

Federal Court



Cour fédérale

Date: 20250103

Docket: T-1706-23

Citation: 2025 FC 20

Ottawa, Ontario, January 3, 2025

PRESENT: The Honourable Madam Justice McVeigh

BETWEEN:

2K4 INC. O/A INDICAN PICTURES

Applicant

and

INDIECAN ENTERTAINMENT INC.

Respondent

JUDGMENT AND REASONS

I. Introduction

[1] 2K4 Inc. o/a Indican Pictures [the Applicant], a California-based film distributor incorporated on February 18, 2004, seeks to assert rights in the unregistered Canadian trademark “Indican Pictures,” used in association with television, radio, and film distribution services in Canada [the Indican Pictures Mark]. The Applicant accuses IndieCan Entertainment Inc. [the

Respondent], a Canadian company incorporated on August 6, 2011, of passing off its film distribution services as and for those of the Applicant.

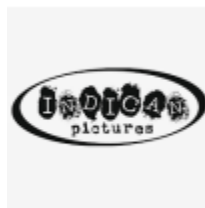
[2] The Applicant claims the Respondent's use of the name and mark "IndieCan" (and similar marks including "IndieCan Entertainment" and "IndieCan Entertainment International") [collectively, the IndieCan Entertainment Mark] is likely to cause confusion in Canada, contrary to paragraph 7(b) of the *Trademarks Act*, RSC 1985, c T-13 [the *Trademarks Act* or the *Act*].

[3] The Respondent asserts that it has been using the IndieCan Entertainment Mark continuously since it incorporated in 2011. According to the Respondent, the Applicant may only engage in Canadian film distribution in Canada through third-party aggregators and sub-distributors. The Respondent states that this Application is a "bully tactic" to prevent the Respondent from using its Mark in the United States.

[4] The Applicant seeks various grounds of relief, including a declaration of ownership for the Indican Pictures Mark, a permanent injunction preventing the Respondent from using similar marks, an order for the destruction of materials bearing the IndieCan Entertainment Mark, and damages. Additionally, the Applicant requests the transfer of domain name rights and withdrawal of all trademark applications filed by the Respondent regarding the IndieCan Entertainment Mark.

II. Background

[5] The Applicant describes its operations as “acquiring and distributing feature films to a broad range of entertainment outlets worldwide, including Canada.” The Applicant’s catalogue includes over 400 films spanning multiple genres such as action, comedy, drama, and horror. The Applicant’s Mark is incorporated into variations of the following designs [the Indican Pictures Logo]:



[6] The Applicant asserts that, along with its predecessor-in-title, it has been using the Indican Pictures Mark in Canada since at least 2000 and the related trade names since 2004. The Applicant states that it “is involved in every aspect of film distribution in Canada.”

[7] The Respondent has used the IndieCan Entertainment Mark in Canada since its incorporation in 2011. The Respondent asserts that it “has become well-established within the small cohort of Canada’s film industry players” and has released over 200 films.

[8] The Respondent’s Mark is incorporated into variations of the following design [the IndieCan Entertainment Logo]:



[9] The Applicant states that it first became aware of the Respondent in July 2019. Conversely, the Respondent argues that the Applicant became aware of the Respondent in August 2016 when an intern for the Applicant solicited the Respondent’s interest about acquiring the Canadian distribution rights for some of the Applicant’s film titles. The Applicant acknowledges this evidence but maintains its lack of knowledge of the Respondent at that time.

[10] On August 8, 2019, the Applicant sent a cease-and-desist letter to the Respondent claiming that the use of the IndieCan Entertainment Mark was infringing on its Indican Pictures Mark in the United States. It sent a similar letter on August 6, 2021. On August 15, 2019, and August 21, 2021, respectively, the Respondent’s counsel indicated to the Applicant that due to the geographical distances between the parties and the nature of the film industry, the parties’ names and Marks could co-exist in their own jurisdictions. The Respondent also offered to “consider steps that could mitigate confusion.”

[11] On November 13, 2019, the Applicant filed a Canadian trademark application for the Indican Pictures Mark. The Respondent opposed the Applicant's trademark application on November 2, 2022, by filing a statement of opposition asserting, among other grounds, that the Indican Pictures Mark is confusing with its IndieCan Entertainment Marks. The opposition proceeding is currently pending before the Trademarks Opposition Board [TMOB].

[12] In September 2021, the Respondent filed three trademark applications for the IndieCan Entertainment Mark in association with various film and television-related goods and services.

[13] The Applicant states that it has faced increasing instances of confusion between the two companies, including customer mistakes, payment problems, and issues on IMDbPro. The Applicant indicates five incidents of alleged actual confusion, all occurring in either 2022 or 2023. It asserts that the confusion "is directly impacting [its] ability to conduct business in Canada" and "the Respondent appears to be expanding its North American and international presence."

[14] The Respondent dismisses the Applicant's arguments on confusion based on alleged cross-border difficulties that foreign film distribution companies face operating in Canada. For instance, according to the Respondent, foreign-owned companies like the Applicant must hire intermediaries to carry out certain operations in Canada, since the Canadian regulatory framework only facilitates Canadian-controlled entities operating in this space. The Respondent contends that this fundamentally affects the Applicant's ability to "use" the Indican Pictures Mark in Canada – at least as it relates to film distribution services. Further, the Respondent

asserts that the nature of a film distributor's services is limited to "use" within the supply chain. It therefore seeks to undermine the argument and evidence about the Applicant's proposed ultimate consumer – the moviegoer – being part of the passing off analysis.

[15] While the Applicant's trademark application is in respect to "Distribution of radio programs; distribution of television programs; film distribution," I note that the Applicant's submissions predominantly assert the Mark's association with its Canadian "film distribution services." Accordingly, I use the latter term in my analysis of the parties' Marks.

III. Issues

[16] The issue and sub-issues raised are:

1. Whether the Respondent is liable for passing off under section 7(b) of the *Trademarks Act*. Specifically:
 - a. What is the relevant date for assessing the passing off allegations?
 - b. Has the Applicant demonstrated valid and enforceable trademark rights in the Indican Pictures Mark in association with film distribution services in Canada?
 - c. Has the Applicant demonstrated goodwill for the Indican Pictures Mark in Canada?
 - d. Has there been a misrepresentation by the Respondent to deceive the relevant consumers of film distribution services arising from its use of the IndieCan Entertainment Mark?

- e. Has the Applicant suffered damage arising from the alleged misrepresentation?
- f. Did the Applicant acquiesce to the Respondent's use of the IndieCan Entertainment Mark in Canada?

IV. Summary of Findings

[17] For the reasons that follow, I dismiss this Application.

[18] The Applicant has not demonstrated use of the Indican Pictures Mark – in association with the claimed services – in Canada before the relevant date of 2011. Therefore, it fails the threshold requirement of demonstrating a valid and enforceable trademark right in the Indican Pictures Mark in association with film distribution services in Canada. The Applicant's case rests on the assertion that it had been using its Mark among relevant consumers before and after 2011. The Application must fail as there is no objective evidence of such use before the relevant date.

[19] While the remaining issues are unnecessary to address, in the alternative, I would have also found that the Applicant has not proved on a balance of probabilities that, at the relevant date and amongst the relevant consumers, it possessed goodwill in its Mark, the Respondent's Mark caused deception, and the Applicant suffered damages from the alleged misrepresentation.

V. Evidentiary Dispute

[20] I first note that there is significant animosity between the parties, most clearly evidenced by the transcript of the cross-examination on their witnesses.

[21] The Applicant challenges the credibility and relevance of the Respondent's evidence, namely, that of Avi Federgreen, Daniel Lyon, and Noah Segal. Mr. Federgreen is the President of the Respondent; Mr. Lyon has been involved in the Canadian film industry and is a former Telefilm Canada executive (a federal Crown corporation that supports the production of films); and Mr. Segal is the Co-President of Elevation Pictures (Canadian film distributor).

[22] The Respondent defends the integrity of these affiants and contends that the sole evidence of the Applicant – Randolph Kret's affidavit – is insufficient to prove any significant market presence or trademark use in Canada. Mr. Kret is one of the owners of the Applicant.

[23] The parties' arguments on the veracity of the evidence will be considered in the legal analysis below and in my decision on costs.

VI. Legal Tests

[24] Paragraph 7(b) of the *Trademarks Act* codifies the common law tort of passing off. The text of this provision prohibits a person from "direct[ing] 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.” In plain language, passing off occurs when a person misleads the public into believing their goods or services are associated with or come from another business, causing confusion and harming the original business’s reputation or goodwill.

[25] Due to the constitutional limitations of this Court’s jurisdiction, an applicant filing a passing off claim in the Federal Court must first demonstrate, as a threshold requirement, that they possessed a valid and enforceable trademark – registered or unregistered – at the time the respondent began directing public attention to their own goods and services (*Sandhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2019 FCA 295 at para 39 [*Hamdard Trust (2019)*]; *Sani Bleu Inc v 9269-6806 Québec Inc*, 2022 FC 1711 at para 21 [*Sani Bleu*]).

[26] Beyond meeting the threshold requirement, a claimant pursuing this statutory tort must provide evidence of three key elements: (1) the existence of goodwill; (2) public deception caused by a misrepresentation; and (3) actual or potential damage (*Sani Bleu* at para 21, citing *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65 at paras 66–69 [*Kirkbi*]; *H-D USA, LLC v Varzari*, 2021 FC 620 at para 33 [*H-D USA*]).

[27] The Applicant bears the onus of establishing passing off on a balance of probabilities (*H-D USA* at para 5).

VII. Analysis

A. *What is the relevant date for assessing the passing off allegations?*

[28] Both parties agree on the relevant case law, outlined below, but differ in how they understand and apply it.

[29] The Respondent asserts that the relevant date is around August or September 2011, when it incorporated and entered the market. According to the Respondent, this period is crucial because the Applicant must demonstrate that it had goodwill in the Indican Pictures Mark by that time.

[30] In its written submissions, the Applicant did not directly address this time frame, instead emphasizing its continuous use of the Mark since 2000. At the hearing, however, the Applicant presented for the first time two creative lines of argument to suggest that the relevant date should be either 2019 or 2023:

- 2019: The Applicant argued that it was only in 2019 that the Respondent's activities rose to a level that constituted misrepresentation and caused confusion, analogizing this case to the circumstances in *Dragona Carpet Supplies Mississauga Inc v Dragona Carpet Supplies Ltd*, 2022 FC 1042 [*Dragona*]. The Applicant noted that 2019 was the first time it became aware of the Respondent's activities. Further, it contends that the Respondent did not provide evidence of sales or substantial film distribution activity predating 2021, with sales only substantiated for 2021 and 2022.

- 2023: Alternatively, if the relevant date is determined by the Respondent’s first use of the IndieCan Entertainment Mark, this Court must consider all of the Respondent’s alleged trademarks. The Respondent only began using the IndieCan Entertainment Logo with the words “IndieCan Entertainment International” in 2023. According to the Respondent, the relevant date cannot precede that year.

[31] I find that the relevant date is 2011 – when the Respondent commenced directing public attention to its goods and services in a manner alleged to be confusing. I accept the exhibits attached to Mr. Federgreen’s affidavit identifying the Respondent’s Mark in industry articles, a domain registration, and promotional materials, starting in 2011. Additionally, starting in 2012, the evidence includes sales invoices and the Respondent’s Telefilm approval as a Canadian theatrical distributor. Collectively, this evidence indicates that the Respondent began directing public attention to the IndieCan Pictures Mark shortly after its incorporation on August 6, 2011, or in 2012 at the latest.

(1) Law

[32] The jurisprudence is clear that the relevant time for a passing off claim is when the alleged misdirection of the services or goods first began (*Hamdard Trust (2019)* at para 39; *Blossman Gas Inc v Alliance Autopropane Inc*, 2022 FC 1794 at para 154). The Applicant attempts to substantiate its assertion that this occurred in either 2019 or 2023 by directing the Court to *Dragona*, where Justice Zinn wrote as follows:

[96] ... The relevant time in paragraph 7(b) is when the allegedly confusing directing of attention first began, that is to say the directing of attention that gave rise to the passing off claim. **This is**

clear from the wording of paragraph 7(b), which refers not to any directing of attention, but specifically to directing of attention “in such a way as to cause or be likely to cause confusion in Canada.”

[97] The Plaintiff’s claim is that the confusing directing of attention occurred in 2021, when the Defendants placed Dragona Flooring signs on its FlooReno stores. Thus, 2021 is the relevant time and not 1984. At this time, the Plaintiff had been making use of the DRAGONA Trademark for the past 19 years. It was therefore in possession of a valid and enforceable trademark, either in its own right or under licence from Dragona Scarborough. I am satisfied that this preliminary requirement is met by the Plaintiffs.

[Underline emphasis in original; bold emphasis added]

[33] Justice Zinn’s decision in *Dragona* was affirmed by the Federal Court of Appeal in *Dragona Carpet Supplies Mississauga Inc v Dragona Carpet Supplies Ltd*, 2023 FCA 228, although without mention of the Court’s discussion on the relevant date for passing off.

(2) Application

[34] The Applicant’s arguments regarding the two more recent dates is flawed.

[35] The Applicant’s counsel argued that “it was only [in 2019] when the Respondent’s activity grew and rose to a level that was causing confusion like in *Dragona*.” However, I find that the Applicant’s reliance on *Dragona* is misplaced. The *Dragona* case involved unique circumstances, clearly distinguishable from the case at hand.

[36] In *Dragona*, a license agreement was in place between two entities using the “Dragona” mark in different cities as a result of a falling out between family members. The plaintiffs were

located in Mississauga and the defendants in Scarborough. The year 2021 was chosen as the relevant date because that was the time at which the defendants started using the “Dragona” name in the plaintiff’s “territory” of Mississauga. Thus, the allegations in that case did not necessarily concern when the parties started using the “Dragona” trademark or name. Rather, the issue was when they started using it in the other party’s territory.

[37] *Dragona* does not stand for the principle that passing off occurs when the “Respondent’s activity grew and rose to a level that was causing confusion,” as the Applicant’s counsel suggests. Rather, Justice Zinn confirmed that the relevant date is when the allegedly confusing directing of attention first began (*Dragona* at para 96), which in that case was when the defendant starting selling in the plaintiff’s territory using the “Dragona” name. This understanding is well supported in binding case law (see e.g., *Badawy v Igras*, 2019 FCA 153 at para 9 [*Badawy*]).

[38] Further, counsel stated that the relevant date is 2023 because it symbolizes the Respondent’s new step (or new use) of using the Logo in association with its Mark. However, later on in the hearing, the Applicant’s counsel contradicted this position by stating the importance of the wordmark – not use of the Logos – in the confusion analysis. Counsel argued as follows:

The distinctive portion of all these trademarks is the word “IndieCan,” so in the context of remedies that would be awarded for passing off, it would be applicable to the use of the word “IndieCan.” The use of the new Logo just symbolizes this new step, and this new use, that [the Respondent] started. So we carve it out for the purpose of showing 2023, but in 2023 we have to look holistically at all of the Respondent’s use of IndieCan, not just that specific Logo. So in the context of confusion and the surrounding

circumstances, we have to consider confusion as it relates to all use of IndieCan because that's the thing that's causing confusion not the word "entertainment" or "international,"... not the use of the 11-point maple leaf, it's really coming down to the word IndieCan.

[Emphasis added]

[39] In my view, the Applicant cannot have it both ways. It seeks to rely on the Respondent's most recent application of the IndieCan Entertainment Logo to establish the relevant date. In the remainder of the analysis, it discounts the relevance of the parties' respective Logos. According to the Applicant's own logic, the parties' Logos hold little relevance to the alleged confusing activity.

[40] I also fail to understand the Applicant's argument that the Respondent's additional use of the IndieCan Entertainment Logo containing the word "International" affects the analysis in any way.

[41] The evidence demonstrates that as early as 2011 and 2012, the Respondent began promoting the IndieCan Entertainment Mark and Logo on its website, received Telefilm Canada funding approval for its movie distribution in Canada, and entered film distribution contracts. This is sufficient to show that the Respondent directed the public's attention to its services, thus making 2011 the relevant date.

[42] The Respondent introduced the IndieCan Entertainment International Logo in 2023. However, this new "trademark" did not substantially change to the point that it would be a different "confusing directing of attention." Any contention that the Respondent's public

direction to its film distribution services did not occur until 2023 when it added the word “International” to one of its Logos defies logic. It is the Respondent’s first instance of conduct giving rise to alleged misrepresentation – which occurred in 2011 – that is relevant.

[43] Additionally, the Applicant’s hearing submissions amounted to the argument that the relevant date is 2023 because that is the date that symbolizes the new use of the Logo, but the relevant date for assessing anything else in the passing off test, like goodwill, is 2019. This is also incorrect. You cannot have a different date for assessing goodwill than the applicable date of a passing off action. The relevant date is the same for assessing the Applicant’s use of the Mark, the goodwill associated with it, and the likelihood of confusion between the parties’ Marks (*Ark Innovation Technology Inc v Matidor Technologies Inc*, 2021 FC 1336 at paras 59, 61-62 [*Ark Innovation*]; *Kirkbi AG v Ritvik Holdings Inc*, 2002 FCT 585 at para 79, aff’d 2003 FCA 297, aff’d 2005 SCC 65; *Diageo Canada Inc v Heaven Hill Distilleries, Inc*, 2017 FC 571 at para 74).

[44] In *Ark Innovation*, Justice McHaffie found that the defendants first started directing public attention to their goods and services in an allegedly confusing manner in December 2019, making December 2019 the relevant date for assessment of whether there was goodwill in the plaintiff’s trademark. While the plaintiff’s evidence of goodwill related to a period two years earlier, evidence showing continuous customer use was sufficient to infer goodwill in 2019 (*Ark Innovation* at para 61-62, 65).

[45] Applied to the current matter, if 2023 is indeed the appropriate date, evidence of goodwill in 2019 might be relevant to inferring goodwill in 2023. However, since I have found that 2011 is the relevant date, the Applicant's evidence of goodwill after this point is largely unhelpful.

B. *Has the Applicant demonstrated valid and enforceable trademark rights in the Indican Pictures Mark in association with film distribution services in Canada?*

[46] Regarding the Applicant's assertion that it has engaged with sub-distributors and other intermediaries since 2000, in my view, there is no such evidence of "use" in or before 2011. Furthermore, even if this Court were to consider the movie-going public as relevant consumers for "film distribution services," I find that the Applicant's evidence listing the names of its films fails to establish the requisite performance of these services in Canada before the relevant date.

[47] Necessary to explain my determination is to identify the applicable law, the evidence regarding film distribution from the United States to Canada, and the relevant universe of consumers of film distribution services. Then, applying the facts of this case to the relevant date of 2011, I analyze whether the Applicant "used" the Indican Pictures Mark for advertising or performing film distribution services in Canada.

(1) Law

[48] The Indican Pictures Mark is not registered in Canada. Therefore, the Applicant does not enjoy a presumption of validity and must prove that it held a protectable Canadian trademark in 2011 (*Trademarks Act*, s 19). Given the definitions of "trademark" and "use" in sections 2 and 4 of the Act, the Applicant must establish that it used the Indican Pictures Mark for the

purpose of distinguishing its film distribution services in Canada from those of others (*Hamdard Trust (2019)* at para 39).

[49] Subsection 4(2) of the *Act* indicates that the Mark will be “deemed to be used in association with [film distribution] services if it is used or displayed in the performance or advertising of [film distribution] services.” The term “services” in subsection 4(2) is typically broadly interpreted (*Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 107 [*Hilton (FCA)*]). However, “the mere advertising of services in Canada will not constitute use in Canada in association with a service. Some aspect of the services must be performed or delivered in Canada” (*Hilton (FCA)* at para 7 [emphasis added], citing *Marineland Inc v Marine Wonderland and Animal Park Ltd*, 1974 CanLII 2559 (FC) [*Marineland*]; *Porter v Don the Beachcomber*, 1966 CanLII 972 (CA EXC)).

[50] Determining whether there has been use of a mark in association with services in Canada is a largely fact-driven exercise, established on a case-by-case basis. This involves an analysis of the scope of services referred to in the trademark registration as well as the nature of the benefits delivered to people physically present in Canada (*Hilton (FCA)* at paras 85, 107-117; *Hilton Worldwide Holding LLP v Miller Thomson*, 2018 FC 895 at para 51 [*Hilton (FC)*]). I also take note that the *Act* makes no distinction between primary and corollary services. As long as some consumers, purchasers, or members of the public in Canada receive a material benefit from the primary, incidental, or ancillary activity, it is a service (*Hilton (FCA)* at paras 108, 116).

[51] Cases on use will “often turn on the quality of the evidence provided by the trademark owner”; “bare assertions of use will not be enough” (*Hilton (FCA)* at paras 146-147). Contrary to the Applicant’s assertion in the hearing that the evidentiary burden of this Application is lighter than cancellation proceedings under section 45 of the *Act*, the Federal Court and Federal Court of Appeal have suggested the opposite. For example, in *Dollar General Corporation v 2900319 Canada Inc*, 2018 FC 778 at para 30 [*Dollar General*], Justice Manson explained that in section 45 proceedings the evidentiary burden is assessed on a *prima facie* standard:

the burden on the registrant is not a heavy one. The evidence need not be perfect; it must only establish a prima facie case of “use” within the meaning of section 4 of the Act because the proceedings are meant to remove “deadwood” from the register and there is a need to maintain a sense of proportion and avoid evidentiary overkill.

(See also *Hilton (FCA)* at paras 10, 139; *Little Brown Box Pizza, LLC v DJB*, 2024 FC 1592 at para 27 [*Little Brown Box Pizza*])

(2) United States Film Distributors Operating in Canada

[52] At the hearing, the Respondent’s counsel emphasized that an American company could not distribute films in Canada because of federal laws protecting Canadian content. After reviewing the evidence on this point and questioning counsel at the hearing, I found the Canadian film distribution industry far more nuanced and less restrictive than suggested by the Respondent. In short, a United States-based company can distribute American films in Canada.

[53] The protectionist rules imposed by Telefilm and the Canada Media Fund are only relevant in so far as they restrict the Applicant from obtaining Canadian funding and distributing Canadian content films. In practice, it would appear that these limitations preclude most

American companies from directly distributing Canadian-content films in Canada. However, I understand that, typically, only large international studios directly distribute into Canadian theatres from abroad; smaller distributors typically sub-distribute with a Canadian distribution company.

[54] Still, the Court is left wondering what “film distribution services” actually are. To determine this, I have relied only on the evidence before me, which is at times incomplete or unclear. Given that both parties are film distributors, I note that thorough evidence could have been provided by both parties. However, they failed to do so.

[55] For instance, one outstanding uncertainty is whether the display of distribution companies’ trademarks in film trailers and credits is negotiated between film companies. The Applicant cites to the cross-examination of Mr. Segal, showing that counsel for the Respondent objected to Mr. Segal answering how American film distributors allow their trademarks to be displayed by Canadian companies. I note that the Applicant – an American film distributor – could have just as easily provided this information in its evidence.

[56] I do not find the Applicant’s references to “Articles concerning the indie film industry,” included as an exhibit to Mr. Kret’s affidavit, particularly helpful in discerning the scope of film distribution services. The Applicant does not elaborate on the specific relevance of these sources. One user comment from the website “Quora” states that distributors “take[] on the job of getting the movie out to the world in multiple ways (theatrical, cable, VOD, etc.)” While vague, this is arguably the best definition put before the Court.

[57] In reviewing the Application Record, it seems that independent film distribution companies are effectively sales brokers that connect less-known filmmakers and producers with consumer-facing intermediaries like retail stores, theatres, and streaming platforms. Distributors acquire film rights from producers or filmmakers and then license those rights to the downstream intermediaries, negotiating territory and royalties. Downstream intermediaries (i.e., streamers, theatres, broadcaster) ultimately present the films to the audience. Sub-distributors act as a further distribution node in that they link the initial distribution company with the downstream intermediary, usually at cheaper rates. The sale of DVDs appears to be slightly different, with American distributors able to sell directly to consumers via a retailer or through their own platform. This is what I take to be the “ordinary commercial meaning” of film distribution services (*Hilton (FCA)* at paras 85, 98).

(3) Relevant Consumers

[58] The Applicant asserts that “the relevant consumers to be considered in the test for passing off are the sub-distributors, film providers, the broadcasters, the retailers, the theaters” [the Intermediaries] and “the ultimate moviegoer to whom the film is ultimately distributed.”

[59] The Applicant analogizes the moviegoer to the patient in *Ciba-Geigy Canada Ltd v Apotex Inc*, 1992 CanLII 33 (SCC), 1992 CarswellOnt 1007 [*Ciba-Geigy* cited to CarswellOnt], where the Supreme Court of Canada held that excluding them “divests him of part of his rights as an individual. He is deprived of the means of protecting himself as an informed person” (*Ciba-Geigy* at para 107. See also *Ciba-Geigy* at paras 59-64).

[60] The Applicant's assertion on this point is, at first, persuasive: "the point of film distribution is for the film to reach the moviegoer, and the moviegoer benefits from access to the films that are distributed to them for viewing." However, including moviegoers in the passing off test for Marks associated with film distribution services (as defined above) is conceptually and doctrinally incorrect.

[61] First, the case at hand is distinguishable from *Ciga-Geigy* and other cases that the Applicant has cited on this point. In this case, the Applicant's Mark is claimed in association with a service, not a good (i.e., a separate analysis under subsection 4(1) of the *Act*).

[62] Because the Applicant seeks trademark protection in respect to film distribution services, I consider that relevant consumers of such services are "B2B" firms along the supply chain of film production (*BBM Canada v Research in Motion Ltd*, 2012 FC 666 at paras 34-36, 55, 59 [*BBM*]). In other words, only Intermediaries actually interact with the Applicant for its film distribution services and receive the necessary, corresponding "benefit" from those services. This reality is not explicitly disputed by the Applicant and its evidence lacks any instances of direct to consumer contact in Canada. In my opinion, it is a stretch for the Applicant to claim that "Canadian moviegoers select independent films based on the name of the distributor." The Applicant did not adduce compelling evidence to convince me on this point.

[63] As an illustration, if this Court were to accept moviegoers as a relevant consumer, I am not persuaded that the average moviegoer could identify the goodwill of the parties' Marks in association with distribution services (*Weldpro Limited v Weldworld Corp*, 2018 FC 312 at para

20 [*Weldpro*]). Distinctiveness in the minds of the purchasing public is the essence of trademark protection (*Kirkbi* at paras 39, 63, 67; *Trademarks Act*, s 2). Moviegoers simply do not have the requisite familiarity with film distribution services, nor do they choose a movie based on the company that distributed it (typically only identified in the credits or discretely placed on movie marketing materials). How could the moviegoer be deceived by the Respondent's use of the Mark if they are not even aware of other film distribution companies? On this point, we can distinguish the Applicant's written argument – that “other American film distributors such as A24 and Miramax benefit from audience recognition” – because those distribution companies are also movie production companies.

[64] Further, the Applicant's interpretation is inconsistent with the case law on subsection 4(2) of the *Act*. As the Federal Court noted in *Hilton (FC)*, an element of use of services in Canada is “the type of relationship between the owner of the trademark and the customer” (*Hilton (FC)* at para 99). In *Hilton (FC)*, the Court noted the holding in *Marineland*: “[w]here the business of arranging tours or tickets was not that of the owner, but rather was carried on by travel agents in Canada, it has been found that use was not established,” and contrasted it to *Société Nationale des Chemins de Fer Français Sncf v Venic Simplon-Orient-Express Inc*, 2000 CanLII 16547 (FC) [*Orient-Express*]: where “evidence showed that the agents were merely acting as intermediaries of the trademark owner, use has been found” (*Hilton (FC)* at para 99). In *Hilton (FC)*, the hotel chain's application for a trademark in association with “hotel services” aligned with the latter decision: “Hilton was in direct contact with the customers in Canada, and... some customers entered into binding contractual arrangements by pre-paying for rooms in Canada in

exchange for a discounted room rate.... The trademark appeared on the web site, as well as on e-mails and booking confirmations received by customers in Canada” (*Hilton (FC)* at para 100).

[65] In *Hilton (FCA)*, the Federal Court of Appeal upheld the Federal Court’s findings, offering that “[t]here must, at a minimum, be a sufficient degree of interactivity between trademark owner and Canadian consumer to amount to use of a mark in Canada in conjunction with services over the Internet” (*Hilton (FCA)* at para 147). While this statement was made in the context of services offered over the internet, I find that it applies equally to the Applicant’s claims that it “uses” its film distribution services when consumers see the Mark on digital platforms and in a physical movie theatre or retail store.

[66] In the cases the Applicant relies on, the alleged “use” was assessed in association with services that are significantly broader and more public facing than the film distribution services at issue in this Application (e.g., “hotel services” in *Hilton*; “travel services, namely passenger rail services” in *Orient-Express*; “Television Entertainment Services” in *Viacom International Inc (Re)*, [1996] TMOB No 110). However, the most important distinguishing factors are that (1) the Applicant has not produced evidence that it offers film distribution services to Canadian moviegoers, and (2) even if its display of the Indican Pictures Mark in movies and associated mediums can be considered ancillary or incidental, the Applicant has not shown evidence of any type of relationship between it and the Canadian moviegoer (for example, via evidence of website traffic) (see *Hilton (FCA)* at paras 113, 125, 143-152) .

[67] On the latter point, if the Court was to agree with the Applicant's reasoning, it would lead to a "preposterous" result analogous to the one identified in *UNICAST SA v South Asian Broadcasting Corporation Inc*, 2014 FC 295 [*Unicast*] where Canadian companies would be "expected to protect themselves from every company around the world which has a website that is accessible in Canada" (*Unicast* at paras 47-48).

[68] Regardless of the scope of the relevant consumer, the Applicant has not proffered sufficient evidence to establish that it performed the services associated with its Mark in Canada before the relevant date.

(4) Whether the Applicant performed its distribution services in Canada

[69] In its memorandum and affidavit, the Applicant explains several examples of its film distribution services (which, as I outline below, lack substantiation through Canadian invoices or similar documentary evidence dated in or before 2011). The Applicant asserts that the following constitutes "use" of the Mark in Canada:

- Licensing its films to "many providers, including, AMAZON, APPLE, SONY, WALMART, YOUTUBE, XBOX, GOOGLE PLAY, HBO, PBS, and many more."
- Using "Canadian sub-distributors or broadcasters, such as Lionsgate, Apple Canada and Vudu" and supplying "them with all the film assets required to make the film available to the public."
- Directly distributing films associated with the Mark to video on demand or streaming platforms, theatres, TV outlets, and retailers in Canada.
- Meeting with Canadian distributors and buyers at Canadian film festivals.

- “From 2000 to 2023, [spending] nearly US\$700,000 on Canada-specific advertising.”
- Displaying the Indican Pictures Mark on its website, in its movie trailers and film credits, on DVD jackets that have been sold in Canada, and on various marketing materials including movie posters and in-store promotional items, in association with film distribution services.
- “Since at least as early as 2002 to the present,” using the Mark “on pitch sheets and slide decks used for the purposes of Canadian film distribution and sent to Canadian distributor[s] and broadcasters.”
- Using the Indican Pictures Mark in press releases related to Canadian film distribution.
- The Applicant’s films have won awards and secured box office success in Canada.
- The Applicant ranks number 145 globally in market share for film distributors.

[70] At the hearing, the Applicant’s counsel relied heavily on *Orient-Express* (citation provided above). In its written submissions, the Applicant states that “[t]he offering of services by the owner of the trademark to intermediaries, who in turn offer the service to customers, amounts to use of the trademark in association with the service.”

[71] In *Orient-Express*, the Federal Court found that booking train reservations and tickets through travel agents located in Canada constituted performance of passenger rail services in Canada. The Court in *Orient-Express* appears to have applied a similar principle as *Ciba-Geigy* (regarding products) to services (see divergent finding in *Marineland*, where the Federal Court confined the spillover effects of trademark use in the United States).

[72] The Applicant contends that theatres and sub-distributors are like the agents in *Orient-Express* because they are acting as conduits between the Applicant and the ultimate consumer.

[73] I find that the matter at hand is distinguishable from *Orient-Express*.

[74] First, the Applicant has provided no evidence of invoices with the claimed agent/Intermediaries before the relevant date. In *Orient-Express*, invoices from the trademark owner to the Canadian travel agents indicated the trademark owner as the author of such invoices (*Orient-Express* at para 13). While the Court in *Orient-Express* noted that “[a]ny use of the trade-mark along the chain of distribution is sufficient to demonstrate use” (*Orient-Express* at para 12), the scope of the film distribution services in our case necessitates some evidence of the Applicant actually being a part of that distribution in Canada in 2011 (the relevant time). The Applicant lacks this evidence.

[75] The Applicant’s dealings with an American Intermediary, who may later distribute the films to a Canadian company, do not constitute use of its Mark in association with film distribution services in Canada. Particularly since the Applicant’s only documentary evidence in this respect concerns invoices with the American-based “Rentrak Corporation” merely listing “Canada” in either the “PO” or “FOB” column. Similarly, there are various references in the Kret Affidavit regarding the Applicant distributing to large vendors like Walmart or Apple, who allegedly sell the Applicant’s films in Canada and the United States; or for theatres, distribute to sub-labels in Canada. However, there is no documentary evidence to substantiate this system or to confirm the dates of distribution.

[76] Second, unlike *Orient-Express*, there is no evidence to confirm that theatres or sub-distributors actually provided the services (distributed films) on behalf of the Applicant. In *Orient-Express*, evidence showed that reservation and ticketing services (the accepted ancillary services) “were provided in Canada by the registrant through the travel agencies” (*Orient-Express* at para 6). As explained above regarding the “ultimate” consumer, the nature of the film industry raises doubt about the Applicant’s premise that the general movie-going public is transacting in some way with the distributor.

[77] In *Reliable Collision Centres Inc v Utility Trailer Manufacturing Company*, 2013 TMOB 121 [*Reliable Collision*], the TMOB considered a registrant’s use of a mark in association with “sales of trailer truck bodies.” The TMOB dismissed affidavit evidence stating that the registrant performed the services in Canada through the Canadian “dealer/distributors” Ocean Trailer.

Distinguishing *Orient-Express*, the TMOB reasoned as follows:

[15] In this case, there is no evidence of display of the Mark in association with the Services by the Registrant in any manner or in any context, in particular with respect to its dealings with Ocean Trailer, by way of sales or otherwise. Nor is there any evidence that the sales services were provided by or on behalf of the Registrant. If the display of the Mark on the exhibited webpage was authorized use, there is no evidence of that before me, and given the ambiguous nature of the evidence, I am not prepared to infer that a distributorship relationship existed between the Registrant and Ocean Trailer with respect to the registered services.

[Emphasis added]

[78] Further analogous to the reasoning in *Reliable Collision*, the use of assessment in this Application is only in respect to film distribution services. The Applicant cannot lay claim to a trademark in association with the films itself – for example, through its evidence of the Indian

Pictures Mark being displayed in film credits – because this Court is limited to assessing use in the context of the described **services**. As the TMOB explained, the nature of use regarding “products” (subsection 4(1) of the *Act*) is distinct from “services” (subsection 4(2)):

[16] ...the Registrant cannot establish use of the Mark in association with the registered services by using principles relevant only to section 4(1) of the Act...

[17] ... While a manufacturer, by virtue of its position, has inherent control over the quality and character of its wares and, thus, use of a trade-mark anywhere along the distribution chain may be considered use that enures to the benefit of the manufacturer of those wares, the same cannot be inferred of services. In a “distributorship” of services, the services do not originate from the registrant in the same way as wares from a manufacturer, as the services are provided by a third party. Thus, even if I were to accept that the Mark’s display on the website is in association with the sale of trailer truck bodies, the webpage is operated by Ocean Trailer. As such, it is necessary for the Registrant to establish that it exercises control over the character or quality of Ocean Trailer’s sales services, such that use of the Mark was licensed use enuring to the Registrant’s benefit. However, no such evidence is before me.

[Emphasis added]

[79] I find that the TMOB’s reasoning on the nature of “distributors” in respect to trademark use is largely applicable to the current matter. Both in terms of its application of the law but also, for the purposes of the below analysis, the handling of ambiguous affidavit evidence.

(a) *Evidence of use in Canada before the relevant date*

[80] Regardless of any novel application of the law in this case, the Applicant has not met its burden to prove use of the Indican Pictures Mark in Canada in association with television, radio, and film distribution services (or anything that could be considered incidental thereof) **prior to**

the relevant date (either directly or through Intermediaries). Even if we accept that Canadian Intermediaries and moviegoers are among the relevant consumers, there is no clear evidence to establish that the Applicant distributed films in Canada before the relevant date. As noted at paragraphs 25 and 99 of this decision, the Applicant's success at this preliminary stage is constitutionally required for me to entertain a passing off claim.

[81] The Applicant appears to ask the Court to draw inferences that the movies listed in Mr. Kret's affidavit were played in Canada and watched by Canadians. In considering that much of this evidence simply lists films without specifics of where and when they were distributed. Notwithstanding the issue of whether the mere display of films in Canada can be considered "distribution services," the Applicant has not tendered any invoices or other objective evidence corroborating this or its role in getting the films to Canada.

[82] On evidence of direct transactions with Canadian Intermediaries, the Applicant attempts to substantiate the narrative of its affiant by referencing a "sampling of agreements" and "invoices" relating to its Canadian distribution. However, a close examination of these exhibits reveals that none actually demonstrate use in Canada before the relevant date:

- The United States addresses listed on agreements with Black Entertainment Channel and Starz Media, LLC, each identify these Intermediaries (or at least the divisions dealt with by the Applicant) as American companies. The same is true for a document showing the Applicant's undated exchange of metatag data with an American office of Netflix.
- A 2008 licensing agreement with Peace Arch Entertainment is unsigned and the dates are not filled in. The address for Peace Arch Entertainment shows that it was operating out of

Toronto, Ontario; however, this draft agreement does not indicate that the licensing services were actually rendered. Similarly, a 2004 agreement between the Applicant and the Documentary Channel attaches only a set of draft terms, with no executed contract.

- A signed licensing agreement with OUTTv (Vancouver, BC) is from May 12, 2021; therefore, this does not show evidence of use before the relevant date.
- The lengthy series of invoices with Rentrak Corporation is insufficient for the reasons identified above. The Applicant's distribution to another American Intermediary does not qualify as use of the Mark in association with distribution services in Canada.

[83] Regarding distribution to the moviegoer, the Applicant's evidence effectively amounts to bald statements that Canadians actually watched the movies and saw the credits, bought the DVDs and read the DVD jackets, or visited the Applicant's website. There is no objective evidence showing that any of the movies provided were shown in Canada before the relevant date and distributed by or on behalf of the Applicant. The Applicant faces the same hurdle with respect to DVD jackets being distributed in Canadian retailers. Finally, there is no evidence that a Canadian could or did use the Applicant's website to buy DVDs before the relevant date.

[84] None of the Applicant's May 10, 2023, screenshots from Amazon.ca show comments from Canadian customers – or any other indication of its availability on the site – on or before 2011. The release date of the films does little to establish that they were available for purchase in Canada before or during the time frame at issue. Further, the Applicant provides screenshots from 2023 of its movie trailers on YouTube with publication dates as far back as “16 years ago.”

While I can infer that this content would have been available to Canadian audiences, the Applicant has provided no evidence that any Canadians interacted with this content in any way (see *Hilton (FCA)* at paras 147-149).

[85] Next, Mr. Kret's affidavit notes that the Applicant directs clients to the Indican Pictures "website so that they can review Indican's film catalogues prior to placing orders." However, the associated exhibit provides no details of its film distribution activities in Canada. Some of the films in these materials indicate Canada as the "Country of Production." Yet, the catalogue provides no explanation of how – or if – the Applicant was involved in the Canadian film distribution supply chain. It is not even evident that the Applicant interacted with a Canadian film company or producer. The descriptions also lack any dates. In short, I have no way to deduce that the Applicant engaged in Canadian film distribution before the relevant date.

[86] Regarding theatrical releases, the record does not show that the Applicant represented to Intermediaries that its films were released in Canada before the relevant date. For instance, an exhibit tendered as "Metatag Data sent to Netflix," lists a March 2010 theatrical release of *The Triumph of Dingsus McGraw: The Village Idiot* "in select cities of Canada Montreal, Vancouver and in Lexington, KY – where it was filmed." But what does this actually prove? From this information we can infer that Canadians viewed the film, the film was made in Canada, and the Applicant sent the metatag data (and presumably the licensing rights) to Netflix's California address to stream on its platform. However, other documentary evidence in the record indicates that it was not the Applicant, but rather Rentrak Corporation, who distributed this film to Canada. While perhaps the Applicant did itself engage Canadian theatres to release the film, the

totality of the evidence does not naturally facilitate that conclusion. For instance, the Applicant could have purchased the distribution rights for the film after its initial release in Canada. This does not meet the balance of probabilities standard of proof.

[87] To conclude that the Applicant distributed *The Triumph of Dingus McGraw: The Village Idiot* in Canada in March 2010, would be too large a leap considering the totality of the Applicant's scant pre-2011 evidence. I extend the same reasoning to the rest of its film catalogue.

(b) *Use through advertisement*

[88] In reply argument at the hearing, the Applicant's counsel emphasized that a trademark owner's advertising and offering of services in Canada – without actual performance – may qualify as use.

[89] In order for advertisement of services to qualify as use under subsection 4(2) of the *Act*, the claimant must offer – and be prepared to perform – the services in Canada (*Reliable Collision* at para 6; *Hilton (FCA)* at para 7; *Little Brown Box Pizza* at para 19). Further, as described above, there must be evidence of a sufficient level of interactivity with potential Canadian customers (*Hilton (FCA)* at para 147; *MJB Marketing Inc v Provide Gifts, Inc*, 2013 TMOB 46 at para 30; *Little Brown Box Pizza* at paras 23-25).

[90] For the same reasons as above, the Applicant has not demonstrated through objective evidence that it advertised its Canadian film distribution services in Canada before the relevant

date (see *Dollar General* at paras 14-19, 25-27, for examples of requisite evidence). For instance, the exhibit containing a “screenshot of the checkout page from the current Indican Website indicating Canada as a shipping destination” does nothing to substantiate the Applicant’s assertion that “the Indican Website has always offered shipping of DVDs to Canada.” Further, the exhibited “pitch sheets” do not prove that such materials were delivered to Canada before 2011. Finally, as indicated above, the licensing agreement with Peace Arch Entertainment is incomplete and, in any event, merely displays the unedited date of “2008,” which is three years before the relevant time.

[91] I find that Canadian Intermediaries may have been able to access information about the Applicant’s film distribution services at the relevant time. However, on the facts of this case, this alone is insufficient. Based on the evidence before me, I am not satisfied that the Applicant was offering – or was prepared to perform – film distribution services in Canada in 2011. In other words, no Canada Intermediaries “were in a position to receive a material benefit” from the Applicant’s film distribution services at that point (*Little Brown Box Pizza* at para 19, citing *Hilton (FCA)* at paras 112-115, 117).

(5) Evidentiary Threshold

[92] Clearly, what the Applicant says it does – through the sworn evidence and cross-examination testimony of Mr. Kret – is much different from the objective evidence attached to his affidavit, which lacks substantiation before 2011. Putting aside the credibility of Mr. Kret, which was put in question by the Respondent, bare statements of use are not enough to satisfy

the Applicant's evidentiary requirement (*Hilton (FCA)* at para 146-147; *Badawy* at para 12). It is unnecessary for me to comment any further on Mr. Kret's credibility.

[93] The Applicant's exhibits containing transaction records with Canadian Intermediaries are, in my view, the most compelling evidence on use of Indican Pictures Mark in Canada. However, as discussed above, this evidence fails to demonstrate the Applicant's claim on or before the relevant date. At the hearing, the Applicant's counsel urged me not to undermine the sworn testimony of Mr. Kret. Despite counsel's assurance that "the facts are that the Applicant's films have been distributed in Canada," I maintain my reluctance to accept this most favourable view of the Applicant's evidence. At no point did the Applicant persuade me that it was the Applicant itself that distributed films bearing its Mark in Canada during the relevant time. The Applicant's evidence dated after 2011 is irrelevant to this determination.

[94] The Applicant's witness – which I accept as the likely original source of relevant documentation – did not substantiate or otherwise authenticate the incomplete evidence on use before the relevant date. Absent an explanation as to how and when these incomplete records resulted in authentic agreements between the Applicant and Canadian Intermediaries, they lack relevance. It is important to highlight that the Applicant has not only provided incomplete copies of the otherwise relevant agreements, it lacks any documentary evidence corroborating the other testimony evidence of its alleged use of the Mark before 2011.

[95] In my view, a negative inference naturally follows in this case. The Applicant has clear invoice evidence with Canadian theatres and other Intermediaries in 2021 and 2022. Why did it

not include similar evidence from the period of time actually at issue? In cross-examination, Mr. Kret provided some explanation for why the Applicant lacks actual evidence for things like retail displays or screenings of film in Canada. Further, Mr. Kret said that some of the Applicant's clients prohibit the Applicant from releasing any distribution agreements, even for use in court. However, this does little to explain the insufficiencies relating to all other channels of alleged distribution prior to 2011. It is necessary to point out that evidence could have been provided to the Court with a confidentiality order if such concerns were an impediment to providing executed distribution agreements before the relevant date.

[96] If Mr. Kret attests to booking the Applicant's films into Canadian film festivals, I would expect some documentary evidence to substantiate this assertion. If the Applicant asks this Court to conclude that draft agreements pre-dating the Respondent's incorporation were indeed indicative of the Applicant's Canadian distribution services at that time, I would expect a logical explanation to that effect with evidence to support the explanation. I received no evidence to answer these questions, nor to the numerous other evidentiary gaps and contradictions in the Applicant's record.

[97] Mr. Kret stated in cross-examination that he would "need trucks" to provide "every invoice that our company has ever done." However, only one invoice was necessary; that is, a document identifying the Applicant's delivery of films to Canada before 2011. No such invoice – or similar documentary evidence – was provided. This is fatal to the Applicant's claim.

[98] In light of my finding on use, it is not necessary to address the three main prongs of the passing off test. The passing off analysis is only relevant in the event that the Applicant had established a valid trademark, requiring the Indican Pictures Mark to have met the definitions of “trademark” and “use” in sections 2 and 4 of the *Act* (*Hamdard Trust (2019)* at para 39). Since the Applicant did not show use in Canada at the relevant date, the Applicant does not meet the threshold requirement of a passing off action under section 7(b).

[99] On this note, absent a valid trademark, the Federal Court of Appeal has held that this Court lacks jurisdiction to entertain a claim for statutory passing off (*Cheung v Target Event Production Ltd*, 2010 FCA 255 at para 20 [*Cheung*]).

[100] However, in *obiter*, I also conclude that the Applicant has not shown goodwill for the Indican Pictures Mark in Canada at the relevant date, nor that the Respondent’s use of the Mark resulted in likely deception of the public due to a misrepresentation.

C. *Has the Applicant demonstrated goodwill for the Indican Pictures Mark in Canada?*

[101] In considering the existence of reputation or goodwill for the purpose of passing off, factors such as inherent distinctiveness, acquired distinctiveness, length of use, volume of sales, and extent of marketing are relevant (*Hamdard Trust (2019)* at para 48; *Techno-Pieux Inc v Techno Piles Inc*, 2023 FC 581 at para 102 [*Techno-Pieux (2023)*]). To establish goodwill, the Applicant must demonstrate goodwill or reputation associated with the Indican Pictures Mark in the mind of the relevant consumers at the time the Respondent started directing public attention

to its services in 2011. As discussed above, the ultimate moviegoer is not part of the universe of relevant consumers in this case. Relevant consumers are Canadian Intermediaries.

[102] Based on the evidence before me, any goodwill associated with the Mark in 2011 is likely to have been confined to relevant consumers in the United States, not Canada. The Indican Pictures Mark did not possess goodwill in Canada as of the relevant date.

[103] First, for the reasons expanded on below, the Indican Pictures Mark is not inherently distinct. For instance, the use of the term “Indi” in Indican Pictures, relates to “independent films,” which, at least to an extent, describes the trade in which the Applicant operates (*Hidden Bench Vineyards & Winery Inc v Locust Lane Estate Winery Corp*, 2021 FC 156 at paras 62-67).

[104] In terms of acquired distinctiveness, given the over 10-year existence of the Indican Pictures Mark, it is possible that by 2011, the Mark could have developed at least some reputation. The Applicant has provided evidence of the Mark displayed at various points in the American film industry supply chain. While many of the Applicant’s promotional materials are undated, I recognize the evidence showing the release of many of its films before the relevant date.

[105] However, in my view, this does not permit the inference that Canadian Intermediaries would have been familiar with the Applicant, even as to its United States operations (*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*, 2024 FC

631 at para 41). Canadian goodwill flowing from use of a trademark abroad requires compelling evidence (*Alliance Laundry Systems LLC v Whirlpool Canada LP*, 2019 FC 724 at para 66).

[106] Putting the issue of the existence of a valid Canadian trademark aside, the Applicant lacks evidence of its reputation in the Canadian film industry in 2011. I accept that film industry Intermediaries are typically sophisticated and often partner with American distributors to sub-distribute or aggregate services in Canada. And I do not give significant weight to the evidence of the Respondent's witnesses who claim to not be aware of the Applicant. These individuals are not necessarily representative of the industry as a whole and their testimony appears to be at least in part self-serving. However, the Applicant's evidence is still inadequate. The relevant sections of Mr. Kret's affidavit are unsubstantiated. I cannot conclude that the relevant Canadians knew the Indican Pictures Mark in association with film distribution services (*BBM* at para 59; *Badawy v Igras*, 2017 FC 619 at para 50).

[107] For instance, the Applicant's display of its name and Logo on press releases, in the opening credits of its films, in industry articles, and with retailers and streaming platforms, constitutes marketing efforts, even if that advertising was not coupled with the offering or performance of the distribution services in Canada. However, I am unable to deduce that Canadian film Intermediaries could have drawn the association between the Applicant and its offering of Canadian – or even American – film distribution services because the evidence does not indicate that Canadians viewed these materials before the relevant date.

D. *Has there been a misrepresentation by the Respondent to deceive the relevant consumers of film distribution services arising from its use of the IndieCan Entertainment Mark?*

[108] Public deception due to misrepresentation is assessed using the test of likelihood of confusion between the alleged trademarks in question. The confusion test considers whether as a matter of first impression, “a casual consumer somewhat in a hurry who sees the [IndieCan Entertainment Mark], at a time when he or she has no more than an imperfect recollection of the [Indican Pictures Mark], and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks” would likely be confused; that is, that this consumer would likely think that the Respondent’s services would be from the same source as those of the Applicant (*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at paras 40-41 [*Masterpiece*], quoting *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20).

[109] In analyzing whether the Marks are confusing, all relevant circumstances must be considered, including the factors 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;
- (b) the length of time the trademarks or trade names 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 or trade names, including in appearance or sound or in the ideas suggested by them.

[110] On the basis of the above findings, viewed from the relevant date, the Applicant has not demonstrated that the Respondent's Mark was likely deceptive to the relevant purchasing public. This is because I have found that the Indican Pictures Mark did not qualify as a trademark in Canada in 2011. In fact, the evidence before me suggests that it was the Respondent that first possessed a valid Canadian trademark in association with film distribution services. Therefore, it is not possible to conclude that the Respondent misled consumers into believing its Canadian film distribution services originated with the Applicant, because, at the time, the Applicant had no such Canadian services associated with its Mark, and therefore it had no basis for Canadian trademark protection (*Kirkbi* at para 39).

[111] In the event that I am wrong, and the Applicant's Mark did qualify as a valid Canadian trademark with the requisite goodwill for film distribution services in 2011, then I would agree that the Marks are confusing.

[112] It is significant to observe that this alternative confusion analysis is difficult to conduct without evidence of use at the relevant date, the lack of which restricts my ability to assess each relevant confusion factor, particularly length of use and distinctiveness. Nonetheless, I accept that there are circumstances where confusion is obvious as a matter of common sense, even with limited evidence (*Weldpro* at para 28). Indeed, the Supreme Court of Canada has held that the degree of resemblance of the parties' marks is often the most important factor in assessing confusion (*Masterpiece* at para 49). In this case it is undeniable that the Marks would likely cause some confusion to the average hurried consumer on first impression because the parties

operate in the same industry with clearly similar names. Assuming the Applicant had established use and goodwill in 2011, I would have found misrepresentation.

[113] I briefly elaborate on this observation.

[114] The Respondent contends that the “hurried consumer” standard for confusion should not apply to this case. Referencing *Atomic Energy of Canada Limited v AREVA NP Canada Ltd*, 2009 FC 980 [*Atomic Energy*], the Respondent asserts that consumer attention varies depending on the nature of the product or service being purchased. In the case of film distribution, the transaction process involves careful, deliberate interactions, often relying on ongoing personal relationships and extensive negotiations.

[115] More recent case law has partially overturned *Atomic Energy*, at least to the extent that it suggests the hurried consumer standard can be ignored. Rather, a more accurate statement of the law is that the hurried consumer standard always applies but “the relevant consumer is the consumer in the market in question” (*Techno-Pieux Inc v Techno Piles Inc*, 2022 FC 721 at paras 85-86; *Techno-Pieux (2023)* at paras 46-70; *BBM* at paras 34-36; *Masterpiece* at paras 66-74). In *Masterpiece*, the Supreme Court of Canada noted that a consumer for expensive wares or services, “while still having an imperfect recollection of a prior trade-mark, is likely to be somewhat more alert and aware of the trade-mark associated with the wares or services they are examining and its similarity or difference with that of the prior trade-mark” (*Masterpiece* at para 70). However, the test is still one of first impression. Here, it is the first impression of the Canadian Intermediary.

[116] **Distinctiveness** (paragraph 6(5)(a)). As introduced above, both “Indican Pictures” and “IndieCan Entertainment” derive from the suggestive – or arguably descriptive – word “Indi,” which I see as repurposing the standalone term “independent films.” Where a trademark is based on a certain feature that is inherently not distinctive, the remaining features of the trademark may assume greater importance; they are to be “considered in their totality and the effect or idea of the whole is to be compared even when words in the marks are disclaimed” (*Christian Dior, SA v Dion Neckwear Ltd (CA)*, 2002 FCA 29 at para 18. See also *Ultravite Laboratories Ltd v Whitehall Laboratories Ltd*, 1965 CanLII 43 (SCC); *BBM* at paras 40-41). I agree with the Respondent that the modifying word “Can” in IndieCan could be considered inherently distinct, to the limited extent that some Canadian consumers may associate the Respondent’s services with its Mark in the Canadian marketplace. For the Applicant, the extent to which the Indican Pictures Mark became known in Canada between 2000 and 2011 is either nil or unknown. Overall, the distinctiveness of both Marks, considered from the year 2011, would have been low.

[117] **Length of time** (paragraph 6(5)(b)). The Applicant has only submitted recent examples of use of its Mark in association with film distribution services in Canada. Even if this Court were to accept that the Applicant had used Indican Pictures as a trademark in Canada before 2011, the evidence does not indicate when such period of use began. This factor is difficult to assess based on the Applicant’s lack of objective evidence. It therefore favours the Respondent.

[118] **Nature of services** (paragraph 6(5)(c)). As stated above, the services that the Applicant would actually offer to Canadians in association with using its Mark are slightly different from those of the typical Canadian film distributor. The Applicant’s downstream use appears to be

limited to transactions with sub-distributors and aggregators and is, in practice, prevented from distributing Canadian content. Nonetheless, the parties' services are functionally the same. This factor favours the Applicant.

[119] **Nature of trade** (paragraph 6(5)(d)). The parties operate in the same channels – film distribution – and likely have some overlapping potential consumers in Canada. I acknowledge the Respondent's argument that the relevant consumer in Canada may not be confused given the small community of Canadian film Intermediaries and the limited role that foreign companies have in this space. Further, the Respondent provided evidence that film distribution companies with the same name have operated in the same industry, but in different countries, without issue. However, as a matter of common sense, this factor still favours the Applicant. The parties' "trades" overlap.

[120] **Degree of resemblance** (paragraph 6(5)(e)). Even considering the differences in the parties' Logos, I find that the Marks – as wordmarks – would appear very similar to the consumer. When Intermediaries in the film industry are presented with a film distributor's mark, a logo may not accompany the name of the business. Further, as noted above, the idea of "independent films" is conveyed by both Marks. Finally, I note that the only difference between the relevant words "IndieCan" and "Indican" is the letter "e," and while it slightly changes the sound of the base word "Indie" in "IndieCan," this slight difference does not overcome the overall degree of resemblance. I find that a "casual" and "hurried" consumer would likely be confused when confronted with the resemblance of the Marks. This factor favours the Applicant.

[121] **Surrounding circumstances – actual confusion.** The Applicant’s examples of customer confusion in Canada all occurred over ten years after the Respondent started using the IndieCan Entertainment Mark in 2011. This is a significant period of time for which the Applicant has no evidence of confusion (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at paras 55, 89). The Applicant itself acknowledges that instances of confusion did not become “prevalent” until around 2022. Ignoring the relevant date and the Respondent’s evidence of goodwill shortly thereafter, the Applicant’s evidence of actual confusion is compelling; considered from the time frame at issue, it is less so.

[122] Despite the evidentiary incompleteness necessary to carry out a robust confusion assessment, the relevant factors favour the Applicant. I therefore would have found that the parties’ Marks are confusing. However, as I have explained above, the Applicant’s lack of use of the Mark in Canada before the relevant date precludes the finding of a likelihood of confusion due to misrepresentation in 2011.

E. *Has the Applicant suffered damage arising from the alleged misrepresentation?*

[123] Damages must be proved and cannot be presumed (*Nissan Canada Inc v BMW Canada Inc*, 2007 FCA 255 at para 35; *Cheung* at para 24).

[124] Again, I note that this assessment is in the alternative. However, given that the relevant date in this passing off action is 2011, and the minimum occasions of actual confusion for over a decade of (alleged) concurrent use, the Applicant has failed to establish actual or potential damages, including through loss of control of the mark (*Cheung* at para 28).

[125] Based on the evidence before me, any public confusion in this case happened after the relevant date. The evidence is insufficient to come to the conclusion that any loss associated with the Applicant's use of the Indican Pictures Mark in Canada was caused by the Respondent's use of the IndieCan Entertainment Mark in Canada.

F. *Did the Applicant acquiesce to the Respondent's use of the IndieCan Entertainment Mark in Canada?*

[126] Given my conclusions on the passing off analysis, there is no need to address the Respondent's submissions on acquiescence or laches as an equitable defense.

VIII. Conclusion

[127] Use is an essential requirement in the passing off analysis under paragraph 7(b) (*Positive Attitude Safety System Inc v Albian Sands Energy Inc (FCA)*, 2005 FCA 332 at paras 30-35). In my view, the Applicant has not established use of its Mark in association with film distribution services before 2011. Therefore, the analysis can end there, as the Applicant has not established that its Mark was a valid Canadian trademark in 2011.

IX. Costs

[128] I gave the parties time after the hearing to provide an agreement as to costs or submit argument on the same. After the hearing, counsel informed me that prior to the hearing that they had exchanged settlement offers. The parties stated that they could not agree on an amount for

costs without knowing the result of this decision given the settlement offers. Counsel requested 10 days after the issuance of the decision to provide written submissions.

[129] The exchange of settlement offers is a factor for me to consider in my award of costs. I will agree to the parties providing costs submissions to the Court within 10 days of the issuance of this decision. The parties' written submissions are limited to three pages. A Bill of Costs may be attached to their submissions.

JUDGMENT in T-1706-23

THIS COURT'S JUDGMENT is that:

1. The Application is dismissed
2. The parties have 10 days from the date of this judgment to provide no more than three pages of submissions with respect to costs.

"Glennys L. McVeigh"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1706-23

STYLE OF CAUSE: 2K4 INC. O/A INDICAN PICTURES v INDIECAN ENTERTAINMENT INC.

PLACE OF HEARING: HELD BY WAY OF VIDEOCONFERENCE

DATE OF HEARING: OCTOBER 10, 2024

JUDGMENT AND REASONS: MCVEIGH J.

DATED: JANUARY 3, 2025

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