

Federal Court



Cour fédérale

**Date: 20180510**

**Docket: T-940-17**

**Citation: 2018 FC 500**

**Ottawa, Ontario, May 10, 2018**

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

**BETWEEN:**

**DIVINE HARDWOOD FLOORING LTD.,  
carrying on business as “DIVINE FLOORING”**

**Plaintiff**

**and**

**D NINE FLOORING LTD.,  
carrying on business as “D NINE FLOORING”**

**Defendant**

**ORDER AND REASONS**

[1] The Plaintiff, Divine Hardwood Flooring Ltd. [Divine], brings a motion before the Court seeking a default judgment in the form of injunctive relief to restrain the Defendant, D Nine Flooring Ltd. [D Nine], from continuing to infringe its several registered and unregistered trademarks.

[2] D Nine was appropriately served with Divine's Statement of Claim, but it failed to defend the action. In its pre-litigation communications with counsel for Divine, D Nine also declined to refrain from using its challenged trade name absent a Court order.

[3] When this motion came before the Court in Calgary on April 18, 2018, two representatives from D Nine appeared. The corporation was not represented by counsel as required by Rule 120 of the *Federal Courts Rules*, SOR/98-106, but leave was granted for a representative to address the Court as to whether, absent counsel, D Nine could be heard on the merits. Counsel for Divine opposed D Nine's request based on Rule 120 and because D Nine was not entitled to address the Court without having filed a Defence or any other written representations.

[4] Because of D Nine's default, and in the absence of counsel appearing on its behalf, I declined to hear further submissions from its representatives. To have proceeded otherwise would have caused substantial prejudice to Divine. The hearing proceeded with oral submissions from Divine's counsel and the decision was reserved.

[5] Notwithstanding D Nine's failure to defend this action, I must still be satisfied that a *prima facie* case of infringement or passing off has been made out.

[6] Proof of Divine's trademarks is clearly established in its supporting affidavits. I accept that Divine owns the registered trademarks for Divine Flooring, Divine Hardwood Flooring, and, lastly, D Divine Flooring, as depicted below:



[7] The affidavit of Divine's President, Carlos Soares, also establishes a continuing and widespread use of its several unregistered trademarks in the forms presented below:



[8] Divine uses all of the above marks in its storefront signage, in its labelling throughout its many showrooms, and on the products it distributes to customers and third-party retailers. The use of these trademarks is disclosed in photographs contained in Mr. Soares' affidavit at paragraph 19.

[9] The evidence further discloses that, since 1999, Divine has invested heavily in promoting its trademarks in association with the business of manufacturing, selling, and installing luxury hardwood flooring products mainly in Alberta and British Columbia, and, to a lesser extent, in the United States and other parts of Canada.

[10] It is undisputed that Divine sells tens of millions of dollars of flooring products and related services each year. This book of business is supported by significant ongoing promotional expenditures utilizing Divine's several trademarks. This, in turn, has led to the creation of substantial goodwill and brand recognition under the trademarked brand name "Divine Flooring". This goodwill extends to the city of Edmonton and its surroundings where Divine has a well-established presence.

[11] In comparison, D Nine appears to have a modest commercial presence in Edmonton in the form of a recently established retail outlet for the sale and installation of flooring products.

[12] Divine's pleaded causes of action against D Nine include infringement, passing off, and misrepresentation. The challenged conduct involves D Nine's use of signage, social media platforms, promotion, labelling, and advertising under the trade name D Nine Flooring. D Nine competes with Divine in the same channels of trade, albeit over a much smaller territory.

[13] The question that I must decide is whether D Nine's marketing practices constitute an infringement of Divine's trademarks.

[14] A finding of trademark infringement is based on the presence of confusion about the source of the goods or services.

[15] Under section 20 of the *Trade-marks Act*, RSC, 1985, c T-13 [Act], Divine is entitled to the exclusive right to the use throughout Canada of its registered trademarks in respect of the

associated goods and services. An infringement occurs where, *inter alia*, a party sells, distributes, or advertises any goods or services in association with a confusing trademark or trade name: see subsection 20(1)(a) of the Act.

[16] There is no question that D Nine is engaged in the sale of goods and services associated with Divine's registered and unregistered trademarks. The issue that remains is whether the use of the D Nine trade name would be likely to lead a customer to infer that D Nine's goods and services are those of Divine.

[17] In determining whether D Nine's promotional activities are likely to be confused with Divine's registered trademarks, subsection 6(5) of the Act requires the Court to consider all of the surrounding circumstances, including:

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| (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; | a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus; |
| (b) the length of time the trade-marks or trade-names have been in use;  | b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;   |
| (c) the nature of the goods, services or business;   | c) le genre de produits, services ou entreprises;  |
| (d) the nature of the trade; and   | d) la nature du commerce;  |

<p>(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.</p>	<p>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.</p>
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[18] The test to be applied is whether the use of D Nine's trade name when promoting the sale of flooring products would create confusion in the mind of a casual consumer somewhat in a hurry and with an imperfect recollection of Divine's trademarks. That consumer is not expected to give the matter any detailed consideration or scrutiny or to closely examine the similarities or differences between the marks: see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20, [2006] 1 SCR 824.

[19] A key consideration in this analysis is the degree of visual and sound resemblance between Divine's marks and D Nine's trade representations. The other factors set out in subsection 6(5) of the Act largely favour Divine. Divine's trademarks are visually distinctive and some of them have been in use since 1999. Divine has also made substantial investments to create goodwill around its trademarks and, given the size of its business, those trademarks are obviously well-known in Western Canada, including Edmonton. The goods and services associated with the Divine trademarks also match those of D Nine.

[20] The accepted approach to the infringement of unregistered trademarks differs only to the extent that the Court must examine the actual use of the trademarks. In the absence of usage, there can be no infringement of an unregistered trademark: see *Marlborough Canada Limited v Philip Morris Products S.A.*, 2012 FCA 201 at paras 55-56, 434 NR 207. In this case, I am

satisfied that at least three of Divine's unregistered trademarks (depicted at para 7 herein) have been and continue to be used throughout its area of trade, including Edmonton.

[21] The Defendant's branding and signage is obviously designed to trench on the Plaintiff's positive corporate image and extensive goodwill in the Edmonton market. Indeed, in the Defendant's corporate images, the capital letter "N" in the word "Nine" is uniquely styled to indicate to a casual viewer either the name "D Vine" or "DiVine". This is accomplished by emphasizing the last two strokes of the letter "N" to create the impression of a stand-alone "V" preceded by a substantially diminished or disappearing "I". A good example of this can be seen in D Nine's product label below:



[22] Several of Divine's trademarks also utilize a standalone capital "D" in association with the words "Divine Flooring". These marks are substantially matched by D Nine's trade representations which also emphasize a capital "D" in association with the flooring trade.

[23] This similarity is apparent in the following images:



[24] The overall impression created by D Nine's trade name representations is that they were designed to create confusion in the Edmonton market and would likely cause a casual consumer to think that the offered goods and services were those of Divine. Direct evidence of this confusion has also been presented in the form of an admission by D Nine's owner that customers often ask about the existence of a business relationship with Divine.

[25] Based on the foregoing, I am satisfied that D Nine infringed Divine's registered and unregistered trademarks. In the result, Divine is entitled to the relief it has requested. It is unnecessary in the circumstances to address Divine's alternate grounds for relief.

[26] Divine does not claim damages but it is entitled to its costs which I fix in the amount of \$2,500.00.



**ORDER IN T-940-17**

**THIS COURT ORDERS the following:**

1. The Defendant, its respective officers, directors, employees, agents, servants, successors, affiliates, subsidiaries, related companies, all those over whom it may control, and all other persons who have direct or indirect knowledge of this injunction, are hereby restrained from either directly or indirectly:
  - (i) infringing the Plaintiff's registered trademarks, contrary to sections 19 and 20 of the Act;
  - (ii) using the Plaintiff's registered trademarks or unregistered trademarks, or any other trademarks that are confusingly similar to the Plaintiff's trademarks;
  - (iii) directing public attention to its goods, services, or business through the use of the Plaintiff's trademarks in such a manner as to cause or be likely to cause confusion in Canada between the goods, services, or business of the Defendant and the Plaintiff's goods, services, or business, at the time the Defendant so commenced such directing of public attention, contrary to subsection 7(b) of the Act;
  - (iv) passing off its goods or services as the goods and services of the Plaintiff, contrary to both the common law and subsection 7(c) of the Act;

- (v) displaying and/or using any website in association with the Defendant's business under the domain name [www.dnineflooring.com](http://www.dnineflooring.com) or displaying and/or using any website under a domain name that is confusing with any one or more of the Plaintiff's trademarks;
  - (vi) without limiting the foregoing, using any of the Defendant's infringing names and trademarks;
  - (vii) using the Plaintiff's registered trademarks in a manner that depreciates the value of the Plaintiff's accrued goodwill attached to the Plaintiff's registered trademarks, contrary to section 22 of the Act; and
  - (viii) renewing its domain registration with the Registrar "GoDaddy.com" for "dnineflooring.com".
2. The Defendant shall deliver up to the Plaintiff forthwith, or destroy under oath, or render non-infringing, all infringing goods, labels, invoices, packaging, signage, advertising material, printed materials, masters for making such material for producing or printing such items in the possession, care, custody or control of the Defendant as may offend any injunctions granted herein.

**THE COURT FURTHER ORDERS that** the Defendant shall pay costs to the Plaintiff  
in the amount of \$2,500.00.

"R.L. Barnes"

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Judge

**FEDERAL COURT**

**SOLICITORS OF RECORD**

**DOCKET:** T-940-17

**STYLE OF CAUSE:** DIVINE HARDWOOD FLOORING LTD.,  
carrying on business as “DIVINE FLOORING” v  
D NINE FLOORING LTD., carrying on business as  
“D NINE FLOORING”

**PLACE OF HEARING:** CALGARY, ALBERTA

**DATE OF HEARING:** APRIL 18, 2018

**ORDER AND REASONS:** BARNES J.

**DATED:** MAY 10, 2018

**APPEARANCES:**

Vithoosan Vijayakumaran

FOR THE PLAINTIFF

John DiBerardino  
Rene DiBerardino

FOR THE DEFENDANT

**SOLICITORS OF RECORD:**

Gowling WLG (Canada) LLP  
Barristers and Solicitors  
Calgary, Alberta

FOR THE PLAINTIFF