 21 (5) Biodegradable trays; cake brushes; cake domes; cake molds; cake rings; cake servers; cake stands; cake tins; compostable and biodegradable plates, bowls, cups and trays; crumb trays; cutlery trays; Japanese style personal dining trays or stands [zen]; litter trays for pets; meal trays; paper trays; serving trays
- 24 (6) Bed and table linen; bed blankets; bed canopies; bed covers; bed covers of paper; bed linen; bed pads; bed sheet sets; bed sheets; bed skirts; bed spreads; bed throws; blankets; bunting bags; fabric bed valances; fabric table runners; individual place mats made of textile; place mats of textile; plastic table linens; serviettes of textile; sheets; silk bed blankets; sleeping bag liners; sleeping bags; sleeping bags for babies; sleeping bags for camping; slumber bags; table and bed linen; table cloth of textile; table linen; table linen of textile; table napkins of textile; table runners of textile; tablecloths; tablemats of textile
- 25 (7) Athletic shorts; bermuda shorts; bib shorts; bicycle gloves; boxer shorts; boxing shorts; casual clothing featuring pants, dresses and shorts; cycling shorts; fleece shorts; gym shorts; pant suits; pants; rain pants; rugby shorts; running shorts; short overcoat for kimono [haori]; short pants; short petticoats; short trousers; shorts; skorts; sports shirts with short sleeves

Services (Nice class & Statement)

41 (1) Music composition; music composition services; music instruction; music transcription; music transcription for others; music-halls; operation of a blog in the field of music; operation of a website that provides streaming audio and video such as music, movies, television shows, music videos, news and sports webcasts; organization of bicycle races; organization of music concerts for charitable purposes; organizing music competitions; performances featuring live dance and live music; post-production editing services in the field of music, videos and film; production of music records; providing ratings for television, movie, music, video and video game content; providing weblogs in the field of music; rental of phonographic and music recordings

Claims

Used in CANADA since January 01, 2015

Action History

Action	Action date	Due date	Comments
Filed	2017-02-27		
Created	2017-02-27		
Formalized	2017-03-01		
Search Recorded	2018-01-05		
Approval Notice Sent	2018-01-05	2018-02-02	
Approved	2018-02-22		APPROVED BY PROGRAM EX200M1
Advertised	2018-03-14		Vol.65 Issue 3307
Allowed	2018-06-29		
Allowance Notice Sent	2018-06-29	2018-12-29	
Registered	2018-07-18	2033-07-18	

SCHEDULE B**Ohuhu — 1951858****Application number**

1951858

Type(s)

Word

Category

Trademark

CIPO status

FORMALIZED

Filed

2019-03-18

ApplicantYiwu Thousand Shores E-
Commerce Co. Ltd, JiChang
Road 588 Suite 107 Yiwu CHINA**Index headings**

OHUHU

Goods (Nice class & Statement)

- 16 (1) Artists' brushes; colour pencils; drawing boards; drawing pens; electric pencil sharpeners; envelopes for stationery use; fountain pens; marker pens; painters' brushes; painters' easels; paper bags; pen and pencil cases and boxes; pencils for painting and drawing; pens; plastic bags for packaging; postcards and greeting cards
- 22 (2) Bivouac sacks being shelters; fabric mailing pouches; hammocks; plastic-covered mesh fabric growing bags for growing plants and trees; sacks of textile for packaging; tents
- 28 (3) Athletic protective knee pads for skateboarding; baby toys; badminton rackets; bath toys; boxing gloves; exercise pulleys; paper party favours; party balloons; party games; swing sets; swings; toy balloons; waist trimmer exercise belts; wrist weights for exercise

Claims

Used in CANADA since October 30, 2014

Action History

Action	Action date	Due date	Comments
Filed	2019-03-18		
Created	2019-03-18		
Formalized	2019-03-20		

Ohuhu — 2049036

Application number
2049036

Type(s)
Standard Characters

Category
Trademark

CIPO status
FORMALIZED

Filed
2020-09-02

Applicant
Yiwu ThousandShores E-
Commerce Co. Ltd, 315
HongYun Rd, ChengXi Street
Yiwu, 322000 CHINA

Address for Service
1285 West Broadway suite 600
Vancouver BRITISH COLUMBIA
V6H3X8

Index headings
OHUHU

Goods (Nice class & Statement)

- 2 (1) Acrylic paints; colour pigments for use in the manufacture of clothing; finger paints; inorganic pigments; oil paints; organic pigments; paint for artists; paint for model airplanes; paint for model cars; paints for arts and crafts; watercolour paints; watercolour paints for use in art
- 3 (2) Adhesives for false eyelashes, hair and nails; cosmetic preparations for drying nail polish; decalcomanias for fingernails; fingernail decals; gel nail removers; nail art stickers; nail buffing preparations; nail care kits; nail care preparations; nail conditioners; nail cream; nail enamel; nail enamel removers; nail gel; nail glitter; nail polish; nail polish base coat; nail polish pens; nail polish removers; nail polish top coat; nail polishing powder; nail topcoats
- 8 (3) Blades for hand saws; carving knives; cuticle pushers; cuticle scissors; cuticle tweezers; drawing knives; drawknives; electric manicure sets; fingernail clippers; fingernail polishers; gardening tools; hand cultivators; hand tools; hand-operated weed diggers; lawn rollers; manually operated hand tools; palette knives; pizza slicers; snow shovels; weeding forks
- 15 (4) Electronic musical instruments; electronic musical keyboards; handbells; harmonicas; musical instrument handbells; musical instrument stands; ocarinas; string instruments; violins

Action History

Action	Action date	Due date	Comments
Filed	2020-09-02		
Created	2020-09-02		
Formalized	2020-09-02		

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1409-20

STYLE OF CAUSE: YIWU THOUSAND SHORES E-COMMERCE CO.
LTD. v JINXING LIN

PLACE OF HEARING: HEARD BY VIDEOCONFERENCE

DATE OF HEARING: JUNE 29, 2021

JUDGMENT AND REASONS: WALKER J.

DATED: OCTOBER 6, 2021

APPEARANCES:

Mark K. Biernacki
Noelle Engle-Hardy

FOR THE APPLICANT

No one appearing

FOR THE RESPONDENT
(ON HIS OWN BEHALF)

SOLICITORS OF RECORD:

Smart & Biggar
Barristers and Solicitors
Toronto, Ontario

FOR THE APPLICANT