Federal Court



Cour fédérale

Date: 20240425

Docket: T-174-23

Citation: 2024 FC 631

Ottawa, Ontario, April 25, 2024

PRESENT: The Honourable Madam Justice Tsimberis

BETWEEN:

TELUGU ASSOCIATION OF NORTH AMERICA, A CORPORATION OF THE STATE OF MARYLAND, USA

Applicant

and

TELUGU ASSOCIATION OF NORTH AMERICA, A CANADIAN FEDERAL CORPORATION WITH NO. 1243934-4

and

ANIL KUMAR LINGAMANENI

and

VENKATA SAI KRISHNA BALINA

and

RAMAKRISHNA RAO SURAPANENI

Respondents

JUDGMENT AND REASONS

I. <u>Introduction</u>

[1] This is an application brought by the Applicant, Telugu Association of North America, a not-for-profit corporation of the State of Maryland in the United States of America, for

monetary, declaratory, and injunctive relief for alleged trademark infringement, passing off, and depreciation of the value of goodwill contrary to sections 19 and 20, and subsections 7(b) and 22(1) of the *Trademarks Act*, RSC 1985, c T-13 [Act] by the Respondent Telugu Association of North America, a Canadian federal corporation with No. 1243934-4 and with a registered office address in Etobicoke, Ontario [Corporate Respondent], and by the individual Respondents Anil Kumar Lingamaneni [Lingamaneni], Ramakrishna Rao Surapaneni [Surapaneni] and Venkata Sai Krishna Balina [Balina].

- [2] The Corporate Respondent and the Respondent Balina have not filed Notices of Appearances and have not presented any defense or submissions to the Court. The Respondents Lingamaneni and Surapaneni, who represented themselves at the hearing of this matter, filed Notices of Appearances and Records with Memoranda of Fact and Law.
- [3] Two months after the hearing on November 15, 2023, upon informal request of the Applicant to which the Respondents Lingamaneni and Surapaneni consented, the Court dismissed the above-mentioned matter as against the Respondents Lingamaneni and Surapaneni without costs. By letter dated November 14, 2023 to the Court, the Applicant's counsel requested that the proceedings continue as against the Corporate Respondent, but did not make any mention of the Respondent Balina.

II. <u>Issues</u>

[4] The Court is unable to adopt the issues proposed by the Applicant and proceed with the trademark analyses as laid out by the Applicant. The only Canadian trademark registration that

the Applicant owns is registration TMA808578 for the TANA word mark. As such, only the TANA trademark is relevant for the trademark analyses under sections 19, 20 and 22 of the Act. The Applicant's other unregistered trademarks TANA & DESIGN and TELUGU ASSOCIATION OF NORTH AMERICA, in addition to its registered TANA trademark, will be analyzed under subsection 7(b) of the Act.

- [5] The issues raised in the present application are as follows:
 - Has the Corporate Respondent's use of their TANA trademark infringed the Applicant's TANA trademark TMA808578, contrary to section 19 of the Act?
 - 2. Has the Corporate Respondent's use of their TANA and TANA & DESIGN trademarks infringed the Applicant's TANA trademark TMA808578, contrary to section 20 of the Act, to the extent that it causes confusion?
 - 3. Has the Corporate Respondent's use of their TANA, TANA & DESIGN and TELUGU ASSOCIATION OF NORTH AMERICA trademarks directed public attention to its services or business in such a way as to cause or be likely to cause confusion between its services or business of the Applicant, contrary to subsection 7(b) of the Act?
 - 4. Has the Corporate Respondent used the Applicant's TANA trademark in a manner likely to have the effect of depreciating the value of the goodwill attaching thereto, contrary to subsection 22(1) of the Act?
 - 5. If it is found that the Corporate Respondent's TANA, TANA & DESIGN and TELUGU ASSOCIATION OF NORTH AMERICA trademarks have infringed and/or violated the Applicant's rights under the Act, what remedies should be granted?

- III. Background
- A. The Applicant, its Trademarks and Activities
- The Applicant Telugu Association of North America has operated an Indo-American organization in the United States and Canada, whose aim is to preserve, maintain, and perpetuate the cultural heritage of the people of Telugu origin. The Applicant assists in and propagates cultural, educational, social, economic, and community affairs of the people of Telugu origin, organizes and collaborates in the organization of Telugu literacy, cultural and educational conferences, and through its charitable arm, the TANA Foundation, raises, solicits, collects and disburses funds for cultural, educational, and charitable purposes.
- [7] In association with its not-for-profit business and the social organization services it offers in Canada, the Applicant uses the following trademarks [collectively, TANA Trademarks]:
 - 1. TANA;
 - 2. TELUGU ASSOCIATION OF NORTH AMERICA;
 - 3. TANA & Design (black and white) and TANA & Design (colour) [collectively, TANA & DESIGN Trademarks]:



- [8] The Applicant owns the Canadian trademark registration No. TMA808578 for the word "TANA" registered on October 7, 2011 in association with "social organization services, namely services relating to preserving and propagating the Telugu cultural heritages and maintaining the identity of people of Telugu origin and to provide a forum for Telugu literacy, cultural, education, social, and charitable interactions among its members". The Canadian trademark application for TANA was filed on November 10, 2008 based upon use and registration in the US and based upon proposed use in Canada. A declaration of use of the TANA trademark in Canada was filed on October 7, 2011.
- [9] The Applicant owns the Canadian trademark application No. 2,187,185 for TANA & Design (without flags in black and white) filed on May 20, 2022 in association with the same above-mentioned social organization services. The Applicant's evidence indicates that the TANA & Design (without flags in black and white) trademark as depicted below was filed in Canada without the inclusion of flags as there are restrictions on registering trademarks in Canada that include flags. However, the Canadian flag has always been an integral part of the TANA & DESIGN Trademarks as used.



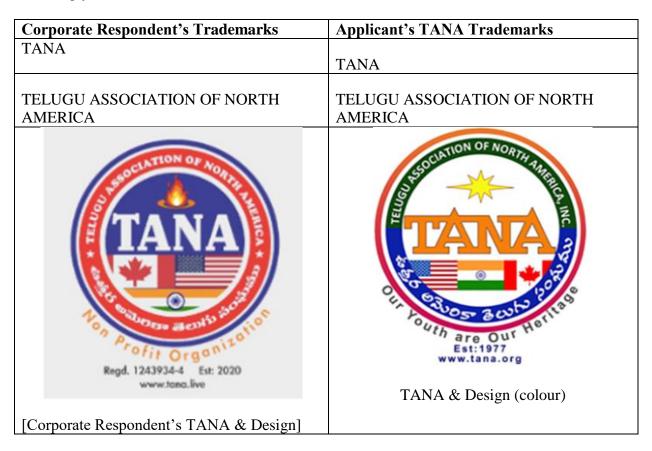
- [10] The affidavit of Mr. V. Chowdary Jampala, who is the Director, past President and past Chairman of the Board of Directors of the Applicant, and the numerous supporting Exhibits attached thereto show that, while the use was more extensive in the US, the TANA Trademarks have been used and advertised in Canada in association with the services that it offers since 1992 for the TANA trademark (e.g. Exhibit 6), since 1992 for the TANA & Design (black and white) trademark (e.g. Exhibit 6), since January 1998 for the TELUGU ASSOCIATION OF NORTH AMERICA trademark (e.g. Exhibit 27), and since November 2005 for the TANA & Design (colour) trademark (e.g. Exhibit 29).
- [11] The TANA Trademarks have been used and advertised through the use of its website located at www.tana.org, various social media accounts (Facebook, Twitter, Instagram, and LinkedIn accounts), printed materials circulated in Canada including the monthly newsletter (titled "TANA Patrika"), at conferences and cultural events, and in conjunction with other social services like the Tana Foundation, the Applicant's charitable division, that pursues projects in literacy, education, and other services collected from donations and membership dues, including dues from Canadian members. The Applicant does not offer for sale any goods and its TANA Trademarks have not been used in Canada in association with any goods.
- [12] Mr. Jampala swears that there are currently more than 70,000 TANA Life-members worldwide, including 514 TANA Life-members in Canada, with the New Canadian-Life members prior to 2005 being 130, from 2006-2015 being 136, from 2016-2020 being 142, and from 2021-2022 being 106. All Canadian members, as well as non-member Canadian Telugus whose contact information are in the TANA mailing list, receive the same communications

through an email and postal address database maintained by the Applicant, with emails generally being sent weekly advertising events, teaching and tutoring programs, educational scholarships, as well as other services offered by the Applicant. At the Applicant's biennial conferences, which have been occurring since 1977, there are several Canadian Telugus in attendance with cultural performances given by the Canadian Telugu community. In 1992, a TANA Regional conference conducted in Toronto by the Canadian regional members of TANA, which attracted over 850 registrants from all over the world, was attended by TANA representatives from across North America, in addition to Telugu people residing in Canada.

- [13] The evidence shows the TANA Trademarks feature prominently on :
 - A. the websites www.tana.org and www.tanafoundation.org accessible to Canadians;
 - B. the emails circulated to Canadians;
 - C. the matrimony portal available to Canadians;
 - D. the monthly magazine (titled "TANA Patrika") circulated first in print and since hosted on the website with members receiving notice via email as each magazine issue is published; and
 - E. at each of the conferences, including on the souvenir books that are distributed, on signage, conference badges, podiums, and multimedia displays, and on event websites, advertising posters.
- [14] While the Canadian revenues were not provided and are likely less given that Canadian members account for a small percentage of the total members worldwide (e.g. 514 Canadian members of the more than 70,000 members worldwide in 2023), Mr. Chowdary swears that the total TANA revenues, which include Canadian membership dues and donations made by Canadian donors, have exceeded \$2.5 million USD each year since 2017, reaching a high of more than \$8 million USD in 2019.

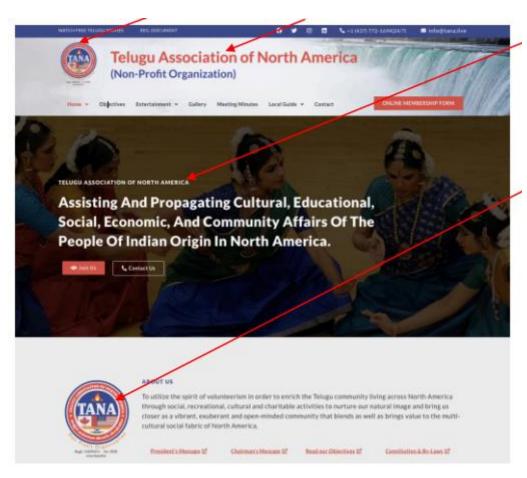
- B. The Respondents, its Trademarks and Unauthorized Activities
- [15] The Respondents Lingamaneni and Surapaneni were a director and Chairman of the Board of the Corporate Respondent, respectively (e.g. screen recording of the Corporate Respondent's website attached as Exhibit 45 to the Affidavit of Mr. Chowdary). Both the Respondents Lingamaneni and Surapaneni were previously extensively involved in different capacities with the Applicant for many years, including as regional representatives for Canada responsible for organizing the Applicant's activities within Canada, enrolling eligible persons within Canada as members of the Applicant and raising funds for the Applicant. Both the Respondents Lingamaneni and Surapaneni appeared on the Applicant's website and at conferences and were known to the Canadian public as the face of the Applicant in Canada.
- [16] The Respondent Balina was a director of the Corporate Respondent. There is not much evidence concerning the Respondent Balina on record before the Court. After a review of the record and the parties' submissions, there is no evidence specific to the Respondent Balina, nor are there any submissions specific to them. The only mentions of the Respondent Balina are in this matter's style of cause, a series of regulatory documents concerning the Corporate Respondent, and the "CC'd" portion of correspondence. Absent any evidence or submissions on the Respondent Balina, I find the Respondent Balina's inclusion in this matter unsubstantiated and will not engage in any analysis or make any order in respect of them specifically.
- [17] The Corporate Respondent was incorporated on October 22, 2020, two months after Lingamaneni's membership with the Applicant was terminated on August 20, 2020.

[18] Without the authorisation of the Applicant, the Corporate Respondent adopted and used the TELUGU ASSOCIATION OF NORTH AMERICA trade name and the following TANA, TELUGU ASSOCIATION OF NORTH AMERICA and TANA & Design trademarks [Corporate Respondent's Trademarks] in Canada that the Applicant claims are identical or confusingly similar to the TANA Trademarks:



[19] The Corporate Respondent advertised their business and services in association with the above-mentioned trademarks, including on their website www.tana.live and through social media accounts including Facebook and Twitter, and at meetings and rallies where the Corporate Respondent's then-director Respondent Lingamaneni, in conjunction with the Respondent Surapaneni, spoke of "merging the Canada Telugu Foundation into TANA", which consisted of merging an existing Canada Telugu Foundation in the Corporate Respondent under the name

TANA and the trade name TELUGU ASSOCIATION OF NORTH AMERICA. Examples of the Corporate Respondent's tana.live webpage, a rally poster, and screenshot from a promotional video depicting the Corporate Respondent's Trademarks are shown below:







- [20] The services of the Corporate Respondent overlap with and are very similar to the Applicant's above-described social organization services as described in their Corporate Statement, on its website, and as set out in its Canadian trademark application serial No. 2237438 for TANA & Design, which lists as its services: "(1) Assisting And Propagating Cultural, Educational, Social, Economic, And Community Affairs Of The People Of Indian Origin In North America (Canada) To utilize the spirit of volunteerism in order to enrich the Telugu community living across North America through social, recreational, cultural and charitable activities to nurture our natural image and bring us closer as a vibrant, exuberant and open-minded community that blends as well as brings value to the multi-cultural social fabric of North America.(Canada)".
- [21] Prior to the issuance of the Notice of Application, the Applicant sent a demand letter to the Respondents requesting that all use of the complained of trademarks cease in association with

the services, that the Corporate Respondent change its corporate name "to a name that does not include TANA or TELUGU ASSOCIATION OF NORTH AMERICA, or similar", remove all content from the www.tana.live website, and transfer the domain name www.tana.live to the Applicant.

[22] As of the date of the hearing (Sept 21, 2023), the website www.tana.live was no longer active. As of October 26, 2023, the Applicant advised the Court by letter that it had not received transfer of the domain name www.tana.live.

IV. Analysis

- A. Has the Corporate Respondent's use of their TANA trademark infringed the Applicant's TANA trademark TMA808578, contrary to section 19 of the Act?
- [23] Section 19 of the Act provides the Applicant, as the owner of the registered trademark TANA, under registration No. TMA808578, with the exclusive right to use the trademark in respect of the above-mentioned registered services throughout Canada.
- [24] Infringement under section 19 is different from infringement under section 20 of the Act. Section 19 requires use by a defendant of a trademark that is identical to a plaintiff's registered trademark; the exclusive right that it protects is the right to the trademark as registered. Section 20 is broader in scope; it captures use by a defendant of a trademark that is confusing with, but not necessarily identical to, the plaintiff's registered mark. Therefore, the relevant question in assessing the section 19 claim is not whether the Corporate Respondent's mark is confusingly

similar to the Applicant's registered mark, but whether the two marks are identical (*Bean Box*, *Inc. v Roasted Bean Box*, *Inc.*, 2022 FC 499 [*Bean Box*] at paras 18-19).

- TANA trademark. The Corporate Respondent has used the TANA trademark by displaying it in the advertising and performance of services (subsection 4(2) of the Act), including on posters and banners, and by having its directors speak the trademark as described above at paragraph 19 (in speeches given, written on the website), including at the cultural event held in March 2023. The Corporate Respondent also used the TANA trademark in the advertisement of its services through its website www.tana.live.
- [26] The Corporate Respondent's services, which are essentially identical to the Applicant's registered services, are described above at paragraph 20, as evidenced by the Purpose of the Corporation attached to the Certificate and Articles of Incorporation of the Corporate Respondent.
- [27] Therefore, the Corporate Respondent has infringed upon the Applicant's rights in its registered TANA trademark, contrary to section 19 of the Act.
- B. Has the Corporate Respondent's use of their TANA and TANA & Design trademarks infringed the Applicant's TANA trademark TMA808578, contrary to section 20 of the Act, to the extent that it causes confusion?
- [28] The test to determine if the Corporate Respondent's use of their TANA and TANA & Design trademarks are confusing with the Applicant's registered trademark TANA is to consider

whether, as a matter of first impression, "a casual consumer somewhat in a hurry" who sees the Corporate Respondent's trademarks, having no more than an imperfect recollection of the Applicant's trademark, would be likely to think that the Respondent's services would be from the same source as the Applicant's, regardless of whether the parties' services are of the same general class (*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*] at paras 39-41; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 [*Veuve Clicquot*] at paras 18-21).

[29] In analyzing trademark confusion, the Court must have regard to all relevant surrounding circumstances, as set out in subsection 6(5) of the Act:

- (a) The inherent distinctiveness of the trademarks or trade names and the extent to which they have become known;
- a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
- (b) The length of time the trademarks or trade names have been in use:
- b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
- (c) The nature of the goods, services or business:
- c) le genre de produits, services ou entreprises;
- (d) The nature of the trade; and,
- d) la nature du commerce;
- (e) The degree of resemblance between the trademarks or trade names in appearance or sound or in the ideas suggested by them.
- e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux, notamment dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

- [30] These criteria are not exhaustive and different weight will be given to each one in a context specific assessment (*Veuve Clicquot* at para 21; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 (SCC) at para 54). I also refer to *Masterpiece* at paragraph 49, where the Supreme Court of Canada stated that the resemblance between the marks at section 6(5)(e) will often have the greatest effect on the confusion analysis.
- [31] The length of time in use and the extent to which the parties' respective trademarks have become known both weigh in favour of the Applicant. The Applicant's TANA trademark has been registered in Canada for over 10 years and evidence shows that it has been in use in Canada for over 30 years in association with their social organization services, as described in paragraphs 6, 8, 10, and 12 above. The trademarks are well known in Canada to Canadian consumers of Telugu origin or Canadian consumers interested in the affairs of Telugu people as a social organization in Canada providing cultural, social, support, community, literacy, educational and other related services, including a monthly newsletter. On the other hand, the Corporate Respondent's social organization services have only been confirmed to have operated since the Fall of 2020, and have only used their TANA and TANA & Design trademarks for between 2 and 4 years. Further, there is little evidence of the extent to which the Corporate Respondent's social organization has become known and the extent of use of their TANA and TANA & Design trademarks by the Corporate Respondent. There were a few events (meetings, car rallies, blood and plasma donation drive, cake cutting) where their TANA and TANA & Design trademark (or variations thereof) depicted at and below paragraph 19 were spoken or depicted.

- [32] There is also a clear overlap between the Corporate Respondent's social organization business, website and social media postings, and the Applicant's social organization business, website and social media postings. The customers and communities of Telugu origin targeted by both parties are the same, if not substantially similar. As such, both the nature of the services and business and the nature of the trade favour the Applicant.
- Court in *Masterpiece* is "to consider whether there is an aspect of the trademark that is particularly striking or unique" (*Masterpiece* at para 64). Despite some mild differences in design, two marks can still have similarities stemming from the most striking element considering the frame to evaluate this issue is that of a casual consumer who will not spend time parsing out individual aspects of competing marks, especially where the confusion analysis should not rely upon detailed consideration or scrutiny (*Toys "R" Us (Canada) Ltd v Herbs "R" Us Wellness Society*, 2020 FC 682 [*Toys "R" Us*] at para 21; *Veuve Clicquot* at para 20).
- The Respondent's use of TANA as a trade name and trademark is identical to the Applicant's use of TANA as a trade name and trademark. The Respondent's uses of their TANA & Design trademark (and its variations) are similar to that of the Applicant's TANA trademark, as the most striking feature of the Respondent's TANA & Design trademark is the word "TANA". I have come to this conclusion from my review of the evidence where, oftentimes, all one can clearly make out from the Corporate Respondent's TANA & Design trademark on its posters, its website, and letterhead is the word "TANA". I do not consider the design elements to be dominant features or to lend much inherent distinctiveness to the design mark they consist

mostly of circles and country flags. As Justice McHaffie found in *Toys* "*R*" *Us*, the mild variations in design elements may go some way to proving minute differences between the marks, but the overall impression of these marks is nonetheless very similar given the word "TANA" is prominently featured (*Toys* "*R*" *Us* at para 21).

- [35] As surrounding circumstances further mitigating in favour of the likelihood of confusion, I agree with the Applicant that the fact that the Respondents Lingamaneni and Surapaneni were two individuals who were previously the Applicant's Canadian representatives further increases the likelihood that the Corporate Respondent's services associated with their TANA and TANA & Design trademarks originate with the Applicant. While acting as Directors of the Corporate Respondent, the Respondents Lingamaneni's and Surapaneni's statement that a known and existing Canadian Telugu organization is being merged into TANA, an organization that is known to Canadians of Telugu origin that they have represented and had ties to, increases the likelihood of confusion. The Applicant also argued as a surrounding circumstance that the design layouts of the Corporate Respondent's website and colour schemes, and design layouts on its posters, further increase the likelihood of confusion, which I am not prepared to accept, given the lack of evidence that these design layouts and colour schemes are distinctive to the Applicant.
- [36] I find that there is sufficient evidence to show that there is a likelihood of confusion between the Applicant's use of its trademark TANA for the social organization services and related services, which are advertised and performed through, for example, the TANA Patrika Newsletter, the website www.tana.org, and the social media pages. Similarly, the Corporate Respondent's Trademarks may be confused through the prominent use of TANA on event

posters and in speeches, given by its duly authorised representatives, and as part of its domain name www.tana.live, and the Corporate Respondent's use of their TANA & Design mark on its website and online advertising.

- [37] The Corporate Respondent has infringed the Applicant's TANA trademark, contrary to section 20 of the Act.
- C. Has the Corporate Respondent's use of their TANA, TANA & Design, and TELUGU ASSOCIATION OF NORTH AMERICA trademarks directed public attention to its services or business in such a way as to cause or be likely to cause confusion between its services or business of the Applicant, contrary to subsection 7(b) of the Act?
- [38] Subsection 7(b) of the Act is the codification of the common law tort of passing off, which prohibits a person from directing public attention to their services or business in such a way as to cause or be likely to cause confusion in Canada between its services or business and that of another. Passing off can be found in respect of registered or unregistered trademarks and requires that an Applicant establish three elements:
 - 1) There be goodwill in the Applicant's trademark(s);
 - 2) That the Respondent deceives the public by misrepresentation; and,
 - 3) That the Applicant have suffered actual or potential damage through the Respondent's actions;
 - (Ciba-Geigy Canada Ltd. v Apotex Inc., 1992 CanLII 33 (SCC), [1992] 3 SCR 120 at page 132)
- [39] The second element of misrepresentation will be met if the Applicant establishes that the Respondent has used a trademark that is likely to be confused with the Applicant's distinctive

mark (*Kirkby AG v Ritvik Holdings Inc.*, 2005 SCC 65 at paras 66-68, 136-137; *Sandhu Singh Hamdard Trust v Navsun Holdings Ltd.*, 2016 FCA 69 [*Hamdard Trust*] at paras 20-21).

- [40] Having carefully reviewed the Applicant's evidence, I find that the Applicant has demonstrated sufficient goodwill and reputation in the TANA, TANA & DESIGN and TELUGU ASSOCIATION OF NORTH AMERICA trademarks to meet the first element of the passing off test. The Applicant presently enjoys this goodwill and reputation of its TANA Trademarks amongst Canadian consumers of Telugu origin or Canadian consumers interested in the affairs of Telugu people, garnered through decades of use and promotion in Canada in association with the social organization services. The Respondents did not cross-examine the Applicant's affiants on their evidence or otherwise challenge the evidence. There was no substantive challenge by the Respondents Lingamaneni and Surapaneni (who were involved with the Applicant and its activities in Canada and would have had knowledge), on the extent of performance, advertising, promotion, and revenues of the Applicant's services and business in association with the TANA Trademarks in Canada. Absent such a challenge, that evidence stands as good evidence of the Applicant's activities and use of its respective trademarks since the above-mentioned dates at paragraph 10 above.
- [41] In addition, I find that the membership dues and donations from Canadian members, as well as the non-member Canadian Telugus whose contact information is in the Applicant's TANA mailing list and who receive the same communications as non-Canadian members of TANA, satisfies the reputation of the TANA Trademarks in the Canadian market. Jurisprudence building on *Orkin Exterminating Co v Pestco Co of Canada* (1985), 5 CPR (3)d 433 (Ont CA)

[Orkin] establishes that use of a mark within one market is not a necessary pre-condition for the existence of goodwill in that market, as goodwill may be established by virtue of the reputation of a mark in a second market (Target Brand, Inc v Fairweather Ltd, 2011 FC 758 at paras 30, 39; Hamdard Trust at para 25; Fox Restaurant Concepts LLC v 43 North Restaurant Group Inc, 2022 FC 1149 at para 37; Blossman Gas, Inc. v Alliance Autopropane Inc., 2022 FC 1794 at para 158). While the Applicant did not provide evidence of Canadian revenues specifically, Mr. Chowdary swears that the total TANA revenues, which include Canadian membership dues and donations made by Canadian donors (i.e. 514 Canadian members of the more than 70,000 members worldwide in 2023), have exceeded \$2.5 million USD each year since 2017, reaching a high of more than \$8 million USD in 2019. The evidence before the Court does indicate the Telugu population in Canada is only a small sub-segment of the Indian population, so while 514 Canadian members may not appear impressive, in the context of this already-small population, it bears greater significance.

[42] The above determinations are subject to a caveat regarding the trademark TELUGU ASSOCIATION OF NORTH AMERICA. Specifically, the goodwill attached thereto is for those five words in this particular order: TELUGU ASSOCIATION OF NORTH AMERICA. The Court's findings on this issue should not be interpreted to mean that this goodwill extends to block or prevent all other third-party users from using the words TELUGU or ASSOCIATION if that use is in conjunction with other distinctive words or elements to describe organizations of Telugu in Canada.

- [43] In the course of reviewing the pending trademark applications with counsel for the Applicant during the hearing, it came to the Court's attention that the Applicant had filed a Canadian trademark application for the word mark TELUGU ASSOCIATION OF NORTH AMERICA based upon proposed use in Canada in October 2008. The Canadian trademark application for TELUGU ASSOCIATION OF NORTH AMERICA went abandoned following an unanswered Office Action from the Trademarks Registrar. The Examiner objected to the registration of the trademark on the basis that the mark was clearly descriptive or deceptively misdescriptive of the services in association with which it is intended to be used since it clearly describes that the services are provided by a North American association of members who speak Telugu with a default notice being issued in 2011. Counsel advised that its firm did not have carriage of that Canadian trademark application, which would have been incorrectly filed on the basis of proposed use when it should have been based upon use in 2008 and that it may not have been possible to file the necessary evidence of acquired distinctiveness under section 12(3) of the Act to overcome the clearly descriptive/deceptively misdescriptive objection raised by the Examiner, but that it would now be possible, given the evidence before the Court.
- [44] I note that the Court is not seized with the determination of whether the TELUGU ASSOCIATION OF NORTH AMERICA word mark has acquired distinctiveness for the purposes of being a registrable trademark, only whether there is sufficient goodwill as between the parties to this application in order to ground the Applicant's claim of passing off. My determination is that there exists some goodwill in the TELUGU ASSOCIATION OF NORTH AMERICA trademark in Canada based on the evidence of its long-standing use with Canadian consumers of Telugu origin or Canadian consumers interested in the affairs of Telugu people.

Distinctiveness in the minds of the purchasing public is the very essence of a trademark at common law and under the Act – without it there is no protectable right (*Canadian Trademark Law Benchbook*, Fourth Edition, Donald Cameron, (Toronto: Carswell, 2022) at 262, citing R. Scott Jolliffe, "The Common Law Doctrine of Passing Off" in Gordon F. Henderson ed., Trademarks Law of Canada (Toronto: Carswell, 1993) at 206-207).

- [45] The TANA and TELUGU ASSOCIATION OF NORTH AMERICA word marks used by the Corporate Respondent are identical to the Applicant's TANA and TELUGU ASSOCIATION OF NORTH AMERICA trademarks. The Corporate Respondent's TANA & Design trademark, while not identical, shares many similarities with the Applicant's TANA & DESIGN Trademarks:
 - i. The large TANA word centered within the design;
 - ii. The overall shape of the design mark having a circular double ring design;
- TANA at the center and TELUGU ASSOCIATION OF NORTH AMERICA in the upper script of the internal ring and the Telugu characters that Mr. Jampala translates into English as meaning "Telugu Association of North America" in the lower script of the internal right;
- iv. The placement of Canadian, US and Indian flags at the center of the design below the word TANA;
- v. The use of a small fire or star icon above the word TANA in the central design; and,

- vi. The placement and positioning of the text below the right, which includes date of establishment and the domain name www.tana.live at the bottom of the design.
- [46] Considering *Veuve Cliquot*'s teaching at paragraph 20 that the confusion analysis should not rely on "detailed consideration or scrutiny", I consider and apply the Court's approach in *Toys* "R" Us that, while a casual consumer would not spend time to parse out these individual elements of the respective design marks, I set these out as I consider them (particularly the first three) to be elements that would affect the first impression of the casual consumer. There are many similarities between the respective design marks such that there is a high degree of resemblance. The Supreme Court in *Masterpiece* at paragraph 49 has held that "the degree of resemblance [...] is the statutory factor that is often likely to have the greatest effect on the confusion analysis".
- [47] Use of the Corporate Respondent's Trademarks, which are either identical or markedly similar to the TANA Trademarks, in association with substantially the same services to that of the Applicant directed to Canadian consumers of Telugu origin or Canadian consumers interested in the affairs of Telugu people, through virtually identical domain names (www.tana.live vs www.tana.org), gives rise to a likelihood of confusion and constitutes a misrepresentation. Another example of misrepresentation can be seen from President Ramakrishna Vaddempudi's Message featured on the Corporate Respondent's website before it was rendered inactive, which indicated "Telugu Association of North America has always been the organization you can count on when times are tough and that will not change." I find this similar to what Justice McVeigh dealt with in *Biofert Manufacturing Inc v Agrisol*

Manufacturing Inc, 2020 FC 379 [Biofert], where the Defendants had their own materials that suggested to consumers that they were the same company as the Plaintiff (Biofert at paras 98-108). There, as here, there appear to be misrepresentations by the Corporate Respondent to deceive consumers. Therefore, the second element of the passing off test is met.

- There is no evidence of the Applicant's loss of members (other than the Directors of the Respondent), sales or revenues. However, the Applicant argues that it has suffered loss of control over the use and commercial impact of its TANA Trademarks, which has been previously recognized as sufficient damage to meet the third element of the test for passing off (*Bean Box* at para 54, citing *Subway LP LLC v Budway, Cannabis & Wellness Store*, 2021 FC 583 at para 34). As will be elaborated further in the next section on depreciation of the value of the trademark for subsection 22(1) of the Act, I agree.
- [49] I find that those Canadians of Telugu origin looking to join TANA or the TELUGU ASSOCIATION OF NORTH AMERICA or a Telugu association with the characteristics of the Applicant will be directed or misdirected to the Respondent's website and business, thus leading to the Applicant's loss of control over the use and commercial impact of its TANA Trademarks.
- [50] In conclusion, all three elements of the passing off test have been met. The Corporate Respondent has passed off its business and services as being that of, associated or connected with the Applicant's business or services, contrary to subsection 7(b) of the Act.

- D. Has the Corporate Respondent used the Applicant's TANA trademark in a manner likely to have the effect of depreciating the value of the goodwill attaching thereto, contrary to subsection 22(1) of the Act?
- [51] Subsection 22(1) of the Act prohibits the use of a party's registered trademark by another party in a manner that is likely to have the effect of depreciating the value of the goodwill attached to that registered trademark.
- [52] As established in *Veuve Clicquot* at paragraph 46, a claim under subsection 22(1) of the Act has four required elements:
 - i. It must be shown that a claimant's registered trademark was used by a defendant in connection with wares or services whether or not such wares or services are competitive with those of the claimant;
 - ii. It must be shown that the claimant's registered trademark is sufficiently well known to have significant goodwill attached to it;
 - iii. It must be shown that the trademark was used in a manner likely to have an effect on that goodwill (there must be a connection or "linkage"); and
 - iv. It must be shown that the likely effect would be to depreciate the value of its goodwill (i.e. damage).
- [53] The "use" required by subsection 22(1) need not be of the registered trademark exactly as it is registered. Rather, the trademark used need only be "sufficiently similar to [the registered mark] to evoke in a relevant universe of consumers a mental association of the two marks" (*Veuve Clicquot* at para 38).
- [54] In *Venngo Inc. v Concierge Connection Inc. (Perkopolis)*, 2017 FCA 96 at paragraphs 13 and 80, the Federal Court of Appeal described subsection 22(1) as requiring the "use of the

trade-mark or something so closely akin to it so as to be understood as the other party's mark" in a relevant universe of consumers.

- [55] The Corporate Respondent, through use of their TANA trademark and TANA & Design trademark, has used the Applicant's registered TANA trademark within the meaning of subsections 22(1) and 4(2) of the Act in association with the operation of their social organization business offering services substantially similar to the Applicant's. The Corporate Respondent's TANA & Design trademark is sufficiently similar and "so closely akin" to the TANA trademark within the meaning of the jurisprudence. Indeed, the Corporate Respondent's use of their TANA & Design trademark in, for example, the rally poster and the promotional video as depicted below paragraph 19 above makes it so that the word "TANA" sticks out in large white lettering from the other elements in their TANA & Design trademark that blend into the darker surrounding poster and video. Therefore, the first requirement under section 22 is met.
- [56] As indicated above in the passing off section, the Applicant has also shown that its registered TANA trademark is sufficiently well known to have significant goodwill attaching to it in Canada. While the Applicant has not provided evidence of a clear demarcation or information on the volume of sales in Canada, the depth of geographic reach across Canada, or their market penetration across the available Canadian consumers of Telugu origin or Canadian consumers interested in the affairs of Telugu people, the Applicant has provided evidence of the extent and duration of performance and advertising of the TANA trademark, degree of inherent or acquired distinctiveness, and the extent to which the TANA mark is identified with a particular quality (*Toys "R" Us* at para 56). As discussed above, evidence of the extent of use,

advertising and promotion, and public notoriety of the Applicant's TANA trademark and TANA & DESIGN Trademarks has been put forward to show that they are sufficiently well known to have significant goodwill. The second requirement is met.

- [57] The third requirement is a question of evidence, though it does not require specific consumer evidence or survey evidence establishing a likelihood of linkage. The existence of a linkage or mental association between the parties' marks can be inferred from the fact that the parties' trademarks are identical, combined with the above-referenced evidence of association by the use of the TANA trademark during the directors' speech and in the President's message (at and below paragraph 19 above), which is likely to have an effect on the goodwill associated with that trademark (*Biofert* at paras 98-108; *Toys "R" Us* at paras 58-59). The third requirement is met.
- [58] Finally, depreciation can come about not only through disparagement, but also the reduction of distinctiveness resulting from a mark being "bandied about by different users," through a blurring of brand image, or from a "whittling away" of the brand's power to distinguish the owner's goods or services (*Bean Box* at para 67, citing *Toys* "*R*" *Us* at paras 60-63; *Veuve Clicquot* at paras 63-64).
- [59] The Applicant cites *Orkin* for the proposition that a loss of control over or diluting the strength of a trademark can be a form of depreciation of the value of the goodwill of a trademark. The Applicant argues that the Corporate Respondent's services offered in association with the TANA trademark are not subject to the Applicant's care and control and are of a significantly

different character and of a lower quality than those for which the TANA trademark has come to be known, and for which it enjoys goodwill. The Applicant specifically mentions the Corporate Respondent held a rally in association with the TANA trademark and posted videos of the rallies in March 2022 that celebrated the release of a Telugu movie titled "RRR" featuring NTR as the hero, an individual associated with a political party called the Telugu Desam Party. The video features flags of the Telugu Desam Party and people shouting slogans of "Jai NTR", which translate to "Hail NTR". The Applicant argues these car rallies and partisan events are services that would not have been authorized by the Applicant as it contributes to an unprofessional image for the Applicant, which would constitute damage. I agree with the Applicant that there is a likelihood of damage due to the impairment of distinctiveness of its TANA trademark from its use by an unauthorised social organization which it cannot control, and in association with movie-star fan rallies and partisan events that are absent from the Applicant's own past activities on record before the Court. Mr. Chowdary swore that the Applicant does not take sides with political parties and TANA represents all Telugu people, not one particular party. Such events being associated with the TANA trademark damages the reputation and goodwill of TANA. The fourth requirement is met.

[60] In conclusion, the Corporate Respondent's activities constitute a depreciation of the value of the goodwill attaching to the Applicant's TANA trademark, contrary to subsection 22(1) of the Act.

- E. If it is found that the Corporate Respondent's TANA, TANA & Design, and TELUGU ASSOCIATION OF NORTH AMERICA trademarks have infringed and/or violated the Applicant's rights under the Act, what remedies should be granted?
- [61] The Applicant claims declaratory and injunctive relief, an order for the transfer of the domain name, and compensatory damages in the amount of \$25,000 and punitive damages in the amount of \$250,000 for the Respondents' use of trademark infringement as a weapon, flagrant disregard for the rule of law, and reprehensible retaliatory behaviour.
 - (1) Order Transfer of Domain Name
- [62] I agree with the Applicant's additional submissions post-hearing that the Act, the *Federal Courts Act*, RSC 1985, c F-7 and jurisprudence of the Federal Court support the jurisdiction of this Court to order the transfer of a domain name that contains or comprises an infringing trademark to its trademark owner. In *Michaels v Michaels Stores Procurement Company, Inc.*, 2016 FCA 88 [*Michaels*] at paragraphs 8 and 9, the Federal Court of Appeal held:
 - [8] Further, the jurisdiction to order delivery up of the domain names in question (e.g. michaels.ca) is firmly rooted in statute. Section 53.2 of the *Trade-marks Act* gives the Court a wide discretion to grant the remedies it considers necessary to give effect to rights that have been infringed, such as those under ss. 20(1.1) of the *Trade-marks Act*. It provides that "if a Court is satisfied... that any act has been done contrary to this Act, the court may make any order that it considers appropriate in the circumstances...". A statutory basis for the order requiring delivery up of the domain name can also be found in subsection 20(2) of the *Federal Courts Act* (R.S.C. 1985, c. F-7), which gives the Court jurisdiction to order any appropriate remedy known to common law or equity: *Merck v. Apotex*, 2006 FCA 323 at para 123.

- [9] On the evidence before the judge, the domain name was the mechanism by which the respondent's mark was infringed, and was the instrument of confusion in the marketplace. [...]
- [63] In *Bean Box* at paragraphs 77 to 78, Justice Manson cited *Michaels* and section 53.2 of the Act, which confirm this Court's wide discretion to grant remedies it considers necessary to give effect to rights that have been infringed. The Court ordered the transfer of the top level domain name www.roastedbeanbox.com and any other domain name or social media account owned and/or controlled by the respondent, be it directly or indirectly, that contains, is comprised of, or is confusing with the applicant's BEAN BOX trademarks. In conclusion, this Court can order the Corporate Respondent to transfer the tana.live domain to the Applicant.

(2) Compensatory Damages

- [64] The Applicant seeks compensatory damages in the amount of \$25,000 for trademark infringement, passing off, and depreciation of the value of the goodwill, without proof of actual damage citing *Toy's "R" Us* at paragraph 67:
 - [67] Toys "R" Us seeks compensatory damages in the amount of \$25,000. It has not filed any evidence of actual monetary damage beyond the evidence of likely depreciation of its goodwill, so it seeks "nominal" damages, while asserting that nominal damages need not mean "small": *Decommodification LLC v Burn BC Arts Cooperative*, 2015 FC 42 at para 14. Toys "R" Us points to this Court's recognition that in the passing off context, the Court may award damages for loss of goodwill without proof of actual damage: *Teavana Corporation v Teayama Inc*, 2014 FC 372 at paras 39–41. They also point to the need for a deterrent effect associated with such a damages award citing Justice Hughes' observation in paragraph 14 of *Decommodification* that such damages "are usually based on an estimate of losses including an amount sufficient to serve as a deterrent to others contemplating similar activities."

- [65] The Applicant argues it can be inferred that the Corporate Respondent has started to profit from their infringing activities by, for example, having registered members while they use an infringing name and trademarks, but concedes that there is not a full financial picture before the Court. The Applicant cites *Biofert* at paragraph 209 where Justice McVeigh of the Court conducted a review of Federal Court and Federal Court of Appeal infringement cases where the damages are not proven by evidence and included a damages chart "for cases with insufficient proof of damages". The Applicant claims that this chart discloses an average of \$13,875 in compensatory damages awarded in respect of the 8 cases reviewed.
- [66] My review of the damages chart in *Annex B(1)* of *Biofert* reveals that there are nine cases rendered between 2011 and 2019 with an average compensatory damages award of \$12,333. If one excludes the first listed case rendered by Justice Hughes and awarding a nominal amount of \$1,000, the average compensatory damages award is \$13,750. The Applicant argues similar fact patterns garner comparable damage awards in other cases and the damages should be awarded as a deterrent effect to others contemplating similar activities (*Decommodification LLC v Burn BC Arts Cooperative*, 2015 FC 42 at para 14).
- [67] Out of all the cases in this damages chart, the one whose facts are most similar (marks related to services, Vietnamese news website, no evidence of loss of business) is *Thoi Bao Inc. v* 1913075 Ontario Ltd., 2016 FC 1339 [Thoi Bao], which awarded a best estimate by the Court of compensatory damages at \$15,000 (Thoi Bao at paras 46-47, citing Pick v 1180475 Alberta Ltd (Queen of Tarts), 2011 FC 1008 at 49-52; Aquasmart Technologies Inc. v Klassen, 2011 FC 212

at para <u>71</u>). Considering the similar facts of *Thoi Bao* and my findings above and approximating inflation from 2016 to now, I find that damages in the amount of \$18,750 is reasonable.

- (3) Punitive Damages
- [68] The Applicant seeks punitive damages in the amount of \$250,000.
- [69] The threshold for punitive damages to be awarded is a situation of "malicious, oppressive, and high-handed" conduct that "offends the Court's sense of decency" (*Hill v Church of Scientology of Toronto*, 1995 CanLII 59 (SCC), [1995] 2 SCR 1130 [*Hill*] at para 196; *Biofert* at para 226). In *Hill*, the Supreme Court explained, "[p]unitive damages bear no relation to what the plaintiff should receive by way of compensation. Their aim is not to compensate the plaintiff, but rather to punish the defendant. It is the means by which the jury or judge expresses its outrage at the egregious conduct of the defendant. They are in the nature of a fine which is meant to act as a deterrent to the defendant and to others from acting in this manner." Following *Hill* in *Whiten v Pilot Insurance Co.*, 2002 SCC 18 [*Whiten*], the Supreme Court gave several factors for consideration of the level of blameworthiness of the defendant's conduct:
 - i. Whether the misconduct was planned and deliberate;
 - ii. The intent and motive of the defendant;
 - iii. Whether the defendant persisted in the outrageous conduct over a lengthy period of time;
 - iv. Whether the defendant concealed or attempted to cover up its misconduct;
 - v. The defendant's awareness that what he or she was doing was wrong;

- vi. Whether the defendant profited from its misconduct; and,
- vii. Whether the interest violated by the misconduct was known to be deeply personal to the plaintiff;

(Whiten at para 113; Biofert at para 226).

[70] The Applicant correctly cited the above-mentioned factors and laid out a series of justifications for their entitlement to punitive damages that include the original adoption and use of the infringing marks, the Respondent Lingamaneni's expulsion two months before the Corporate Respondent was incorporated with the Respondent Lingamaneni listed as one of its founding members, the rebranding of an existing Telugu organization to punish the Applicant, and the public policy interest in discouraging like conduct. While I recognize that these circumstances are less than ideal, I respectfully disagree with the Applicant that the Corporate Respondent's conduct rises to the level of offending the Court's sense of decency. The Corporate Respondent's conduct, while planned and deliberate, seems to be mitigated at least somewhat by my understanding that the Respondents are not particularly sophisticated in the legal intricacies of intellectual property. Similarly, the Corporate Respondent ultimately took down the website with infringing content albeit after the filing of this application. While their infringing activities were deliberate, their subsequent compliance and lack of sophistication is not "malicious, oppressive, and high-handed".

F. Costs

[71] The Applicant seeks its costs of this application in the amount of \$15,000 inclusive of disbursements. The Further Affidavit of V. Chowdary Jampala dated October 17, 2023 indicates

that the actual legal fees paid by the Applicant amount to \$43,285.30 and the disbursements paid by the Applicant amount to \$1,281.42. The Applicant thus seeks approximately one third of the actual costs spent. The Applicant relies on two relatively recent trademark infringement cases of *Philip Morris Products v Marlboro Canada*, 2014 FC 2 and *H-D USA*, *LLC v Berrada*, 2015 FC 189, where the Federal Court awarded approximately one-third of the plaintiffs' total legal fees. The Applicant also points to *Toys "R" Us* at paragraph 73 as a similar application supporting the request for \$15,000 in costs and disbursements.

The result of the proceedings, the amount of work involved, the Corporate Respondent's (through its Directors) non-responsiveness to the cease and desist letters and prior attempts by the Applicant to settle leading up to the hearing are relevant factors that militate in favor of awarding substantial costs above those assessed through the Tariff B. However, given the Rule 400 factors and the size, nature and sophistication of the Corporate Respondent's business that is markedly different from the other parties in the above-referenced caselaw, costs are fixed at \$13,000, inclusive of pre- and post-judgment interest.

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JUDGMENT in T-174-23

THIS COURT'S JUDGMENT is that:

- 1. The Application is allowed.
- 2. The Respondent Telugu Association of North America has:
 - a. infringed the Applicant's registered TANA trademark TMA808,578 contrary to sections 19 and 20 of the *Trademarks Act*, RSC, 1985, c T-13 [the Act];
 - b. directed public attention to their services and business in such a way as to cause or be likely to cause confusion in Canada, between their services and business and the Applicant's services and business, contrary to subsection
 7(b) of the Act; and
 - c. used the Applicant's registered TANA trademark in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto, contrary to subsection 22(1) of the Act;

as a result of its use of the confusingly similar TANA, TANA & DESIGN, and TELUGU ASSOCIATION OF NORTH AMERICA trademarks and trade names in association with the operation of their social organization business and services in Canada, without the consent, license, or permission of the Applicant.

3. The Respondent Telugu Association of North America, along with its parent, affiliate, subsidiary and all other related companies and businesses and its respective and collective officers, directors, employees, agents, partners, successors, licensees, franchisees and assigns, as well as all others over whom any of the foregoing exercise authority or control, are permanently enjoined from using, selling, advertising or dealing in services in association with a trademark or trade name that is confusing

with the Applicant's registered trademark TANA, including any form of the TANA trademark or tradename, or any trademarks, tradename, or words likely to be confusing with the Applicant's TANA and TANA & DESIGN Trademarks and tradename.

- 4. The Respondent Telugu Association of North America, along with its parent, affiliate, subsidiary and all other related companies and businesses and its respective and collective officers, directors, employees, agents, partners, successors, licensees, franchisees and assigns, as well as all others over whom any of the foregoing exercise authority or control, are permanently enjoined from using, selling, advertising or dealing in services in association with the TELUGU ASSOCIATION OF NORTH AMERICA trademark or trade name or any permutations of TELUGU ASSOCIATION OF NORTH AMERICA or substantially similar marks, including North American Telugu Association.
- 5. The Respondent Telugu Association of North America shall deliver-up or destroy under oath any goods, packaging, labels, and advertising material in its possession, power or control, that bear the Applicant's TANA and TANA & DESIGN Trademarks or any other trademark or trade name confusingly similar thereto, or that are or would be contrary to this Judgment, in accordance with section 53.2 of the Act.
- 6. The Respondent Telugu Association of North America shall deliver-up or destroy under oath any goods, packaging, labels, and advertising material in its possession, power or control, that bear the Applicant's TELUGU ASSOCIATION OF NORTH AMERICA trademark or trade name or any permutations of TELUGU

ASSOCIATION OF NORTH AMERICA or substantially similar marks, including North American Telugu Association, or that would be contrary to this Judgment, in accordance with section 53.2 of the Act.

- 7. The Respondent Telugu Association of North America shall transfer the ownership and all rights of access, administration and control for and over the domain name www.tana.live and any other domain names or social media accounts owned and/or controlled by the Respondent Telugu Association of North America, be it directly or indirectly, that contains, is comprised of, or is confusing with the Applicant's TANA trademark.
- 8. The Respondent Telugu Association of North America shall direct the applicable Registrars of the domain tana.live and any other domains that would be contrary to this Judgment to transfer ownership and all rights of access, administration and control for and over all such domain names to the Applicant.
- 9. The Respondent Telugu Association of North America shall pay to the Applicant damages in the amount of \$18,750 arising from its violations of the Act, and such amount shall bear post-judgment interest at the rate of 5% per year from the date of this judgment.
- 10. The Applicant is awarded costs of the Application, which costs are fixed at \$13,000, inclusive of pre- and post-judgment interest, and are payable forthwith by the Respondent Telugu Association of North America.

"Ekaterina Tsimberis" Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-174-23

STYLE OF CAUSE: TELUGU ASSOCIATION OF NORTH AMERICA, A

CORPORATION OF THE STATE OF MARYLAND,

USA v TELUGU ASSOCIATION OF NORTH

AMERICA, A CANADIAN FEDERAL

CORPORATION WITH NO. 1243934-4, -AND-, ANIL KUMAR LINGAMANENI, -AND-, VENKATA SAI KRISHNA BALINA, -AND-, RAMAKRISHNA RAO

SURAPANENI

PLACE OF HEARING: OTTAWA, ONTARIO

DATE OF HEARING: SEPTEMBER 21, 2023

JUDGMENT AND REASONS: TSIMBERIS J.

DATED: APRIL 25, 2024

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