

**Date: 20080104**

**Docket: T-1863-07**

**Citation: 2008 FC 6**

**Ottawa, Ontario, January 4, 2008**

**PRESENT: The Honourable Mr. Justice Lemieux**

**BETWEEN:**

**CMAC MORTGAGES LTD.,  
CMAC MORTGAGES (ALBERTA) LTD. and  
ONTARIO MORTGAGE ACTION CENTRE LTD. c.o.b. OMAC**

**Plaintiffs**

**and**

**CANADIAN MORTGAGE EXPERT CENTRES LTD. c.o.b. CMEC,  
ROBERT DOTZERT and WILLIAM JACOLETTI**

**Defendants**

**REASONS FOR ORDER AND ORDER**

**Introduction**

[1] The matter before the Court is a motion by the plaintiffs seeking an interlocutory injunction pending the disposition of their action against the defendants commenced on October 24, 2007 claiming trademark infringement and/or passing-off of services contrary to sections 7, 20, 7(b) and/or 7(c) of the *Trade-marks Act*.

[2] More particularly, the plaintiffs seek, on an interlocutory basis, to restrain the defendants from using the word CMEC, or any word confusingly similar to CMAC or OMAC, as a trade name, corporate name, or business style, in association with a mortgage brokerage business. The plaintiffs also seek to restrain the defendants from using the domain names, CMECMORTGAGE.COM, CMECMORTGAGES.COM, or any domain name having the word CMEC or any word confusingly similar to CMAC or OMAC. The plaintiffs also seek an injunction restraining the defendants from passing-off and threatening to pass off their mortgage brokerage business under CMEC as and for that of the plaintiffs' mortgage brokerage business under CMAC.

[3] Specifically, the plaintiffs do not seek to restrain the defendants from doing business under the corporate defendant's corporate name of Canadian Mortgage Expert Centres Ltd.

[4] The Supreme Court of Canada's decision in *RJR – MacDonald Inc. v. Canada (Attorney General)*, [1994] 1 S.C.R. 311 sets out the tri-partite conjunctive test which an applicant for an injunction has the onus of demonstrating: (1) a preliminary assessment of the merits of the applicant's case to ensure that there is a serious question to be tried; (2) it must be determined the applicant would suffer irreparable harm if the application was refused; and (3) an assessment must be made as to which of the parties would suffer greater harm from the granting or refusal of the remedy pending a decision on the merits.

[5] The central allegations made by the plaintiffs in their statement of claim are that:

- (1) the individual defendants caused the incorporation on December 5, 2006 of the corporate defendant “in order to carry on an identical mortgage brokerage business in association with the confusing and deceptive CMEC trademark”;
- (2) The individual defendants’ “intention was to use the defendant CMEC as a vehicle to pass-off its mortgage business as that of the plaintiffs by means of the confusing and deceptive CMEC trademark which is visually and phonetically and, as a matter of first impression, indistinguishable from the plaintiffs’ CMAC trademark. Further, the CMEC trademark is confusing with the plaintiff’s OMAC registered trademarks;
- (3) In particular, the defendant CMEC uses the CMEC trademark on, inter alia, building signage, business cards, letterhead, website, advertising and promotion. The defendants visually and phonetically refer to themselves as CMEC when transacting business with consumers and lenders;
- (4) Additionally, the defendants have made a number of false and misleading claims in newspaper advertising and on their website.

[6] The plaintiffs say these acts have unlawfully directed public attention to their business and services in such a way as to cause or be likely to cause confusion in Canada between their business and services with those of the plaintiffs contrary to section 7(b) of the *Trade-marks Act*. The plaintiffs also say those acts have passed off and threaten to pass off their services as for those

expected and requested by members of the public from the plaintiffs contrary to section 7(c) of the *Trade-marks Act*.

[7] The defendants have yet to file their statement of defense. I note, however, the individual defendants have moved in writing under Rule 369 the Court to strike their names as defendants and the corporate defendant seeks an extension of time to file a statement of defense in that context. This motion is still outstanding before a duty judge.

[8] For the reasons that follow I am of the view that this motion for an interlocutory injunction must be dismissed. The main reason for refusing to grant the requested injunction is that the plaintiffs have not demonstrated irreparable harm would flow and the balance of convenience favours the defendants.

[9] The main affidavit evidence for the plaintiffs was provided by David Providenti who is their owner/manager. He filed an initial and a reply affidavit. For the defendants, the principal affidavit was deposed by Robert Dotzert. Both affiants were cross-examined. As will be seen, both were associated in OMAC from 1994 to 2005. I should mention that on the hearing of this motion three affidavits were tendered upon which there had been no opportunity to cross-examine. They were sworn on December 14 and 15, 2007. Those affidavits which are discussed below were from John Slater, from Ray Nickerson, a production consultant to OMAC whose exhibits were sealed and a responding affidavit to these two affidavits from Mr. Dotzert. The parties agreed I should admit these affidavits as evidence and hear argument from the counsel as to the proper weight which should be given to them.

**Facts**

[10] Ontario Mortgage Action Centre Ltd. carrying on business (c.o.b), OMAC was the first of the parties in this action to engage in the residential mortgage business when it began operations in 1993.

[11] Mr. Providenti describes the residential brokerage services offered by OMAC as comprising mortgage refinancing, pre-approvals, renewals as well as related financial services between the home buyer and seller (hereinafter the “Mortgage Brokerage Business”). OMAC’s business is only carried on in Ontario.

[12] He deposes to the fact that in order to be registered in Ontario as a Mortgage Broker, a person must meet certain requirements spelled out by the Financial Services Commission of Ontario. Membership and accreditation with the Canadian Association of Accredited Mortgage Professionals (CAAMP) additionally permits mortgage brokers to designate themselves as an Accredited Mortgage Professional (AMP).

[13] He states in his affidavit that OMAC offers and advertises its Mortgage Brokerage Business to the public in association with its website accessible at the domain names, [www.omac-mortgages.com](http://www.omac-mortgages.com) and [www.omac.ca](http://www.omac.ca).

[14] Mr. Providenti refers to several trademark registrations for OMAC with the first registration granted on October 7, 2003 for OMAC, in connection with mortgage and loan brokerage and loan financing.

[15] The evidentiary record discloses Mr. Providenti and the defendant Robert Dotzert were associates and then business partners in OMAC when both started out as sales agents for OMAC in 1994. In July 1998, they both became minority owners in OMAC and, in 2000 they acquired all of the outstanding shares in the capital of OMAC on a 50-50 basis. Mr. Dotzert's half of the shares were held in part by his company St. Thomas Financial Systems Inc.

[16] Mr. Dotzert described his role in the expansion of OMAC after 1998 leading to the opening of 25 new locations all in Ontario before he left OMAC in 2005 after being bought out by Mr. Providenti. He and Mr. Providenti differ sharply on the circumstances which led to the severing of their business relationship. At the present time, OMAC operates in 29 locations, all located in Ontario.

[17] The evidentiary record also establishes the following:

a) For the Plaintiffs

- 1) As asserted by Mr. Providenti, OMAC's corporate objective was to expand its Mortgage Brokerage Business beyond Ontario by serving the rest of Canada. This would be done under the banner of CMAC where the "O" for Ontario in OMAC is replaced by a "C" for Canadian creating CMAC. For this purpose, OMAC in

February 2002 applied for the trademark “Canadian Mortgage Action Centre” stating a first use in Canada since February 1, 2002 in respect of mortgage and loan brokerage and loan financing. OMAC obtained a registration of that trademark in September 2003. On cross-examination, Mr. Providenti acknowledged he was unaware of the registration and said it had not been used as at February 1, 2002; it was registered in anticipation of future growth (transcript of Providenti cross-examination, pages 37 and 38);

- 2) The first mention of CMAC occurred between May 16, 2006 and June 12, 2006 during a series of seminars sponsored by CIBC’s First Line Mortgage. During this period, Mr. Providenti states at paragraph 30 of his main affidavit that he introduced, promoted and discussed the CMAC expansion. On cross-examination, at page 23 of the transcript, Mr. Providenti acknowledged there was no business operating under the name CMAC Mortgages at the time he gave the seminars. Moreover, at page 24 of the transcript of his cross-examination, he acknowledged that it was the CIBC who invited the mortgage brokers to attend the meetings and that they were private meetings;
- 3) CMAC Mortgages was incorporated under the laws of Ontario on August 1, 2006 to solicit, create and manage a common network of CMAC agencies that would provide mortgage brokerage services to the public across the rest of Canada;

- 4) CMAC Mortgages never operated in Ontario (transcript of Providenti cross-examination, pages 22 and 23);
- 5) The first concrete step in the CMAC expansion occurred in Calgary, Alberta. It was on August 24, 2007 that CMAC Mortgages (Alberta) Ltd. was incorporated as an Alberta Corporation and as the first CMAC agency to provide brokerage services in that city;
- 6) On cross-examination, Mr. Providenti acknowledged the Calgary location opened sometime in mid to late September 2007; it appears that CMAC Alberta took over an existing brokerage business in that city and it was a question of changing the signage. The first radio ads for the Calgary location were aired on October 1, 2007 (Transcript of Providenti cross-examination, pages 25, 26 and 30);
- 7) As at November 29, 2007, Mr. Providenti acknowledged during his cross-examination that Calgary was the first and only location opened by CMAC Mortgages although he stated CMAC Mortgages was working on other locations in Alberta and in other provinces (Transcript of Providenti cross-examination, page 26);
- 8) At page 22 of the transcript of his cross-examination, Mr. Providenti acknowledged that OMAC, “O” being for Ontario, really would not work outside of Ontario. The



logo which is associated with the full corporate name or the acronym displays a map of Ontario;

- 9) In his affidavit and on cross-examination, Mr. Dotzert agreed that OMAC had acquired some goodwill (Transcript of Dotzert cross-examination, p. 126);
  
- 10) The plaintiffs' evidence of actual confusion between and OMAC and CMEC consist of the following:
  - (a) Paragraph 28 of Mr. Providenti's reply affidavit sworn November 23, 2007 containing a double hearsay to the effect a director of programming at Rogers TV advised Mr. Providenti that the producer of the CMEC TV show was surprised when the persons being interviewed i.e. Messrs. Dotzert and Daniels were not OMAC. He assumed they were;
  
  - (b) Two supplementary affidavits sworn on Friday, December 14 and Saturday, December 15, 2007 and filed at the hearing of this motion on December 17, 2007. These supplementary affidavits have previously been referred to in these reasons. The first affidavit is by John Slater. He notes he often travels to St. Thomas and on his last visit noticed what he thought was a new OMAC office on Ross Street. He states as he drove by that evening he glanced up and caught sight of one side of the sign with four letters that he thought spelled OMAC. He informed Mr. Providenti of this on December 8,

2007 when he met up with him for a skiing trip. He was told by Mr. Providenti that what he had seen was a CMEC office. The second affidavit was sworn by Ray Nickerson, a production consultant with OMAC. He states that on December 12<sup>th</sup> and 13<sup>th</sup>, OMAC's head office in London received two faxes from a mortgage lender which were intended for CMEC to the attention of Jamie Gelencher. Those two faxes which are exhibits to his affidavit were received by the Court on a sealed basis;

- (c) A DVD containing a CMEC TV show aired on December 23, 2007 which was viewed by the Court and in respect of which Mr. Providenti states, in his reply affidavit, constitutes evidence of passing-off;
- (d) Various newspaper ads; and,
- (e) The content of the CMEC website as at October 1, 2007 promoting the defendants' new mortgage business.

b) For the Defendants

- 1) The corporate defendant, CMEC was incorporated as an Ontario Corporation on December 5, 2006 approximately 1½ years after Mr. Dotzert had left OMAC. In his affidavit, he acknowledges the incorporators wanted to use the word "Canadian" so that they would not be limited geographically in the future. He also stated the incorporators wanted a relatively descriptive name so that consumers could readily

identify their business and services. They also wanted to evoke a sense of specialty by using the word “expert”;

2) As at December 5, 2007, CMEC only operated in Ontario and this at two locations – one in Aylmer, Ontario and the other in St. Thomas. He stated CMEC has plans to open two other Ontario locations in the near future – one in London and the other in Woodstock. Mr. Dotzert also acknowledges that CMEC has a website at [www.cmecmortgages.com](http://www.cmecmortgages.com);

3) At paragraph 23 of his affidavit, Mr. Dotzert states: “CMEC has adopted the acronym “CMEC” with a distinctive design element that incorporates a house and maple leaf design, which is used in all instances where the acronym is used (the “CMEC Logo”). Further, the CMEC Logo is always accompanied by the full name of the company on signage, business cards, letterhead and in all advertising. We have also always asked our staff to answer the phone using the full company name”. At paragraph 24 of his affidavit, he states that he was well aware that OMAC uses its acronym with a distinctive map of Ontario outline in the background and adds: “Our company logos are very different, and the ideas conveyed by our company names are also different”. At paragraph 25 of his affidavit, Mr. Dotzert states that in or about April 2007, CMEC advertised the opening of its mortgage and loan brokerage services by posting the CMEC Logo and full trade name on store front signage at the St. Thomas location. He adds that however, CMEC was not open for business until in or about mid July 2007, when the phone lines and computer systems went live.

The applicable legislation and jurisprudence

[18] In the Appendix attached to these Reasons for Order and Order I set out, in both official languages, the definition of “confusing” in section 2 of the *Trade-marks Act* as well as subsections 6(1), (2), and (5), paragraphs 7(b) and (c), sections 20 and 22 of that same *Act*.

[19] Justice Binnie in *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772 neatly summarized, at paragraph 6 of his reasons subscribed by all of the other members of the Court the essence of section 6 dealing with confusion. He wrote:

[6] In opposition proceedings, trade-mark law will afford protection that transcends the traditional product lines unless the applicant shows the likelihood that registration of its mark will not create [page782] confusion in the marketplace within the meaning of s. 6 of the Trade-marks Act. Confusion is a defined term, and s. 6(2) requires the Trade-marks Opposition Board (and ultimately the court) to address the likelihood that in areas where both trade-marks are used, prospective purchasers will infer (incorrectly) that the wares and services -- though not being of the same general class -- are nevertheless supplied by the same person. Such a mistaken inference can only be drawn here, of course, if a link or association is likely to arise in the consumer's mind between the source of the well-known BARBIE products and the source of the respondent's less well-known restaurants. If there is no likelihood of a link, there can be no likelihood of a mistaken inference, and thus no confusion within the meaning of the Act. [Emphasis mine.]

[20] The concept of confusion is not only of critical importance to establish trademark infringement, it is also central to the establishment of an action for passing-off. The Supreme Court of Canada in *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 S.C.R. 120 held that there were three necessary components to a passing-off action: the existence of goodwill, deception of the public due to a misrepresentation and actual or potential damage to the plaintiff. Passing-off occurs when a

person sells his own goods under the pretense they are the goods of another person. At paragraph 62 of that case, Justice Gonthier stated that confusion was the essence of the tort of passing-off.

[21] From *Mattel*, above, I draw three other principles applicable to the case at hand:

- (a) The statutory test for confusion is likelihood of confusion taking into consideration all of the surrounding circumstances including the five circumstances specifically mentioned in section 6 of the *Trade-marks Act* with each situation being judged in its full factual context.
- (b) An opposing party to an injunction application is not required to show any instance of actual confusion. However, the absence of such evidence is a surrounding circumstance. At paragraph 55, Justice Binnie wrote that: “Evidence of actual confusion would be a relevant “surrounding circumstance” but is not necessary ... an adverse inference may be drawn from the lack of such evidence in circumstances where it would readily be available if the allegation of likely confusion was justified.”
- (c) Likelihood of a mistaken inference is to be measured by a mythical casual consumer somewhat in a hurry recognizing, however, as Justice Binnie did at paragraph 58: “A consumer does not of course approach every purchasing decision with the same attention, or lack of it. When buying a car or a refrigerator, more care will naturally be taken than when buying a doll or a mid-priced meal.” Justice Gonthier in *Ciba-Geigy*, above expressed the same thought at paragraph 52 of his reasons.

[22] In terms of the notion of a irreparable harm, I cite paragraph 59 of the reasons of Justices Sopinka and Cory in *RJR – MacDonald Inc.*, above:

[59] "Irreparable" refers to the nature of the harm suffered rather than its magnitude. It is harm which either cannot be quantified in monetary terms or which cannot be cured, usually because one party cannot collect damages from the other. Examples of the former include instances where one party will be put out of business by the court's decision (*R.L. Crain Inc. v. Hendry* (1988), 48 D.L.R. (4th) 228 (Sask. Q.B.)); where one party will suffer permanent market loss or irrevocable damage to its business reputation (*American Cyanamid*, supra); or where a permanent loss of natural resources will be the result when a challenged activity is not enjoined (*MacMillan Bloedel Ltd. v. Mullin*, [1985] 3 W.W.R. 577 (B.C.C.A.)). The fact that one party may be impecunious does not automatically determine the application in favour of the other party who will not ultimately be able to collect damages, although it may be a relevant consideration (*Hubbard v. Pitt*, [1976] Q.B. 142 (C.A.)).

[23] Also in terms of irreparable harm, I cite the reasons for judgment of Justice Heald on behalf of the Federal Court of Appeal in *Centre Ice Ltd. v. National Hockey League et al.*, (2004), 53 C.P.R. (3d) 34 for the following propositions:

- The evidence as to irreparable must be clear and not speculative;
- It is necessary for the evidence to support a finding that an Applicant would suffer irreparable harm. A finding by a Court that an Applicant would be likely to suffer irreparable harm is insufficient to warrant the grant of an interlocutory injunction;
- A finding of confusion between competing products does not necessarily lead to a loss of goodwill for which a plaintiff cannot be compensated in damages. In other

words a loss of goodwill does not, per se, establish irreparable harm not compensable in damages;

- The loss of goodwill and the resulting irreparable harm cannot be inferred. It must be established by “clear evidence”. In *Centre Ice Ltd.*, above, Justice Heald said he could not conclude, on the record before him, that a loss of goodwill had been established. He was of the view that none of the evidence established that the plaintiff’s reputation had been impeached or lessened in any way by the actions of the alleged infringer. The respondent, in that case, did not adduce any evidence to show that it had lost even one single sale as a result of the activities of the alleged infringer. There was no specific evidence that the confusion which had been made out had led to any customers to stop dealing or to even consider not dealing with the plaintiffs on future occasions.

[24] Finally, use must be associated or linked with the wares or services. In *Clark O’Neill Inc. v. PharmaCommunications Group Inc.*, (2004), 30 C.P.R. (4<sup>th</sup>) 499, Justice Harrington stated as follows at paragraph 16: “In any event one cannot simply advertise. There must be an underlying service. In this case there was no service, and the Registrar was correct in holding that the trade-mark had not been used in Canada.” To the same effect is Justice Wetston’s finding that mere advertising without performance of the services does not constitute use in his decision in *Cornerstone Securities Canada Inc. v. Registrar of Trade Marks et al.*, (2004), 58 C.P.R. (3d) 417.

## **Conclusions**

[25] I find the plaintiffs have established there is a serious issue to be tried in respect of confusion and passing-off between OMAC and CMEC but not between the two other plaintiffs and CMEC because they are not both present in the same market-place.

[26] As pointed out by Justices Cory and Sopinka in *RJR – MacDonald Inc.*, above the threshold for a serious question to be tried is a low one. It cannot be said in this case that on a limited review of the merits the allegations of the plaintiff OMAC are frivolous and vexatious.

[27] The defendant urged upon me a more stringent examination of the plaintiffs' case on the merits relying on the two exceptions mentioned in *RJR – MacDonald Inc.*, above. I am not satisfied the defendants have led the kind of evidence which would lead me to conclude if an injunction issued it would be dispositive of the case (see *Viewpoint International, Inc. v. On Par Enterprises Inc.*, 2001 FTC 629).

[28] I am not satisfied the plaintiffs have led sufficient evidence to establish irreparable harm if the injunction is granted. The lack of sufficient evidence is patent in terms of loss of goodwill; whether the loss of goodwill alleged is compensable in damages. The evidence led on the impact to OMAC's reputation by the action of Mr. Dotzert is mostly stale evidence touching on the past and not on the present or future and in many instances is speculative.

[29] Rather than leading evidence to make out irreparable harm, the plaintiffs opted to attempt to show defendants are impecunious and would not be able to shoulder a damage award against them. Again, in my view, the plaintiffs have not led sufficient evidence to discharge their onus to make



out impecuniosity. First, there is no evidence on Mr. Jacoletti's financial situation. Second, in terms of Mr. Dotzert and his holding company, the plaintiffs led evidence of 6 garnishments some relating to 2002, 2003, 2005 and more recently 2007. All, except one, are for the account of Canada Customs and Revenue Agency. The record does not indicate whether these garnishees have been paid and what the status of the debt is. In addition, no examination of the assets (the other side of the ledger) of either Mr. Dotzert or his holding company is in the record. On cross-examination, Mr. Dotzert stated he owned other properties, he owns the building in St. Thomas and owns a house in Costa Rica (see Dotzert cross-examination, pages 9, 16, 37; see also Providenti cross-examination, pages 41 and 42).

[30] In terms of the corporate defendant, the record discloses little in terms of financial statements although counsel for the plaintiffs succeeded in demonstrating CMEC's cash flow was thin. This in and of itself without much more does not make out the impecuniosity of CMEC.

[31] Finally, on the basis of the record before me, I am of the view the defendants would suffer the greater harm from the grant of an injunction to the plaintiffs. As I have mentioned before, the contest in this injunction application is really between OMAC and CMEC and not CMAC and CMEC who are not in the same markets and where the indications are that the defendants first used the CMEC mark before the plaintiffs used CMAC. I identify the following elements.

[32] My preliminary assessment of OMAC's case is that it is weak in terms of confusion, both likelihood and actual, if account is taken of the whole visible external appearance of the two marks and logos in the form which the mark and logo are likely to be seen by the public (see *Ciba-Geigy*,

above, at paragraph 18). There is lack of similarity in the corporate names of OMAC and CMEC and their logo are different. Viewing the CEMEC TV show in my office as well as in the Court room, I find that Mr. Providenti much exaggerated in his reply affidavit what was said by the participants and how it was said.

[33] In terms of the two affidavits filed at the hearing of this motion by the plaintiffs, I cannot accord them much weight because of the lack of cross-examination. The impact of those affidavits is best left for the trial of the action.

[34] My preliminary assessment leads me also to conclude buying mortgage services is not like buying wares off a shelf in a store. A buyer of such services will be more discriminating because it is he or she who is borrowing large sums. The delivery of mortgage brokerage services is a hands-on personal service which reduces the risk of confusion. Also a preliminary assessment of the evidence suggests referrals are an important aspect that drives the mortgage brokerage business as both websites of OMAC and CMEC indicate although advertisement do play some role the exact extent which will be determined at trial.

[35] Finally, it should be said that strictly in terms of the letters OMAC and CMEC the jurisprudence indicates they are weak mark because of lack of distinction (see *GSW Ltd. v. Great West Steel Industries Ltd.*, (1975), 22 C.P.R. (2d) 154).

**ORDER**

**THIS COURT ORDERS** that this motion for an interlocutory injunction be dismissed with costs payable forthwith in any event of the cause and to be taxed at the upper number of units in column IV.

“François Lemieux”

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Judge

## APPENDIX

Trade-marks Act, R.S.C. 1985, c. T-13

Loi sur les marques de commerce ( L.R.,  
1985, ch. T-13 )

**2.** [Definitions] In this Act,

**2.** Les définitions qui suivent s'appliquent  
à la présente loi.

...

[. . .]

“confusing”, when applied as an adjective to a trade-mark or trade-name, means a trade-mark or trade-name the use of which would cause confusion in the manner and circumstances described in section 6;

«créant de la confusion » Relativement à une marque de commerce ou un nom commercial, s'entend au sens de l'article 6.

...

[. . .]

**6.** (1) [When mark or name confusing] For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

**6.** (1) [Quand une marque ou un nom crée de la confusion] Pour l'application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l'emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.

(2) [Idem] The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(2) [Idem] L'emploi d'une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l'emploi des deux marques de commerce dans la même région serait susceptible de faire conclure que les marchandises liées à ces marques de commerce sont fabriquées, vendues, données à bail ou louées, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces marchandises ou ces services soient ou non de la même catégorie générale.

[ . . . ]

...  
 (5) [What to be considered] In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the wares, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

7. [Prohibitions] No person shall

...

- (b) direct public attention to his wares, 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 wares, services or business and the wares, services or business of another;
- (c) pass off other wares or services

(5) [Éléments d'appréciation] En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

- a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
- b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
- c) le genre de marchandises, services ou entreprises;
- d) la nature du commerce;
- e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

7. [Interdictions] Nul ne peut :

[ . . . ]

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

as and for those ordered and requested;

...

**20.** (1) [Infringement] The right of the owner of a registered trade-mark to its exclusive use shall be deemed to be infringed by a person not entitled to its use under this Act who sells, distributes or advertises wares or services in association with a confusing trade-mark or trade-name . . . .

...

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

(2) [Action in respect thereof] In any action in respect of a use of a trade-mark contrary to subsection (1), the court may decline to order the recovery of damages or profits and may permit the defendant to continue to sell wares marked with the trade-mark that were in his possession or under his control at the time notice was given to him that the owner of the registered trade-mark complained of the use of the trade-mark.

ou services pour ceux qui sont commandés ou demandés;

[. . .]

**20.** (1) [Violation] Le droit du propriétaire d'une marque de commerce déposée à l'emploi exclusif de cette dernière est réputé être violé par une personne non admise à l'employer selon la présente loi et qui vend, distribue ou annonce des marchandises ou services en liaison avec une marque de commerce ou un nom commercial créant de la confusion . . . .

[. . .]

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

(2) [Action à cet égard] Dans toute action concernant un emploi contraire au paragraphe (1), le tribunal peut refuser d'ordonner le recouvrement de dommages-intérêts ou de profits, et permettre au défendeur de continuer à vendre toutes marchandises revêtues de cette marque de commerce qui étaient en sa possession ou sous son contrôle lorsque avis lui a été donné que le propriétaire de la marque de commerce déposée se plaignait de cet emploi.

**FEDERAL COURT**

**NAMES OF COUNSEL AND SOLICITORS OF RECORD**

**DOCKET:** T-1863-07

**STYLE OF CAUSE:** CMAC MORTGAGES LTD. et al v. CANADIAN  
MORTGAGE EXPERT CENTRES LTD. c.o.b. CMEC et al

**PLACE OF HEARING:** Toronto, Ontario

**DATE OF HEARING:** December 17, 2007

**REASONS FOR ORDER  
AND ORDER:** Lemieux J.

**DATED:** January 4, 2008

**APPEARANCES:**

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FOR THE PLAINTIFFS

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