

Federal Court



Cour fédérale

Date: 20240325

Docket: T-213-22

Citation: 2024 FC 453

Toronto, Ontario, March 25, 2024

PRESENT: The Honourable Mr. Justice Zinn

BETWEEN:

HEATHER RUTH MCDOWELL

Plaintiff

and

A DRIP OF HONEY

Defendant

**JUDGMENT AND REASONS**

I. Nature of the Matter

[1] The Plaintiff brings an *ex parte* motion in writing under Rule 369 of the *Federal Courts Rules*, SOR/98-106 [the Rules], seeking an order, pursuant to Rule 210(1), for default judgment against the Defendant, A Drip of Honey.

[2] In her statement of claim, the Plaintiff makes the following three allegations:

- i. The Defendant's adoption, use, advertisement, and promotion of its trademarks are contrary to sections 19 and 20 of the *Trademarks Act*, RSC 1985, c T-13 [the Act];
- ii. The Defendant breached the Plaintiff's trademark rights in her three registered trademarks [the Honey Marks] contrary to paragraphs 7(b) and (c) of the Act; and
- iii. The Defendant damaged the goodwill of the Plaintiff in her Honey Marks contrary to section 22 of the Act.

[3] The Plaintiff seeks an interim, interlocutory, and permanent injunction restraining the Defendant and its representatives from directly or indirectly directing public attention to its goods in a way that causes or is likely to cause confusion in Canada between its goods and those of the Plaintiff.

[4] The Plaintiff requests that the Defendant delivers up to a representative of the Plaintiff, or destroy under oath, any and all business, advertising, and other material within the Defendant's control that would offend the requested injunction.

[5] The Plaintiff tried multiple times to reach the Defendant to no avail. The Defendant has failed to serve and file a statement of defence within the time set out in Rule 204.

[6] For the reasons that follow, I partially grant the request for default judgement. There is no doubt that the Defendant is in default of its obligation to file a statement of defence under the Rules.

[7] Turning to the merits, I note that the Plaintiff's submissions were largely disorganized and unhelpful to the Court. Even when unopposed on a motion for default judgment, the Plaintiff must put her best foot forward. It is not the role of the Court to substitute as Plaintiff's counsel and embark on a search in her 681-page record and the jurisprudence not cited for support to substantiate the Plaintiff's pleadings.

[8] The Plaintiff did not cite the correct legal test for any of the alleged causes of action: she gave the incorrect test for passing off under paragraph 7(b) of the Act and did not provide a proper legal framework for the other causes of actions pleaded. She further provided no substantiation for the remedies sought. As an example, the Plaintiff requests that the Defendant pay her damages in the amount of \$150,000 and costs in the amount of \$75,000, subject to post-judgment interest. She provides no bill of costs nor any explanation for these figures, save for claiming that the average sales of goods bearing the Honey Marks in each year over the last ten years were "well in excess of CDN \$11,000,000."

[9] Despite my initial inclination to dismiss this motion, without prejudice, in the hope that the Plaintiff would correct these deficiencies, I have decided that is not the appropriate course as, on the merits and with little assistance from counsel, I find that there is sufficient evidence to establish causes of action in infringement and passing off pursuant to section 20 and paragraph 7(b) of the Act.

## II. Background

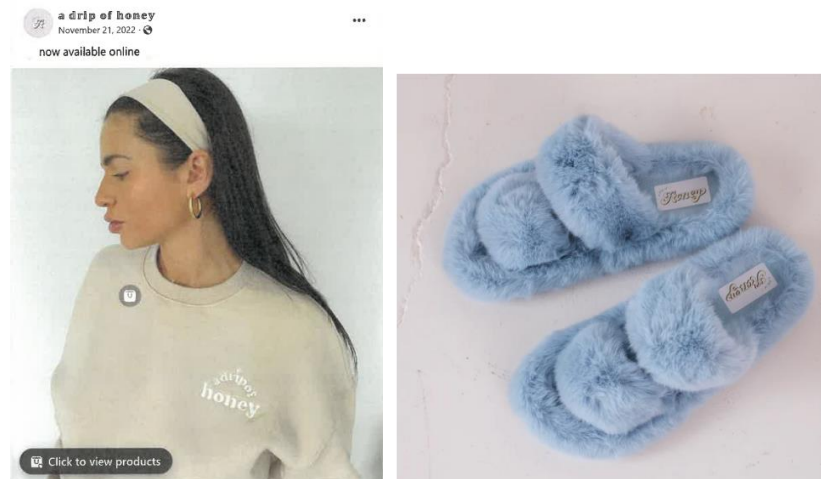
[10] The Plaintiff owns Honey, a women’s fashion boutique based in Toronto, Ontario, with 11 locations scattered across the Greater Toronto Area and an active online presence at the domain <https://shophoney.com/>. Honey sells a variety of clothing, footwear, and accessories geared towards young women.

[11] The Defendant is also a women’s fashion boutique based in Toronto, operating under the name A Drip of Honey. It conducts its business completely online at the domain <https://adripofhoney.ca/>. It also has an Instagram page (@adripofhoney) and a Facebook page (<http://www.facebook.com/adripofhoney/>). The Defendant appears to sell mostly women’s loungewear, accessories, and footwear, particularly slippers.

[12] The Defendant has not registered its business or any trademarks in Canada. It goes by the name “A Drip of Honey” and uses the following marks on its website, Instagram, and Facebook:



[13] These marks also appear on many of the Defendant's goods, for example:



[14] The Plaintiff owns the following registered trademarks in Canada: HONEY, TMA767075; HONEY & DESIGN, TMA767134 (see below); and PINK & HONEY, TMA976966. It filed for these marks in 2002, 2003, and 2011, and obtained two in 2010 and one in 2017, respectively. HONEY and PINK & HONEY are word marks whereas HONEY & DESIGN is a design mark.



[15] The Honey Marks are registered for use in association with the following goods: “Clothing, namely, trousers, jeans, sweat pants, yoga pants, active wear, pants, sweaters, sweatshirts, polo shirts, shirts, skirts, blouses, dresses, hosiery, jackets, blazers, coats, ski jackets, down filled jackets, fur jackets, wool coats, shorts, bathing suits, loungewear; lingerie; footwear, namely, shoes, sandals, boots, slippers; men's, women's and children's shoes made of leather,

suede or silk, namely pumps, high heels, dress shoes of any kind, sneakers, running shoes, basketball shoes, golf shoes, training shoes, court shoes, track shoes, beach shoes, namely sandals, flip flops and thongs; headwear, namely, hats, caps, bandannas, headbands, visors; jewellery; fashion accessories, namely, scarves, shawls, purses, gloves, watches; hair accessories, namely, combs, brushes, hair bands made of cloth or plastic, barrettes, scrunchies, ponytail holders, hair clips, hair pins, and hair ornaments; belts, sunglasses; cosmetics, namely foundation made of liquid or powder, face creams, blush, eye shadow, eye liner, mascara, lipstick, lip gloss, lip liner, make-up bags sold empty; giftware, namely, lamps, trays, vases; ornaments and figurines made from ceramic, chinaware, glass, porcelain; candy dishes.”

[16] The Honey Marks are also registered for use in association with the following services: “Retail store services, namely, the operation of a clothing, footwear, headwear, fashion accessory and giftware outlet.”

[17] On July 20, 2021, the Plaintiff sent the Defendant a cease-and-desist letter via email. The Defendant did not respond. Since then, the Plaintiff has attempted multiple times to reach the Defendant via email and its business address to no avail.

### III. Issues

[18] This motion raises two issues: (i) procedurally, whether the Plaintiff has properly brought this motion; and (ii) substantively, whether she has proved that a default judgment should issue, and the relief sought should be granted.

IV. Legal Framework

[19] A motion for default judgment is a matter of the exercise of the Court’s discretion: *Odyssey Television Network Inc v Ellas TV Broadcasting Inc*, 2018 FC 337 [*Odyssey Television*] at para 43.

[20] Under a motion for default judgment, the plaintiff must establish, on a balance of probabilities, that (i) the defendant is in default of filing a statement of defence, and (ii) there is sufficient evidence to support the plaintiff’s claim: *Chase Manhattan Corp v 3133559 Canada Inc*, 2001 FCT 895 [*Chase Manhattan*].

[21] As explained by this Court in *Chase Manhattan* at paragraph 3, due to the operation of Rule 184, “allegations of a statement of claim, if not admitted, remain just that, namely, allegations and there is no evidence of their truth or correctness absent the filing of an affidavit. Where there is no statement of defence, judgment cannot be obtained simply ‘on the pleadings.’”

[22] The onus is on the plaintiff to establish its case on a balance of probabilities with sufficiently clear, convincing, and cogent evidence: *FH v McDougall*, 2008 SCC 53 at paras 45–46; *NuWave Industries Inc v Trennen Industries Ltd*, 2020 FC 867 at para 17.

V. Analysis

A. *The Defendant is in default*

[23] The Defendant was served with the Plaintiff's statement of claim on June 23, 2023, via email and regular mail. Service was effective pursuant to the order of Associate Judge Horne on June 28, 2023. The Defendant had 30 days to serve and file its statement of defence pursuant to the time set out in Rule 204. To date, the Defendant has failed to file a statement of defence, or anything else, in response to these proceedings.

[24] The Plaintiff thus meets the first ground for default judgment.

B. *There is sufficient evidence to establish some of the Plaintiff's claims*

[25] On the second prong of the test for default judgement, the Plaintiff submits that the Defendant has contravened sections 19 and 20 of the Act in relation to infringement, paragraphs 7(b) and (c) of the Act in relation to passing off, and section 22 of the Act in relation to depreciation of goodwill. I will deal with each in turn; however, I note from the outset that the Plaintiff's submissions almost entirely relate to passing off.

(1) Sections 19 and 20 of the Act: Infringement

[26] Pursuant to section 19 of the Act, registration of a trademark gives the owner the exclusive right to use the mark throughout Canada in respect of the goods and services indicated in the registration. Under paragraph 20(1)(a) of the Act, this right is deemed to be infringed by



the sale, distribution, or advertisement of goods or services in association with a confusing trademark.

[27] In *Sandhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2019 FCA 295 [*Sandhu Singh*] at paragraph 20, the Federal Court of Appeal held that section 19 is concerned with the use of a trademark that is identical to a registered trademark. In contrast, section 20 captures the use of a trademark that is confusing but not necessarily identical to a registered mark. As the Honey Marks and the Defendant's marks are not identical, I find that the Defendant has not infringed section 19. The infringement analysis will proceed only under section 20 of the Act.

[28] The Plaintiff advanced no submissions under section 20 of the Act. However, she broadly argued that the Defendant's activities are likely to cause confusion in Canada, in submitting that the Defendant contravened paragraph 7(b). These submissions, though pointing towards the cause of action of passing off, are relevant in my analysis under section 20 as both infringement and passing off assess the likelihood of confusion.

[29] Subsection 6(2) of the Act states that a mark is confusing with another mark where its use is likely to lead to the inference that the goods or services are manufactured, sold, leased, hired or performed by the owner of the registered trademark. It is not a substitutional error, but a relationship error: *Hudson's Bay v Anonim Sirketi*, 2013 FC 125 at para 42. The test for confusion is to be applied as a matter of first impression for the "casual consumer in somewhat of a hurry" who has no more than an imperfect recollection of the registered mark: *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*] at para 40, citing *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 [*Veuve Clicquot*] at para 20.

[30] Subsection 6(5) of the Act establishes a non-exhaustive list of factors to be considered when determining whether two trademarks are confusing: a) inherent distinctiveness and the extent to which the trademarks have become known; b) length of time the trademarks 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 trademarks.

[31] As the Plaintiff submits, it is the last point, the degree of resemblance between the trademarks, which is the most important factor. In *Masterpiece*, the Supreme Court of Canada [the Supreme Court] stated at paragraph 49:

[...] if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar. As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start.

(footnotes omitted)

[32] The Plaintiff contests the Defendant's use of its marks, which includes the word "honey," in association with its sale of women's apparel. She argues that the Honey Marks and the Defendant's marks are "virtually identical." Further, she argues that "even if differences may appear in some of the elements when viewed separately," it "is the combination of the elements that constitutes the trade mark [...] and it is the effect of the trademark as a whole, rather than of any particular element in it, that must be considered:" *British Drug Houses, Ltd v Battle Pharmaceuticals* (1944), 4 CPR 48 at 60; *Reynolds Presto Products Inc v PRS Mediterranean Ltd*, 2013 FCA 119 at para 32.

[33] Although the Plaintiff argues that the Defendant is infringing *all* the Honey Marks, it is evident that the Defendant's marks do not bear resemblance to HONEY & DESIGN, TMA767134 and PINK & HONEY, TMA976966.

[34] In the case of a trademark that is registered only in its textual form (i.e., a word mark), the owner is permitted to use it in any size and with any style of lettering, colour, or design: *Masterpiece* at para 55. Indeed, the Plaintiff has a registered trademark over the word "honey" (TMA767075). She is free to use it in any typeface or colour as she chooses.

[35] I will therefore assess whether the Defendant's marks which comprise the phrase "A drip of honey" are confusing with the Plaintiff's trademark in HONEY, TMA767075, using the factors set out in subsection 6(5) of the Act. I note that this is not an exhaustive list and different factors may be given different weight in a context-specific assessment: *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54.

(a) *Degree of Resemblance*

[36] Starting with the degree of resemblance, as per the Supreme Court's direction, I find that there is a strong resemblance as a whole between the Defendant's "A drip of honey" marks and the Plaintiff's HONEY word mark.

[37] Under paragraph 6(5)(e) of the Act, the Court must consider the marks' appearances, sounds, and ideas suggested by them in determining their degree of resemblance. While the Court is to consider the entirety of the trademarks, it may consider the constituent elements, particularly those dominant ones: *Masterpiece* at para 64.

[38] In the present case, the Defendant's impugned "A drip of honey" marks incorporate the word "honey" which comprises the whole of the Plaintiff's trademark in the TMA767075 registration. They also include the additional "a drip of" element, which is not seen in the Honey Marks.

[39] The Plaintiff puts significant emphasis on the "honey" element, suggesting it is the most striking element of the Defendant's marks. She does not advance much case law or argument in this regard, save to say that the marks are "virtually identical."

[40] Notwithstanding the absence of reasoned submissions from the Plaintiff, I find that "honey" is the dominant word in these trademarks. While the first word is often considered important in assessing distinctiveness, I note that the Supreme Court has said that it is preferable to "consider whether there is an aspect of the trademark that is particularly striking or unique:" *Masterpiece* at para 64. Evaluating the Defendant's marks, I find that "honey" often appears on a separate line that is centered from the rest of the mark. This is most evident in the mark used on the Defendant's Facebook page, where "honey" is in an enlarged stylized font clearly distinct from the rest of the mark. Further, the phrase "a drip of honey" suggests that "honey" is the subject whereas "a drip of" is merely a quantifier of that subject. It is clear the Defendant's focus in its marks is on the "honey" element.

[41] Comparing the dominant element of the Plaintiff's and Defendant's marks (i.e., "honey"), I find they are identical in appearance and sound, being identically spelt and pronounced. I also find that the core ideas suggested by the Honey Marks and the Defendant's "A drip of honey" marks are similar. Though not cited by the Plaintiff, this Court has assessed the Honey Marks

before and found that “there is no one meaning of the word ‘honey’ that is inherently attributable to the [Plaintiff’s] marks:” *Mcdowell v The Body Shop International PLC*, 2017 FC 581 [Mcdowell] at para 39. “Honey” could refer to its laudatory meaning, a term of endearment, the colour, a sweet substance, or something else. In contrast, to me, “a drip of honey” evokes the idea of honey as a sweet substance. Since the Plaintiff’s HONEY mark may also encompass this idea, I find that this furthers the degree of resemblance between the Plaintiff’s and Defendant’s marks.

[42] As I find a strong resemblance between the Plaintiff’s and Defendant’s marks, supporting a finding of confusion, I will go on to assess the other factors under subsection 6(5) of the Act.

(b) *Inherent distinctiveness of the trademarks and the extent to which they have become known*

[43] The word “honey” has many meanings in common parlance in English. However, the inherent distinctiveness of a trademark must be assessed in the context of the goods and services to which it applies: *Mcdowell* at para 28. As the Court held in *Mcdowell* at paragraph 29 in relation to the Plaintiff’s Honey Marks:

In the absence of any evidence that “honey” is descriptive of the HONEY Goods, or that it is an ingredient found in the goods of either Party, or evidence to support the conclusion that “honey” has an inherently laudatory connotation, I disagree with the TMOB and am satisfied that the HONEY Marks possess at least some level of distinctiveness.

[44] There is no evidence suggesting that the Defendant’s “A drip of honey” marks have become known in Canada. On the contrary, the evidence demonstrates that the Honey Marks

have been in continuous use since 2003 and would be known to a certain extent, at least in the Toronto area. This factor thus favours the Plaintiff.

(c) *Length of time the trademarks have been in use*

[45] Consistent with *Mcdowell*, the Plaintiff's evidence demonstrates the continuous of the Honey Marks in Canada since at least as early as March 15, 2003. In contrast, from the evidence submitted, and given that the Defendant failed to submit a statement of defence, it is unclear when the Defendant began using its marks. This factor again favours the Plaintiff.

(d) *Nature of the goods, services, business, and trade*

[46] The Plaintiff and Defendant operate in the same channels—women's fashion—and likely have an overlapping consumer base in Toronto. Given the overlap between the Plaintiff's and Defendant's goods and target audiences, I find this factor also favours the Plaintiff.

[47] Overall, I find that there is sufficient evidence to establish that the Defendant's operations under the name "A drip of honey" and corresponding marks create a likelihood of confusion with the Plaintiff's Honey Marks, in particular her HONEY word mark, contrary to section 20 of the Act.

(2) Paragraphs 7(b) and (c) of the Act: Passing off

[48] The Plaintiff asserts causes of action under paragraphs 7(b) and (c) of the Act. They read as follows:

7 No person shall

...

**(b)** direct public attention to his goods, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his goods, services or business and the goods, services or business of another;

**(c)** pass off other goods or services as and for those ordered or requested;

7 Nul ne peut :

[...]

**b)** appeler l'attention du public sur ses produits, ses services ou son entreprise de manière à causer ou à vraisemblablement causer de la confusion au Canada, lorsqu'il a commencé à y appeler ainsi l'attention, entre ses produits, ses services ou son entreprise et ceux d'un autre;

**c)** faire passer d'autres produits ou services pour ceux qui sont commandés ou demandés;

[49] The Plaintiff fails to distinguish between prohibited conduct described in the two paragraphs. While paragraph 7(b) codifies the common law cause of action for passing off, paragraph 7(c) codifies the common law cause of action for passing off *by substitution*: *Kirkbi AG v Ritvik Holdings Inc*, [2004] 2 FCR 241 at 245, *aff'd* 2003 FCA 297; *Albian Sands Energy Inc v Positive Attitude Safety System Inc*, 2005 FCA 332 [*Positive Attitude Safety System*] at para 34. While similar, they require different elements to establish a contravention. As such, I will consider each separately.

(a) *Paragraph 7(b)*

[50] As mentioned earlier, the bulk of the Plaintiff's submissions relate to making a claim for passing off.

[51] In *Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 [*Ciba-Geigy*] at paragraph 33, which the Plaintiff cites, the Supreme Court summarized the three components necessary for a common law passing off action: i) the existence of goodwill or reputation; ii) deception of the public due to a misrepresentation; and iii) actual or potential damage to the plaintiff.

[52] What the Plaintiff failed to submit is that there is an additional threshold requirement when asserting passing off through its statutory formulation under paragraph 7(b). In addition to meeting the above requirements, a plaintiff must prove that it had a valid and enforceable trademark under the Act at the time the defendant first began directing public attention to its own goods and services: *Kirkbi AG v Ritvik Holdings Inc*, 2003 FCA 297 at para 37, aff'd 2005 SCC 65. This requirement derives from constitutional constraints on federal jurisdiction in relation to trademarks: *Sandhu Singh* at para 39. As I stated in *Dragona Carpet Supplies Mississauga Inc v Dragona Carpet Supplies Ltd*, 2022 FC 1042 at paragraph 90, aff'd 2023 FCA 228:

The Federal Court is a statutory court, and it has “no jurisdiction apart from what is expressly conferred on it by Parliament” (*Celliers du Monde Inc v Dumont Vins & Spiritueux Inc* (1992), 42 CPR (3d) 197 (FCA) at 209). This Court cannot entertain a claim for passing off that is not grounded in the Act.

(i) Threshold requirement: Valid and enforceable trademarks

[53] To be a “valid and enforceable trademark,” the Federal Court of Appeal in *Sandhu Singh* noted at paragraph 39 that it requires “that the mark have been used by the plaintiff for the purpose of distinguishing its wares or services from those of others.” The mark may be



registered or unregistered: *Sandhu Singh* at para 39; see also *TFI Foods Ltd v Every Green International Inc*, 2021 FC 241 at paras 32–40.

[54] The Plaintiff did not obtain registration for the HONEY word mark until 2010; however, she has been operating under the name “Honey” since at least as early as 2003. I am satisfied that the Plaintiff has been continuously using it and the other Honey Marks for over 20 years to distinguish her wares from those of others in the Canadian women’s apparel industry.

[55] However, it is unclear, based on the evidentiary record before me, when exactly the Defendant began directing public attention towards its goods and services. This is the critical date of comparison for a passing off claim. To succeed, the Plaintiff must demonstrate that she had a valid and enforceable trademark before the Defendant began its impugned activities (or, in other words, that the Defendant did not begin its impugned activities until after 2003).

[56] The Plaintiff made no submissions in this regard. She states that the Defendant began its impugned activities on a date known to it but not to her. She notes that she has requested that the Defendant discontinue its activities since she became aware of them, at least as early as July 20, 2021.

[57] As this is a motion for default judgment, I must be satisfied that the evidence, on a balance of probabilities, establishes the Plaintiff’s claims: *Chase Manhattan* at para 5. By virtue of the Defendant’s failure to participate in the action, I understand that it is difficult to adduce evidence that establishes key facts about the Defendant’s activities, to no fault of the Plaintiff.

[58] Although not pinpointed by the Plaintiff, the motion record reveals that the Defendant created and began advertising on its Facebook page using the marks at issue on November 8, 2020: Motion Record, pages 148–149. In the absence of evidence from the Defendant, I am satisfied that, on a balance of probabilities, the Defendant did not begin its operations until around November 8, 2020. This is over 15 years after the Plaintiff began using her valid and enforceable trademarks. As such, I find that the Plaintiff met the threshold requirement necessary to make a passing off claim under paragraph 7(b).

(ii) Existence of goodwill or reputation

[59] In determining the existence of goodwill or reputation, courts are permitted to consider a variety of factors including inherent and acquired distinctiveness, length of use, surveys, volumes of sales, extent and duration of advertising and marketing, and intentional copying: *Sandhu Singh* at para 48. The Federal Court of Appeal clarified that for the purposes of passing off, the factors should be considered in determining if a mark is distinctive and possesses reputation: *Sandhu Singh* at para 48.

[60] I find that, on balance, the Plaintiff established a goodwill or reputation attached to the Honey Marks. Though “honey” is a common word in the English language, this Court has found that it possesses “at least some level of distinctiveness” in relation to the goods of which it relates: *Mcdowell* at para 29. The Plaintiff has operated and advertised a business in Canada under the name “Honey,” using the Honey Marks, since at least as early as March 15, 2003. The record further demonstrates that she has amassed a significant volume of sales each year over the last ten years, in excess of \$11,000,000. Though the Plaintiff has not produced any surveys, I am

persuaded on the evidence that the Honey Marks are well known in Canada in relation to the Plaintiff's goods.

(iii) Misrepresentation

[61] To make out misrepresentation, the Plaintiff must demonstrate that the Defendant has used a mark that is likely to be confused with her marks: *Ciba-Geigy* at para 36. For the same reasons given above in assessing confusion for infringement purposes, I find that the Plaintiff has established a likelihood of confusion.

(iv) Actual or potential damage

[62] The Plaintiff fails to show how the Defendant's use of its marks is damaging her marks. She does not allege any loss of sales or profits arising from the Defendant's activities. She merely claims that she has suffered and will continue to suffer loss of business and reputation, and the depreciation of the distinctiveness and goodwill attached to the Honey Marks.

[63] Although not cited by the Plaintiff, this Court has held that the mere loss of control over reputation, image, or goodwill can be sufficient to establish the damages required to support a claim in passing off: *Sani Bleu Inc v 9269-6806 Québec Inc*, 2022 FC 1711 at para 37, citing *H-D U.S.A., LLC v Varzari*, 2021 FC 620 [*H-D U.S.A.*] at para 42.

[64] As the Plaintiff has no control over the quality of goods sold by the Defendant, the Defendant's offering of goods under confusing marks is sufficient to demonstrate potential damages resulting from a loss of control over the Plaintiff's goodwill.

[65] In light of the above, I am satisfied that the Plaintiff has established the existence of all the elements required to support her claim in passing off under paragraph 7(b) of the Act.

(b) *Paragraph 7(c)*

[66] In order for there to be a contravention of paragraph 7(c), there must be a substitution of one trader's goods as and for those ordered or requested: *Positive Attitude Safety System* at para 34; see also *Diageo Canada Inc v Heaven Hill Distilleries Inc*, 2017 FC 571 at para 97. In other words, there must be evidence that the defendant supplied its or another's goods in response to an order for what plainly appears to be the plaintiff's goods.

[67] No such evidence exists in this case. The Plaintiff additionally makes no submissions relating to paragraph 7(c). I find that the Defendant has not contravened this paragraph of the Act.

(3) Section 22 of the Act: Depreciation of goodwill

[68] Finally, the Plaintiff submits that the Defendant's use of its marks would lead to a depreciation of the goodwill in the Honey Marks, contrary to subsection 22(1) of the Act:

**22 (1)** No person shall use a trademark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.

**22 (1)** Nul ne peut employer une marque de commerce déposée par une autre personne d'une manière susceptible d'entraîner la diminution de la valeur de l'achalandage attaché à cette marque de commerce.

[69] The Plaintiff does not advance any new arguments to describe how the Honey Marks have goodwill that will be or are depreciated by the Defendant's use of its marks. Her submissions related to goodwill are limited to the context of her passing off claim. However, as the Federal Court of Appeal held in *Sandhu Singh* at paragraph 48, assessing goodwill under section 22 differs than its assessment under paragraph 7(b). Under section 22, distinctiveness and reputation of the registered mark are considered insofar as they are relevant in assessing the capability of the goodwill to depreciate: *Sandhu Singh* at para 48. To succeed under subsection 22(1), the plaintiff must demonstrate the following four elements listed in *Veuve Clicquot* at paragraph 46:

- i. Use of the registered trademark by the defendant in connection with goods or services;
- ii. The trademark was sufficiently well known to have significant goodwill;
- iii. The use of the trademark is likely to have an effect on the claimant's goodwill (i.e., linkage), and;
- iv. That effect is likely to depreciate the value of the claimant's goodwill (i.e. damage).

[70] Acknowledging the differences in the assessment of goodwill under paragraph 7(b) and section 22, I accept that there is goodwill in the Honey Marks for many of the same reasons I described above.

[71] Notwithstanding this finding, I disagree that the Defendant's use of its marks serve to depreciate the goodwill of the Plaintiff's marks as the Plaintiff has failed to adduce sufficient evidence that the Defendant used the Honey Marks, let alone used them in a manner likely to have a depreciating effect on the Honey Marks' goodwill. While the first element of the test

under section 22 can be met even if the defendant used a trademark that is not identical to that of the plaintiff, the test is different from confusing similarity: *Novartis AG v Biogen Inc*, 2024 FC 52 at para 124. Instead, the Plaintiff must establish that the Defendant's use of its marks evokes a link, connection, or mental association in the consumer's mind with the Honey Marks, or that the casual observer would recognize the Defendant's marks as the Honey Marks. The Federal Court of Appeal has described the standard as requiring the use of the registered trademark "or something so closely akin to it so as to be understood as the other party's mark:" *Venngo Inc v Concierge Connection Inc (Perkopolis)*, 2017 FCA 96 at paras 13, 80.

[72] The Plaintiff has not established that the casual observer would recognize the Defendant's marks as the Honey Marks or make the necessary link, connection, or mental association to the Honey Marks. For this reason, the section 22 claim must fail.

## VI. Remedies

[73] The only remaining question is what remedies the Plaintiff should receive.

[74] Section 53.2 of the Act provides that the Court may make any order that it considers appropriate in the circumstances, including an order providing for relief by way of injunction and the recovery of damages or profits, for punitive damages, and for the destruction or other disposition of any offending goods, packaging, labels, and advertising material.

[75] I will consider each of the categories of relief sought by the Plaintiff.

A. *Injunctive relief*

[76] The Plaintiff seeks an interim, interlocutory, and permanent injunction enjoining the Defendant, “by themselves or by their principals, agents, licensees, business, franchisees, servants, employees and all those over whom the Defendant exercises control,” from continuing in its activities that cause or are likely to cause confusion in Canada between its goods and those of the Plaintiff.

[77] An injunction is an equitable, discretionary remedy: *Google Inc v Equustek Solutions Inc*, 2017 SCC 34 at paras 22–23. I note, however, that it is the typical remedy in cases of trademark infringement, to save the plaintiff from the need to bring a new action if the defendant infringes again: *Lululemon Athletica Canada Inc v Campbell*, 2022 FC 194 at para 30.

[78] The Defendant has not responded to any of these proceedings. Its website and social media accounts appear to still be accessible. In the circumstances, it is appropriate to grant a permanent injunction as requested because there is sufficient risk of future harm to the Plaintiff.

B. *Delivery up*

[79] The Plaintiff also seeks the delivery up to a representative of the Plaintiff, or the destruction under oath of, any and all business, advertising, and other material in the possession, power, or control of the Defendant that would offend the injunction.

[80] I grant the delivery up or destruction order as requested. Although not requested by the Plaintiff, I further find that the delivery up order may require transfer of ownership of the

<adripofhoney.ca> domain name, as it consists of the infringing mark: *UBS Group AG v Yones*, 2022 FC 132 [*UBS Group*] at para 51, citing *Michaels v Michaels Stores Procurement Company, Inc*, 2016 FCA 88 at para 8.

C. *Damages*

[81] The Plaintiff further seeks damages for \$150,000, subject to post-judgment interest at the rate set out in section 37(2) of the *Federal Courts Act*, RSC 1985, c F-7 [the *Federal Courts Act*]. She provides no explanation or support for this figure, except to state that the Defendant has delayed in defending this proceeding without justification, which is particularly detrimental in cases involving intellectual property infringement: *Louis Vuitton Malletier SA v Singga Enterprises (Canada) Inc*, 2011 FC 247 at para 1; *Odyssey Television* at paras 50, 74.

[82] It is trite law that the party seeking damages must prove them: *Biofert Manufacturing Inc v Agrisol Manufacturing Inc*, 2020 FC 379 [*Biofert*] at para 208, citing *Patterned Concrete Industries Inc v Horta*, 2014 FC 359 at para 4. However, in instances like these where the failure of the defendant to participate in the proceedings frustrates a plaintiff's efforts to establish actual damages, the Court may be inclined to award nominal damages: *H-D U.S.A.* at para 54; *UBS Group* at para 53:

It can be difficult for a plaintiff to establish damages where a defendant has failed to appear in response to an action. Neither the plaintiff nor the Court has any direct information regarding the scope of the defendant's business, the amount of their sales, or the number of their customers. Defendants should not, as a rule, benefit from the refusal to provide information that comes with a failure to appear. Nonetheless, even on default judgment, a damages award remains a best estimate based on available evidence of the actual harm to the plaintiff's business, reputation, and goodwill arising from the trademark infringement.



[83] Here, there is no evidence on the record to demonstrate that the Plaintiff suffered any loss in profits or goodwill because of the Defendant's use of its confusing marks. There is also no evidence to demonstrate the Defendant's amount of sales. I can accept, however, that the fact that the Plaintiff and Defendant operate in the same geographic area with a likely similar clientele provides evidence of at least some harm to the goodwill and reputation in the Honey Marks.

[84] In considering the jurisprudence, particularly this Court's summary in *Biofert* at Annex B of damages awards given in similar circumstances, I conclude that an award of damages fixed at the lower end of damages awards by this Court is appropriate. As such, I award nominal damages in the amount of \$10,000.

D. *Costs*

[85] The general rule is that the successful party is entitled to costs: *UBS Group* at para 65. Rule 400(1) grants the Court "full discretionary power over the amount and allocation of costs and the determination of by whom they are to be paid." Rule 400(3) describes, without limitation, factors that the Court may consider in exercising its discretion.

[86] The Plaintiff seeks its costs of this motion, on a solicitor-client basis, for \$75,000, subject to post-judgment interest. However, true to form with the rest of the Plaintiff's submissions, she has not provided a bill of costs or even a simplified breakdown of costs. The Plaintiff merely states that the Defendant has exhibited a disregard for the Rules, which warrants her award of

solicitor-client costs for the fixed amount. In the absence of any evidence, I am not prepared to award lump sum costs in the amount requested.

[87] Courts should only award solicitor-client costs where a party has displayed reprehensible, scandalous or outrageous conduct: *Young v Young*, [1993] 4 SCR 3 at para 251. Reasons of public interest may also justify making an award of solicitor-client costs: *Friends of the Oldman River Society v Canada (Minister of Transport)*, [1992] 1 SCR 3 at 80.

[88] There is no evidence before me that the Defendant engaged in reprehensible, scandalous, or outrageous conduct sufficient to grant solicitor-client costs: *Microsoft Corporation v 9038-3746 Quebec Inc*, 2007 FC 659 at para 16. Unlike the case in *Louis Vuitton Malletier S.A. v Yang*, 2007 FC 1179, where the evidence demonstrated that the defendant actively avoided service and caused the plaintiff to incur unnecessary legal fees and disbursements, no such evidence is presented here. Merely being in default is not sufficient to establish this level of conduct. The Plaintiff must prove to me, on the evidence, that the Defendant's conduct warrants the grant of solicitor-client costs.

[89] Guided by my discretion, the failures of the Plaintiff as noted above, and the Plaintiff being only partially granted, the Plaintiff shall not be awarded costs.

## VII. Conclusion

[90] For the foregoing reasons, I grant this motion on a partial basis. I find that the Plaintiff successfully demonstrated that the Defendant is in default and contravened section 20 and paragraph 7(b) of the Act, related to trademark infringement and passing off. However, I find

that the Plaintiff failed to meet her evidentiary burden of establishing that the Defendant contravened sections 19 and 22, and paragraph 7(c), of the Act.

[91] While the Plaintiff is entitled to a remedy, I find her submissions for damages of \$150,000 lacks justification. Instead, it is appropriate in the circumstances where there is insufficient evidence of actual damages to award nominal damages for the fixed amount of \$10,000. This is in addition to the awards of injunctive relief and delivery up.

[92] The Plaintiff's submission for costs for \$75,000 similarly lacks support. I instead use my discretion to award no costs.

[93] The Plaintiff requested that the judgment bear post-judgment interest at a rate set by the Court.

[94] Sections 37 of the *Federal Courts Act* governs post-judgment interest. The rules differ depending on whether the cause of action arose in a single province. Although the Plaintiff did not make submissions in this regard, the evidence supports that the cause of action essentially arose in Ontario. I will therefore apply the law of that province, namely the *Courts of Justice Act*, RSO 1990, c C.43.

[95] Post-judgment interest is "the bank rate at the end of the first day of the last month of the quarter preceding the quarter in which the date of the order falls ... plus 1 per cent." This rate is currently 7%.

[96] I take this final opportunity to provide a word of caution to counsel on motions for default judgment: although unopposed, they are not automatic. The Plaintiff must prove her case, not merely plead it.

**JUDGMENT in T-213-22**

**THIS COURT'S JUDGMENT is that:**

1. The Plaintiff is granted leave to bring this motion in writing;
2. The motion for default judgment is granted on a partial basis;
3. The Defendant, and its representatives, are hereby enjoined from directly or indirectly directing public attention to its goods in a manner which cause or are likely to cause confusion between the Defendant's goods and those of the Plaintiff;
4. The Defendant shall at its own cost within ten (10) days of receiving a copy of this Judgment deliver to the Plaintiff or its designee for destruction, or destroy under oath, all infringing product and infringing packaging;
5. The Defendant shall pay to the Plaintiff \$10,000 in damages;
6. This Judgment shall bear post-judgment interest at the rate of 7%; and
7. No costs are awarded.

"Russel W. Zinn"

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Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-213-22

**STYLE OF CAUSE:** HEATHER RUTH MCDOWELL v A DRIP OF HONEY

**MOTION IN WRITING CONSIDERED AT OTTAWA, ONTARIO, PURSUANT TO  
RULE 369 OF THE *FEDERAL COURTS RULES***

**JUDGMENT AND REASONS:** ZINN J.

**DATED:** MARCH 25, 2024

**WRITTEN REPRESENTATIONS BY:**

Kenneth D. McKay

FOR THE PLAINTIFF

**SOLICITORS OF RECORD:**

Marks & Clerk Law LLP  
Barristers and Solicitors  
Toronto, Ontario

FOR THE PLAINTIFF