

TRADE-MARKS

Action by plaintiff alleging defendants infringing plaintiff's trademarks associated with rum products, passing off defendants' rum products as those of plaintiff — Plaintiff, subsidiary of one of the world's largest producers of spirits, owner of several Canadian trademarks including CAPTAIN MORGAN — Defendant Heaven Hill Distilleries, Inc. (Defendant) private distillery producing, marketing distilled products including brands under trademark ADMIRAL NELSON'S — Defendant revising packaging for ADMIRAL NELSON'S rum products in 2011 — Shipping, selling to Canadian retailers five varieties of ADMIRAL NELSON'S rum beginning in 2013 — Plaintiff putting defendants on notice with regard to: infringement of plaintiff's rights, acts of unfair competition — Issues including whether plaintiff's action abuse of process; whether plaintiff estopped by acquiescence, laches, delay; whether defendant passing off its ADMIRAL NELSON'S rum products as goods of plaintiff in contravention of *Trade-marks Act*, R.S.C., 1985, c. T-13, (Act) ss. 7(b),(c) — Plaintiff's action herein not abuse of process — Plaintiff not estopped in this action as against defendant Heaven Hill by reason of acquiescence, laches or delay — Defendant not establishing that plaintiff "ought to have known" that ADMIRAL NELSON'S rum products were being sold in Canada prior to late 2013 — Plaintiff's claims not statute-barred — Plaintiff's trademark registrations not abandoned, should not be expunged — Evidence showing defendant sold, distributed, advertised its ADMIRAL NELSON'S rum products in Canada, continuing to do so — Defendant contravening Act, s. 7(b) by directing public attention to its ADMIRAL NELSON'S rum products in such a way as to cause or be likely to cause confusion between its rum products, plaintiff's trademarks — S.7(b) not contravened unless plaintiff establishing confusion or likelihood of confusion between plaintiff's goods, those of defendant — Claim under s. 7(b) having temporal component — There must also be "use" as defined in Act, ss. 2, 4; proof of actual or likely damage — No requirement that distinguishing guise must be registered under Act in order to be valid trademark enforceable as against defendant — CAPTAIN MORGAN trademark within definition of distinguishing guise under Act; accordingly, trademark valid, enforceable under Act — Considerable goodwill associated with CAPTAIN MORGAN brand, current manifestation of its associated trade dress — While defendant not intentionally or willfully setting out to mimic or copycat trade dress of CAPTAIN MORGAN rum products, casual or ordinary purchaser of rum products would likely be confused as to source of ADMIRAL NELSON'S rum products as currently packaged, sold in Canada — No evidence that ADMIRAL NELSON'S rum products substituted "as and for those ordered or requested" — Plaintiff's claim that defendant contravening Act, s. 7(c) without factual foundation, must fail — Likelihood of confusion existing between characters depicted on bottle labels for ADMIRAL NELSON'S rum products and all but one of plaintiff's registered trademarks at issue — Thus, defendant's use of character or label trademarks in association with ADMIRAL NELSON'S rum products infringing plaintiff's exclusive right to use 9 of its 10 registered trademarks at issue, contrary to Act, s. 20(1)(a); also likely to depreciate value of goodwill associated therewith contrary to Act, s. 22(1) — Defendant not entitled to any relief requested in its amended statement of defence, counterclaim — Plaintiff entitled to obtain relief — Action allowed; counterclaim dismissed.

DIAGEO CANADA INC. V. HEAVEN HILL DISTILLERIES, INC. (T-740-14, 2017 FC 571, Boswell J., judgment dated June 12, 2017, 96 pp.)