

Federal Court



Cour fédérale

Date: 20181004

Docket: T-1787-16

Citation: 2018 FC 971

Ottawa, Ontario, October 4, 2018

PRESENT: The Honourable Mr. Justice Southcott

BETWEEN:

QUALITY PROGRAM SERVICES INC.

Plaintiff

and

**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO AS REPRESENTED BY THE
MINISTER OF ENERGY**

Defendant

JUDGMENT AND REASONS

I. Overview

[1] The Plaintiff, Quality Program Services Inc. [QPS], has brought this action against the Defendant, Her Majesty the Queen in Right of Ontario as represented by the Minister of Energy [Ontario], claiming damages and other relief for trade-mark infringement, passing off and depreciation of goodwill under the *Trade-marks Act*, RSC 1985, c T-13 [the Act]. These claims

relate to the mark “EMPOWER ME”, registered by QPS under the Act in connection with energy awareness, conservation, and efficiency services, and Ontario’s use of the mark “emPOWERme” in connection with a website used to educate Ontario electricity ratepayers about the Ontario electricity system and energy conservation.

[2] Following commencement of this action, Ontario requested that the Registrar of Trade-marks [the Registrar] give public notice of Ontario’s adoption and use of “emPOWERme” as an official mark of the Government of Ontario under s 9(1)(n)(iii) of the Act, and the Registrar subsequently gave such notice. In addition to other defences, Ontario argues that this status as an official mark affords a complete defence to QPS’s claims.

[3] This Judgment and Reasons relates to a motion for summary trial under Rule 213 of the *Federal Courts Rules*, SOR/98-106, filed on December 27, 2017 and argued in Vancouver on June 25, 2018.

[4] As explained in greater detail below, I have found that s 9(1)(n)(iii) of the Act does not insulate Ontario from claims under the Act. The claim by QPS for infringement under s 20 of the Act succeeds, because I have found that Ontario’s mark is confusing with QPS’s mark. The other claims fail, because they turn on the development by QPS of goodwill in connection with its mark, which is currently limited to the province of British Columbia and is not affected by the use by Ontario of its mark in the province of Ontario. My Judgment awards QPS damages of \$10,000.00.

II. Background

[5] QPS is a British Columbia company, incorporated in 2009, which since April 2012 has delivered in British Columbia a program focusing on energy awareness, conservation, and efficiency, currently known as “Empower Me” [the Empower Me Program]. This program targets communities of new Canadians, which QPS found were not participating in energy efficiency programs established by governments and public utilities. QPS attributes this lack of participation to a lack of awareness and often a fear or mistrust of governmental authorities resulting from some new Canadians’ experiences with more authoritarian forms of government in their countries of origin.

[6] The Empower Me Program approaches new Canadians by hiring trusted people from their communities as “Energy Mentors”, who then perform outreach in these communities to recruit people into the program as “Champions”. The Energy Mentors work with these recruits to provide them with information and advice about energy conservation and efficiency. The Champions pass on this knowledge to others in the community or recruit other Champions into the program. QPS derives revenue from the Empower Me Program through sponsorship by local governments, utilities companies, and businesses. At the time QPS filed this motion, it operated the Empower Me Program only in British Columbia, but the affidavit of the company’s President, Areef Abraham, filed on October 31, 2017 in support of this motion, states that QPS intends to expand the program into Alberta and Ontario in 2018.

[7] QPS filed a trade-mark application with the Canadian Intellectual Property Office on April 12, 2013, for use of the mark “EMPOWER ME” in connection with energy awareness, conservation, and efficiency services. Although QPS initially branded its program as “Empower Green”, it has been using “EMPOWER ME” as a trade-mark since April 20, 2013, when the mark was displayed at QPS’s booth at a festival in Surrey, British Columbia. The registration sought by QPS was granted on July 23, 2014, with trade-mark registration no. TMA882733. QPS uses the “EMPOWER ME” mark on its website, social media, various types of promotional materials, at booths at community cultural events, and in advertising in various publications. The mark has also been used under license by sponsors to promote the Empower Me Program. The mark is typically displayed, employing a combination of capital and lower case letters, as “EmPower Me”.

[8] On November 27, 2013, Ontario announced that it was launching a website with the name “emPOWERme”, which it described as intended to help energy consumers in Ontario take charge of the power they use by better understanding the province’s electricity system. While the “emPOWERme” site has gone through various iterations since its launch, its aim throughout has been to educate Ontarians about electricity generation, distribution, measurement and conversation aspects of this system.

[9] The affidavit of John Whytock, the Director of the Communications Branch of the Ontario Ministry of Energy, filed by Ontario in support of its position on this motion, also explains that Ontario is in the process of migrating the Ministry of Energy’s website to the main Ontario government website and that, once this process is complete, the “emPOWERme”

webpage will no longer exist. Mr. Whytock also explains that Ontario intends to remove all references to the term “emPOWERme” from the content migrated to the new site. As such, as explained by Ontario’s counsel at the hearing of this motion, the “emPOWERme” site may soon cease to exist, although Ontario’s counsel acknowledges that this is not legally relevant to the relief claimed in the present motion.

[10] QPS became aware of Ontario’s website in November 2015 and on December 15, 2015 wrote to Ontario, requesting that it cease and desist from use of the “Empower Me” mark. Ontario responded on February 18, 2016, taking the position that the content and promotion of its website have been limited to the province of Ontario and that it has not used the name “emPOWERme” for any commercial purposes. Ontario also pointed out that the Ontario Ministry of Energy was a public authority under the Act, which authorized it to request that the Registrar give public notice of its adoption and use of “emPOWERme” as an official mark of the Government of Ontario. QPS followed up on August 10, 2016 with a letter from its counsel maintaining its position, and on October 26, 2016, it commenced this legal action.

[11] Ontario subsequently sought official mark status for “emPOWERme”, by writing to the Registrar on December 19, 2016, requesting that the Registrar give public notice of adoption and use by the Ministry of Energy of “emPOWERme” as an official mark pursuant to s 9(1)(n) of the Act. The Registrar gave such public notice on January 10, 2018.

III. **Issues**

[12] Having considered the various arguments advanced by the parties, I adopt the Plaintiff's characterization of the issues to be decided by the Court as an appropriate framework to address the parties' arguments. These issues are as follows:

- A. Is this action suitable for disposition by summary trial?
- B. Does the official mark status of "emPOWERme" afford the Defendant protection against the Plaintiff's claims?
- C. Did the Defendant infringe the Plaintiff's trade-mark, contrary to ss 19 and 20 of the Act?
- D. In the alternative, is the Defendant liable to the Plaintiff for passing off, contrary to s 7(b) of the Act?
- E. In the further alternative, did the Defendant depreciate the value of goodwill attaching to the "EMPOWER ME" trade-mark, contrary to s 22 of the Act?
- F. If the Defendant is liable for any of the Plaintiff's claims, what is the appropriate remedy?

IV. **Analysis**

A. *Is this action suitable for disposition by summary trial?*

[13] Ontario does not take issue with the suitability of this action for disposition by summary trial. While Rule 213 permits a party to bring a motion for summary trial, it is Rule 216(6) that entitles the Court to grant judgment, either generally or on an issue. That Rule provides that, to grant judgment, the Court must be satisfied that there is sufficient evidence for adjudication, regardless of the amounts involved, the complexities of the issues and the existence of conflicting evidence, and the Court must not be of the opinion that it would be unjust to decide the issues on the motion.

[14] This Court has held that the factors to be considered in determining whether summary trial is appropriate include the amount involved, the complexity of the matter, its urgency, any prejudice likely to arise by reason of delay, the cost of taking the case forward to a conventional trial in relation to the amount involved, the course of the proceedings, and any other matters that arise for consideration (see *Driving Alternative Inc. v Keyz Thankz Inc.*, 2014 FC 559 [*Driving Alternative*] at para 36).

[15] I agree with QPS's position that these factors favour deciding this matter by summary trial. The potential monetary award sought by QPS is relatively modest, which favours avoiding the cost to the parties of a full trial. There are no complex factual issues or issues of credibility to be determined, and the outcome of this matter turns significantly on questions of law. Further, a timely determination of this matter by summary trial is beneficial because of the intention of

QPS to expand its business outside British Columbia in the near future, and a determination by summary trial will avoid rather than create delay.

B. Does the official mark status of “emPOWERme” afford the Defendant protection against the Plaintiff’s claims?

[16] This issue raises a pure question of law, which Ontario argues represents a complete defence to all claims asserted by QPS. Ontario takes the position that, because its “emPOWERme” mark has official mark status under s 9(1)(n)(iii) of the Act, the effect of that section and the jurisprudence that has considered it is to immunize Ontario against any claims under the Act arising from its use of that mark. QPS disputes this position, arguing that s 9(1)(n)(iii) affords Ontario certain protections against use by others of marks likely to be mistaken for the official mark, but that it does not immunize Ontario against claims. QPS submits that this point has not been addressed previously in the jurisprudence considering s 9(1)(n)(iii) and that Ontario’s position is not supported by the wording of s 9(1)(n)(iii), consideration of its interaction with other provisions of the Act, or the jurisprudence upon which Ontario relies.

[17] Beginning with the language of s 9(1)(n)(iii), that provision states as follows:

Prohibited marks

9 (1) No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be

Marques interdites

9 (1) Nul ne peut adopter à l’égard d’une entreprise, comme marque de commerce ou autrement, une marque composée de ce qui suit, ou dont la ressemblance est telle

likely to be mistaken for,	qu'on pourrait vraisemblablement la confondre avec ce qui suit :
[...]	[...]
(n) any badge, crest, emblem or mark	(n) tout insigne, écusson, marque ou emblème :
[...]	[...]
(iii) adopted and used by any public authority, in Canada as an official mark for goods or services,	(iii) adopté et employé par une autorité publique au Canada comme marque officielle pour des produits ou services,
in respect of which the Registrar has, at the request of Her Majesty or of the university or public authority, as the case may be, given public notice of its adoption and use;	à l'égard duquel le registraire, sur la demande de Sa Majesté ou de l'université ou autorité publique, selon le cas, a donné un avis public d'adoption et emploi;

[18] I agree with the position of QPS that the interpretation of s 9(1)(n)(iii) advanced by Ontario is not supported by the express wording of this provision. Section 9(1)(n)(iii) reads as a prohibition against any person adopting a mark consisting of, or so nearly resembling as to be likely to be mistaken for, an official mark. It does not read as conferring upon the public authority any particular protection against claims for trade-mark infringement or other claims under the Act.

[19] I note that the prohibition contained in s 9(1)(n)(iii) is against adoption, and this Court held in *Cable Control Systems Inc. v Electrical Safety Authority*, 2012 FC 1272 [*Cable Control Systems*] at para 6 that parties having prior use of an official mark covered by s 9(1)(n)(iii) may

continue to use their mark, although only in association with the wares and services used at the time that the official mark is given public notice. In other words, while this is not in dispute in the present case, it appears clear as a matter of law that the official mark status of Ontario's mark does not preclude continued use by QPS of its registered "EMPOWER ME" mark in association with the services in connection with which it was registered. Indeed, Ontario does not take the position that QPS is prevented from expanding its use of that mark in association with such services into its intended new markets, Alberta and Ontario, although Ontario submits that this is an open point of law which has not yet been addressed in applicable jurisprudence.

[20] However, Ontario does take the position that s 9(1)(n)(iii) affords it an absolute protection against QPS's claims. In support of this position, it relies upon the jurisprudence of this Court and others which have interpreted s 9(1)(n)(iii). For instance, in *Insurance Corp. of British Columbia v Stainton Ventures Ltd.*, 2014 BCCA 296 [*Stainton*] at paras 21-22, the British Columbia Court of Appeal describes the nature of an official mark as follows:

[21] To my knowledge, Canada is the only jurisdiction in the world with legislation that grants such a broad power to "public authorities" and others to create official marks. While bearing some similarity to trade-marks, official marks are not governed by the same rules as trade-marks. Indeed, they are not "registered" as are trade-marks. However, they are recorded by the Registrar of Trade-marks and are included in the Trademarks Database found on the website of the Canadian Intellectual Property Office, an agency of Industry Canada.

[22] In her text, *Canadian Trademark Law* (Markham: LexisNexis Canada, 2010), Professor Teresa Scassa says the following about the nature of official marks and the process by which they are created:

At 81:

Any entity which qualifies as a “public authority” may request that the Registrar give public notice of the adoption and use of any badge, crest, emblem or mark adopted by that public authority. Public notice is not the same as registration; there is no examination process, and indeed, there is no requirement that official marks conform to any particular standards. There is thus no requirement of distinctiveness, nor is there any requirement that the official mark not be confusing with registered trademarks or marks already used or made known in Canada. They do not need to be renewed, and can only be challenged through an application for judicial review of the decision of the Registrar of Trademarks to give public notice of the mark as an official mark. [Footnotes omitted.]

At 159:

There is no public notice or opposition period for official marks. There is also no examination requirement for the mark — it may be identical to or confusing with existing registered trademarks. It is not necessary for wares or services to be identified with respect to official marks, although some public notices do provide this information. Even if wares or services are specified, these do not limit the scope of the mark. An official mark can be descriptive and is not required to be distinctive. It may also be confusingly similar to an already existing mark. Once public notice is given, no one may adopt the mark, or a mark “so nearly resembling as to be likely to be mistaken for” the official mark. Official marks do not expire. They are not registered trademarks, and are not subject to the same proceedings for examination, opposition, challenge or expungement. As noted by one court, “[o]nce public notice has been given with respect to the adoption and use of an official mark, the mark is ‘hardy and virtually unexpungeable’”. Any challenge to the validity of the mark must be made through the vehicle of an application for judicial review of the Registrar’s decision to give public notice of the adoption and use of the mark. [Footnotes omitted.]

[21] As noted in these passages, public notice can be given so as to confer official mark status, notwithstanding that the official mark may be identical to or confusing with existing registered

trade-marks, and there is no requirement for advance notice or any opposition process (see also *Canadian Jewish Congress v Chosen People Ministries, Inc.*, 2002 FCT 613 at para 22). Ontario points out that the courts have affirmed the entitlement of public authorities to adopt prior registered trade-marks as official marks. For instance, in *Ontario Association of Architects v Association of Architectural Technologists of Ontario*, 2002 FCA 218 at para 34, the Federal Court of Appeal held as follows:

[34] An important effect of the giving of public notice under paragraph 9(1)(n)(iii) is that, from that date, other persons are prevented from using any mark "as a trade mark or otherwise" that is likely to be mistaken for the official mark (section 11), except in connection with goods or services with which the mark was used before public notice was given of the official mark: *Canadian Olympic Association v. Konica Canada Inc.*, [1992] 1 F.C. 797 at paras. 21-23 (C.A.). Moreover, the Registrar may not refuse to give public notice of the adoption and use of a mark as an official mark for wares or services on the ground that it is merely descriptive, is not distinctive of the public authority's wares or services, or is liable to be confused with another's mark. Indeed, the Registrar has virtually no discretion to refuse to give notice of the adoption and use of a mark as an official mark, once the body making the request establishes that the statutory criteria have been met: *Mihaljevic v. British Columbia* (1988), 22 F.T.R. 59 at 88-89, *aff'd* (1990), 34 C.P.R. (3d) 54 (F.C.A.). [Emphasis added]

[22] Similarly, in *Cable Control Systems* at para 18, this Court explained the following:

[18] In my opinion, the greater context of the use of the Official Mark brought forward by Cable Control does not make the Registrar's decision unreasonable. I am satisfied that the additional evidence would not have had a material effect on the Registrar's decision to give public notice of the Official Mark. As pointed out by Counsel for ESA, the Registrar was not required to inquire into other parties' registrations or uses of the same mark because any such use would have been irrelevant to the decision to give public notice of the Official Mark. All that ESA was required to do was satisfy the Registrar that it was a public authority and that it had

adopted and used the mark in question (FileNET Corp., [2002] FCA 418 at para 7 (FCA)). [Emphasis added]

[23] I accept that the jurisprudence is clear that the fact a public authority's mark may be confusing with another party's mark is not a basis for the Registrar to decline to give public notice and thereby confer official mark status upon the authority's mark, nor does such confusion present a basis to challenge the Registrar's decision to give public notice. However, I agree with the position of QPS that this principle is conceptually distinct from the question whether a public authority's adoption and use of an official mark which is confusing with a prior registered trade-mark may nonetheless constitute infringement under s 19 or 20 of the Act or support a claim for passing off or depreciation of goodwill under the Act. None of the authorities relied upon by Ontario addresses this question.

[24] For the most part, the authorities cited by Ontario involve applications for judicial review, seeking to challenge a decision by the Registrar to give public notice under s 9(1)(n)(iii) of the Act. Such applications, based on an argument that that an official mark is confusing with a prior registered trade-mark, have been uniformly unsuccessful. *Stainton* is one case that involved a civil action, but not an action for trade-mark infringement brought by the owner of a prior registered mark. Rather, the action in *Stainton* was brought by the public authority, the Insurance Corporation of British Columbia, alleging that the defendant was using the plaintiff's official mark ICBC in internet domain names without authorization. While the Court in *Stainton* employed the broad language quoted above in explaining the nature of an official mark, that explanation was not given in the context of a civil claim against a public authority for trade-mark infringement.

[25] The official mark ICBC was also the subject of this Court's decision in *ICBC v Canada (Registrar of Trade Marks)*, [1980] 1 FC 669 [ICBC] at paras 73-75, in which Justice Cattanach provided the following explanation of the effect of s 9(1)(n)(iii):

[73] Clearly section 9(1)(n)(iii) contemplates the use of an official mark which a public authority has seen fit to adopt to be a use exclusive to that authority. The purpose of the Registrar giving public notice of the adoption and use of an official mark is to alert the public to that adoption as an official mark by the public authority to prevent infringement of that official mark. It does not, in my view, for the reasons previously expressed bestow upon the Registrar any supervisory functions.

[74] I fully realize the consequences. A public authority may embark upon a venture of supplying wares and services to the public and in doing so adopt an official mark. Having done so then all other persons are precluded from using that mark and, as a result of doing so, on its own initiative, the public authority can appropriate unto itself the mark so adopted and used by it without restriction or control other than its own conscience and the ultimate will of the electorate expressed by the method available to it.

[75] That, in my opinion, is the intention of Parliament which follows from the language of section 9 of the Act and that is the policy which Parliament, in its omnipotent wisdom, has seen fit to implement by legislation.

[26] Again, this language is very broad, but it is important to recognize the context in which the Court gave this explanation. *ICBC* involved an appeal under s 56 of the Act, challenging the decision of the Registrar refusing to give public notice of the plaintiff public authority's use and adoption of an official mark. As such, Justice Cattanach's explanation relates to the lack of discretion available to the Registrar in deciding whether to give public notice, including such discretion arising from conflict of the official mark with registered trade-marks, and cannot be regarded as authority for Ontario's proposition that official mark status insulates it against QPS's claims. Indeed, while paragraph 84 of *ICBC* expresses the view that the normal commercial

trade-mark registered by a trader must defer to the official mark adopted and used by public authority, the decision provides no explanation of the details of what is meant by this, and such view is in any event clearly obiter, as Justice Cattanach expressly states that this particular issue was not before him.

[27] Ontario does identify one decision which considered the effect of official mark status as a defence to a civil claim. In *W & H Ventures Ltd. (c.o.b. Michel's Bakery Café) v Manitoba Lotteries Corp. (c.o.b. Michele's Restaurant)*, 4 CPR (4th) 180 [W & H], the plaintiff, W & H, sought an injunction against the defendant, Manitoba Lotteries, to restrain it from carrying on business under the name Michele's Restaurant. The plaintiff had previously registered the name Michel's Bakery Café under the *Business Names Registration Act* of Manitoba and brought an action in passing off, including a request for injunctive relief. In rejecting that request, the Manitoba Court of Queen's Bench found that the plaintiff had failed to satisfy the test for an injunction. However, the Court also expressed at paragraph 17 its views on an additional argument raised by the defendant, that it could have defended the claim by obtaining official mark status for Michele's Restaurant:

[17] As was stated by Twaddle J.A. in Reference re Sections 91 & 92 of Constitution Act, 1867, [1991] 4 W.W.R. 193 at p. 209:

... the province cannot regulate the use of a trademark because it has a similarity to an existing business name in the province. So long as the trademark is used in association with the product or the service which it identifies, the trademark owner may use it notwithstanding that it may cause confusion between the business of the trademark owner and that of a local business using a similar name. A dispute over such confusion must be resolved under the federal laws.

In short, as a matter of law, it appears that the defendant can exercise its rights under s. 9 of the Trademarks Act and upon unilaterally appropriating the mark which includes a business name, can thereafter proceed to use that name despite the registration of what might be described as a similar name under the Act. [Emphasis added]

[28] Although this statement is obiter, at first blush it appears to support Ontario's position, as the statement was made in the context of an argument by the defendant that s 9 of the Act can provide a defence against a civil claim. However, as submitted by QPS, a careful examination of *W & H* reveals that the Manitoba Court of Queen's Bench was not expressing a view, even in obiter, on the issue before the Court in the case at hand. Rather, the analysis in paragraph 17 of *W & H* turned on a constitutional point, that provincial business name legislation cannot regulate the use of a trade-mark. The reference at the end of paragraph 17 to the "Act", a term which is defined in the decision, relates to the *Business Names Registration Act* of Manitoba. *W & H* does not express a conclusion on the extent of a public authority's rights under s 9 of the *Trade-Marks Act*, in the context of a pre-existing registration of a similar trade-mark under that same federal legislation.

[29] Having considered the authorities relied upon by Ontario on this issue, I agree with the position expressed by QPS that none of these cases has addressed directly the issue presently before the Court, i.e. whether s 9(1)(n)(iii) serves to protect the public authority against claims of the sort asserted by QPS in this case. I also agree with QPS's argument that, in the absence of case law interpreting this section as Ontario advocates, the Court should not adopt an interpretation that confers a statutory immunity upon public authorities without clear legislative language supporting this interpretation. As previous noted, the language of s 9(1)(n)(iii) prohibits

certain activities by others, once public notice of use the official mark has been given. However, it does not expressly confer upon public authorities the right to use an official mark in a manner which contravenes other provisions of the Act. There is nothing in the language of the section which eliminates rights already conferred upon the owner of a registered trade-mark. Indeed, as noted above, *Cable Control Systems* has determined that a party having prior use of an official mark covered by s 9(1)(n)(iii) may continue to use its mark in association with the wares and services used at the time of public notice.

[30] I also find that the consideration of other provisions of the Act supports QPS's position. It notes that s 20(1), which identifies activities constituting trade-mark infringement, applies to any "person" who carries out such activities. Similarly, s 7(b), which codifies the common law tort of passing off, states that no "person" shall carry out the activities comprising that tort, and s 22 states that 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. QPS emphasizes that "person" is defined in s 2 of the Act as including the administrative authority of any country, state, province, municipality or other organized administrative area.

[31] While the parties' arguments did not extend to any relevant distinction to be drawn between the meanings of the terms "administrative authority" and "public authority", the breadth of these terms supports the conclusion that at least some public authorities fall within the definition of "person". QPS argues that it would therefore be an unusual result if public authorities, which are subject to the same liabilities as any other person under ss 7(b), 20(1) or 22 of the Act, could insulate themselves from liability simply by requesting public notice under s

9(1)(n)(iii). QPS notes that it is not unusual for government to be active in an industry in a manner which competes with the private sector, and the interpretation of s 9(1)(n)(iii) for which Ontario advocates would allow a government actor of that sort to adopt with impunity a mark which duplicates the intellectual property of its private sector competitor. QPS argues that, without language expressly so providing, this cannot be the effect of s 9(1)(n)(iii) that was intended by Parliament.

[32] Ontario spoke to this argument at the hearing of this matter and submitted that the response lies in the nature of a public authority and the responsibilities associated with such a role. In other words, Ontario argues that a public authority can be expected to act responsibly and would not exercise its entitlements under s 9(1)(n)(iii) in a manner which abuses such entitlements and intentionally infringes the trade-mark rights of commercial parties. I do not find this response particularly compelling. I accept that it would be the expectation that a public authority would act responsibly and avoid any abuse of its entitlements. However, I have difficulty relying on such an expectation to conclude that Parliament intended to confer upon public authorities the right to infringe others' pre-existing intellectual property rights, particularly when one considers the broad range of bodies constituting public authorities to which s 9(1)(n)(iii) potentially applies.

[33] Finally, I have considered an argument by Ontario that it was a prerequisite to the Registrar giving public notice under s 9 that Ontario already have adopted and used its mark prior to requesting such notice. I agree that this is the applicable law (see *Ontario Association of Architects v Association of Architectural Technologists of Ontario*, [2001] 1 FC 577 at para 23).

However, in my view, the existence of this prerequisite does not logically support a conclusion that Parliament intended that the public authority be immune from any claims under the Act arising from the required adoption and use.

[34] Having concluded that s 9(1)(n)(iii) of the Act does not represent a defence to QPS's claims, I will proceed to consider whether QPS has established those claims.

C. Did the Defendant infringe the Plaintiff's trade-mark, contrary to ss 19 and 20 of the Act?

[35] QPS asserts its claim for trademark infringement under both ss 19 and 20 of the Act. At the hearing of its summary trial motion, I asked QPS's counsel to explain its claim under s 19, which applies where a defendant has used a plaintiff's trade-mark, as opposed to using a mark which is confusing with the plaintiff's trademark, the situation addressed by s 20. Counsel responded that the only differences between QPS's mark and that of Ontario are spacing and capitalization. QPS registered its mark as "EMPOWER ME" and typically displays its mark employing a combination of capital and lower case letters as "EmPower Me". Ontario displays its mark as "emPOWERme". As QPS notes, while the letters are the same, the spacing and capitalization differ between the two marks. They are not identical, and my conclusion is that s 19 of the Act is not engaged (see *Cie générale des établissements Michelin – Michelin & Cie v National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW - Canada)* (1996), 124 FTR 192 [*Michelin*] at para 19).

[36] Turning to s 20, QPS relies on subsection 20(1)(a), which provides as follows:

Infringement	Violation
20 (1) The right of the owner of a registered trade-mark to its exclusive use is deemed to be infringed by any person who is not entitled to its use under this Act and who	20 (1) Le droit du propriétaire d'une marque de commerce déposée à l'emploi exclusif de cette dernière est réputé être violé par une personne qui est non admise à l'employer selon la présente loi et qui :
(a) sells, distributes or advertises any goods or services in association with a confusing trade-mark or trade-name;	a) soit vend, distribue ou annonce des produits ou services en liaison avec une marque de commerce ou un nom commercial créant de la confusion;

[37] The question for the Court's determination, in connection with the s 20 claim, is whether Ontario's operation of its "emPOWERme" website represents distribution or advertisement of services in association with a trade-mark that is confusing with QPS's registered mark. The test for confusion is prescribed by s 6 of the Act. However, before considering the issue of confusion, I wish to address whether Ontario's operation of its website represents distribution or advertisement of services as required by s 20(1)(a).

[38] The Statement of Defence filed by Ontario in this action takes the position that Ontario does not use its "emPOWERme" mark to provide any kind of service and that it does not use the mark for any commercial purpose. In its Memorandum of Fact and Law and at the hearing of the summary trial motion, Ontario did not particularly advance the argument that its website does not provide a service. Ontario also clarified at the hearing that its position is that whether or not

it used its mark for any commercial purpose is relevant to QPS's claim for depreciation of goodwill under s 22 of the Act but is not relevant to the infringement claim under s 20.

[39] I have no difficulty concluding that Ontario's operation of its website constitutes a service. As explained by this Court in *TSA Stores, Inc. v Canada (Registrar of Trade-Marks)*, 2011 FC 273 at paras 16-17, while the word "services" is not defined in the Act, it has been held that this term should be given a liberal interpretation and that, as long as some members of the public, consumers or purchasers, receive a benefit from the activity, it is a service. As explained in Mr. Whytock's affidavit, the purpose of the "emPOWERme" website is to educate Ontarians about the province's electricity system, namely its generation, distribution, measurement and conservation aspects. While consumers in the province of Ontario obtain electricity from a local distribution company, not from the Ministry of Energy, the Ministry has a responsibility to stimulate energy conservation and encourage prudence in the use of energy in Ontario. I find that the provision of the website, with a view to educating electricity consumers and assisting them to conserve electricity, represents a service for purposes of the Act. Indeed, this conclusion is inescapable, given the fact that Ontario has obtained for its "emPOWERme" mark official mark status which, under the language of s 9(1)(n)(iii), applies only to marks used for goods or services.

[40] As to whether that service is commercial in nature, I note that, in support of its position on this point under s 22, Ontario relies upon the decision of the British Columbia Supreme Court in *British Columbia Automobile Assn. v Office and Professional Employees' International Union, Local 378*, 2001 BCSC 156 [*British Columbia Automobile Assn.*], which held at para 153

that the apparent non-commercial status of the defendant's website in that case resulted in a conclusion that the trade-marks at issue were not used in association with wares or services and took the defendant's use of the plaintiff's trade-marks outside of the scope of s 22 of the Act.

[41] As Ontario is not taking the position that a commercial purpose is required to constitute infringement under s 20, that question is not before me in considering the s 20 claim. However, I note in any event that I find compelling the arguments by QPS that a defendant's activities need not necessarily be commercial in nature in order to support a s 20 claim, at least where a trade-mark is used in connection with services. I am conscious that *British Columbia Automobile Assn.* relied in part on *Michelin* in concluding that an element of commercial use is required to support a s 22 claim, and that this Court's decision in *Michelin* addressed claims under both s 20 and s 22. At paragraph 41 of *Michelin*, Justice Teitelbaum explained that the resolution of that case, which involved the defendant union's distribution of leaflets displaying the plaintiff Michelin's trade-marks, turned on whether the plaintiff's trade-marks were used in association with the defendant's wares or services. In concluding that they were not so used, the Court relied on ss 4(1) and (2) of the Act, which provide as follows:

When deemed to be used

4 (1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so

Quand une marque de commerce est réputée employée

4 (1) Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces

associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

Idem

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

Idem

(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

[42] The Court in *Michelin* noted that s 4(1), related to use of a trade-mark in association with goods, required that association to be in the normal course of trade, and concluded that the union's distribution of leaflets to recruit members did not qualify as the sort of commercial activity necessary to meet that requirement. Similarly, the Court considered whether the distribution of leaflets could constitute advertising of the union's services under s 4(2) but concluded that it did not, as advertising also carried a commercial connotation that was not borne out in that case.

[43] However, QPS points out that s 4(2) deems a trademark to be used in association with services if it is used or displayed either in the advertising of those services or in the performance of the services. The analysis in *Michelin* does not speak to the latter possibility, i.e. whether the use or display of a mark in the performance of services necessarily imports the same commercial connotation as the phrases "in the normal course of trade" and "advertising" that were considered by the Court.

[44] I also note that the distinction between ss 4(1) and (2), i.e. that only the former is qualified by the requirement that use be in the normal course of trade, has been emphasized in *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed., looseleaf, (Toronto: Thomson Reuters, 2002), pp 3-60 to 3-61, in expressing the view that no commercial element is required for a trade-mark to be used in association with services under s 4(2).

[45] Given that Ontario is not arguing that a commercial purpose is required to constitute infringement under s 20, I express no definitive conclusion on this point. Rather, in the absence of any compelling argument that Ontario is not using its mark in association with the distribution of a service as contemplated by s 20(1)(a), I will move to the point upon which Ontario's submissions focused, whether Ontario's mark is confusing with that of QPS.

[46] The following subsections of the Act are relevant to the confusion analysis:

**When mark or name
confusing**

6 (1) 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.

**Quand une marque ou un
nom crée de la confusion**

6 (1) 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.

Idem

(2) 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 goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

...

(5) 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;

Idem

(2) 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 produits liés à ces marques de commerce sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces produits ou ces services soient ou non de la même catégorie générale.

...

(5) 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) the nature of the goods, services or business; | c) le genre de produits, services ou entreprises; |
| (d) the nature of the trade; and | d) la nature du commerce; |
| (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them. | e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent. |

[47] As a preliminary point in connection with the confusion analysis, I note that, at least at the time of the past events giving rise to this action, the parties have been operating in two different markets. QPS provides its services to communities in the province of British Columbia, and Ontario operates its website for the benefit of energy consumers in the province of Ontario. As to the relevance of these different geographic areas of operation, QPS relies on the principle described as follows by the Supreme Court of Canada in *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 [*Masterpiece*] at paras 29 -31:

[29] With respect to confusion, ss. 6(1) and (2) of the *Trade-marks Act* provide:

6. (1) 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.

(2) 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.

Section 6(3) deals with trade-mark confusion with a trade-name and 6(4) with trade-name confusion with a trade-mark. In subsections (2), (3) and (4), the same formula is used “if the use of both ... in the same area would be likely to lead to the inference”.

[30] It is immediately apparent from these words, “if the use of both in the same area”, that the test for confusion is based upon the hypothetical assumption that both trade-names and trade-marks are used “in the same area”, irrespective of whether this is actually the case. As a result, geographical separation in the use of otherwise confusingly similar trade-names and trade-marks does not play a role in this hypothetical test. This must be the case, because, pursuant to s. 19, subject to exceptions not relevant here, registration gives the owner the exclusive right to the use of the trade-mark throughout Canada.

[31] In order for the owner of a registered trade-mark to have exclusive use of the trade-mark throughout Canada, there cannot be a likelihood of confusion with another trade-mark anywhere in the country.

[48] While Ontario accepts this principle described in *Masterpiece*, insofar as it interprets the meaning of the phrase “in the same area” in s 6(2), it argues that the fact the parties serve disparate markets remains relevant to whether the use of both marks in the same area would be likely to lead to the inference that the parties’ services are performed “by the same person”, as is also required by s 6(2). In advancing this argument, Ontario emphasizes that its mark is used solely on a government website, purely as an educational tool without any sort of commercial purpose, and solely for the education of electricity ratepayers in of the province of Ontario, as distinct from QPS’s mark which is currently used solely in the province of British Columbia. In my view, this argument can be taken into account in consideration of the factors and surrounding

circumstances relevant to the confusion analysis, as prescribed by s 6(5), in determining whether the s 6(2) test for confusion is met.

[49] It is trite law that, as explained at paragraph 40 of *Masterpiece*, the test for confusion is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the mark, at a time when he or she has no more than an imperfect recollection of the prior 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. *Masterpiece* also explains at paragraph 49 that, in applying the s 6(5) factors, the degree of resemblance between the marks is the factor that is often likely to have the greatest effect on the confusion analysis.

[50] Therefore, considering that factor first, I agree with the submission of QPS that there is a high degree of resemblance between its mark and that of Ontario. Pronounced, both sound the same. As previously noted, they are visually identical except for differences in capitalization and spacing. Ontario makes the point that its mark, “emPOWERme” emphasizes “power”, because it relates to education about Ontario’s power grid. QPS’s mark, “Empower Me”, emphasizes the empowerment of individuals, because it relates to QPS’s efforts to empower individuals from the new Canadian communities it serves. I agree that these different emphases can be derived from the differences in capitalization and spacing, representing some difference in the ideas suggested by the two marks. However, in my view, this difference is significantly outweighed by the phonetic and visual similarities between the marks, and I find that they have a high degree of resemblance.

[51] Moving to other factors, I find QPS's mark to have limited inherent distinctiveness as it employs ordinary dictionary words, although it has more substantial acquired distinctiveness because of its use by QPS in connection with the Empower Me Program since 2012. As previously noted, Mr. Abraham deposes in his affidavit to QPS's uses of its mark in electronic and print media and various other promotional activities, including its use under license by sponsors to promote the Empower Me Program. The distinctiveness factor favours a finding of confusion.

[52] Consideration of the length of time both marks have been in use marginally favours QPS, as the marks have been in use for similar periods of time, with QPS being the senior user by about seven months.

[53] Turning to the nature of the services and nature of the trade, similarities favouring QPS are the facts that both parties' markets are segments of the energy-consuming public, both parties deliver their services to the public without any cost to the public for such services, and the services of both parties are intended to enable consumers to reduce their energy consumption. However, there are also differences, in that Ontario's services are restricted to the education provided through the operation of its website, while QPS provides services principally through personal interaction between its Energy Mentors and Champions.

[54] In considering the nature of the services and nature of the trade, as well as the overall surrounding circumstances, I also take Ontario's point that its mark is used solely on a government website, as an educational tool intended solely for electricity consumers in Ontario.

However, QPS's mark, in addition to appearing on its own website, appears on the websites of its sponsors which include city governments in British Columbia. The geographic differences do not assist Ontario because of the principle from *Masterpiece* described above. In my view, the fact that Ontario's mark appears on a government website also does not assist it significantly in arguing that a casual consumer somewhat in a hurry would not be confused into thinking that the parties' services are performed by the same person, given that QPS's mark appears on government websites as well. Overall, this component of the analysis favours a finding of confusion and, considering all the factors prescribed by s 6(5) and surrounding circumstances, my conclusion is that QPS has met the test for confusion.

[55] In reaching this conclusion, I am conscious that QPS has not provided any evidence of market surveys or other evidence which demonstrates actual confusion by consumers resulting from the parties' respective marks. However, such evidence is not a prerequisite to a finding of confusion, and the absence of such evidence is perhaps not surprising when the parties have, in the past, been operating in separate markets.

[56] I also note Ontario's submission that, while QPS's affidavit evidence in support of its motion explains its intentions to expand the Empower Me Program to Alberta and Ontario, this expansion was not pleaded in its Statement of Claim, which defines the issues in this action. In my view, nothing turns on this for purposes of my analysis under s 20(1)(a) of the Act, which does not rely on QPS's intended expansion.

[57] In summary on this issue, I find that QPS is the owner of Canadian trade-mark registration no. TMA882733 for the trade-mark EMPOWER ME for use in association with energy awareness, conservation and efficiency services, that QPS has the exclusive right to the use of such trade-mark, and that Ontario has infringed such trade-mark, contrary to s 20 of the Act.

[58] The other claims asserted in this action, under ss 7(b) and 22 of the Act, for which QPS seeks declarations in the present motion, are presented in the alternative. QPS does not seek any additional damages or other remedies beyond those claimed under s 20 but explained at the hearing that it asserted the alternative claims in case the s 20 claim failed on a basis that would not preclude success in the alternative causes of action.

[59] Strictly speaking, given QPS's success under s 20, it is not necessary for me to address the alternative claims. Nevertheless, in the interests of completeness, I will do so briefly below.

D. In the alternative, is the Defendant liable to the Plaintiff for passing off, contrary to s 7(b) of the Act?

[60] Section 7(b) of the Act provides as follows:

Prohibitions

7 No person shall

...

(b) direct public attention to his goods, services or business

Interdictions

7 Nul ne peut :

...

b) appeler l'attention du public sur ses produits, ses services

<p>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;</p>	<p>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 produits, ses services ou son entreprise et ceux d'un autre;</p>
--	--

[61] This provision represents a codification of the common law tort of passing off. The three elements which a plaintiff must demonstrate to succeed in an action for passing off are: (a) the existence of goodwill on the part of the plaintiff; (b) deception of the public due to a misrepresentation; and (c) actual or potential damage to the plaintiff (see *Kirkbi AG v Ritvik Holdings Inc.*, 2005 SCC 65 at paras 66-68). QPS takes the position, and I agree, that its passing off action requires the same confusion analysis as an infringement action. However, QPS also concedes that the principle described in *Masterpiece*, whereby confusion is assessed under the hypothetical assumption that both trade-marks are used in the same geographic area irrespective of whether this is actually the case, does not apply to the passing off action. I agree with this concession, which is consistent with authorities cited by Ontario, to the effect that the tort of passing off only protects goodwill within the geographic area in which it was acquired (see *H-D U.S.A. v Berrada*, 2014 FC 207 [*Berrada*] at paras 125-126; *Canadian Memorial Services v Personal Alternative Funeral Services Ltd.* (2000), 182 FTR 28 at para 48; *McCurdy Enterprises Ltd. v Shamrock Spring Water Inc.*, 2005 NLTD 196 at para 70).

[62] QPS also concedes that it has developed goodwill only in the province of British Columbia, as its past business operations have not extended beyond that province. In my view, this precludes success by QPS in its passing off claim. QPS is required to demonstrate actual or

potential damage related to its goodwill in British Columbia, resulting from Ontario's use of its confusing mark. It argues that Ontario's website is available to be viewed by members of the public in British Columbia, as demonstrated by the affidavit of Dulce Campos, a trade-mark researcher in the employ of QPS's counsel, who attaches internet search results employing the query "empower me energy". The results include Ontario's "emPOWERme" website. QPS's point is that this search was performed by Mr. Dulce in the province of British Columbia.

[63] I do not find this argument compelling. While I appreciate that Ontario's website can be viewed in British Columbia, there is no evidence before the Court that British Columbia consumers have done so or, if so, in what numbers. There is insufficient evidence to support a conclusion that QPS's goodwill in British Columbia has been adversely affected by Ontario's use of its mark on the "emPOWERme" website.

E. In the further alternative, did the Defendant depreciate the value of goodwill attaching to the "EMPOWER ME" trade-mark, contrary to s 22 of the Act?

[64] QPS claims that Ontario is liable to it for depreciating its goodwill, contrary to s 22(1) of the Act, which provides as follows:

Depreciation of goodwill

22 (1) 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.

Dépréciation de l'achalandage

22 (1) 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.

[65] To succeed in a claim under s 22, a plaintiff must demonstrate four elements: (a) that its registered trade-mark was used by the defendant in connection with wares or services; (b) that the plaintiff's registered trade-mark is sufficiently well known to have sufficient goodwill attached to it; (c) that the plaintiff's mark was used in a manner likely to have an effect on that goodwill; and (d) that the likely effect would be to depreciate the value of that goodwill (see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 [*Veuve Clicquot*] at para 46).

[66] Again, QPS concedes that the goodwill it has developed in connection with its mark is restricted to British Columbia but relies on the potential for consumers in British Columbia to search and access Ontario's website. For the reasons explained in the above analysis of QPS's claim under s 7(b), that argument does not convince me that Ontario's mark was used in a manner likely to depreciate QPS's goodwill.

[67] However, QPS asserts an additional argument, based on the reasoning in *2 For 1 Subs Ltd. v Ventresca* (2006), 48 CPR (4th) 311 [*2 For 1 Subs*], that Ontario's use of its mark on its website has adversely affected QPS's ability to enter the Ontario market. *2 For 1 Subs* involved, among other causes of action, a claim for passing off, in a situation where the parties were not in direct competition in the same market. The plaintiff franchisor claimed damages for passing off against the defendant, which had purchased the assets of a 2 for 1 Subs franchise restaurant from a franchisee and then operated the restaurant with a similar name and signage, without entering into a franchise agreement with the franchisor. However, the parties were not in direct competition, because the defendant had taken over the premises of the previous 2 for 1 Subs franchisee and there were no other 2 for 1 Subs franchises in the area. In concluding that damage

or potential damage to the franchisor's goodwill had been established, the Ontario Superior Court of Justice held as follows at paragraphs 55 to 56:

[55] The third requirement, actual or potential damage, is also established. In a case where the defendant is in direct competition with the plaintiff, damage can be established by showing a probability of loss of sales and business to a competitor. But where, as here, the parties are not in direct competition because the defendant has taken over the plaintiff's premises and there are no other 2 for 1 Subs franchises in the area, the damage to the plaintiff is in the loss of control over the impact of its trade name in the defendant's market and the creation of the potential impediment to its using its trade mark when re-entering the defendant's market: Rinaldo, *Remedies in Tort* (Vol. 3) (loose-leaf edition, 2005) at 19-34 to 19-35.

[56] In other words, given the finding above that the public was likely to regard Rose's 241 Subs as somehow being associated with, or authorized by, the 2 for 1 Subs franchise, the latter's effort to re-enter the Barrie market and reestablish itself as an independent franchise would be impeded by the confusion that has been created through the operation of Rose's 241 Subs restaurant. In my view, damage, or at least potential damage, has been established.

[68] In my view, the analysis in *2 For 1 Subs* does not assist QPS in addressing the impediment to succeeding in its s 22 claim. As explained in *Veuve Clicquot* at paragraph 54, the determination of the existence of goodwill capable of depreciation must take into account factors including the geographic reach of the claimant's mark to which the goodwill attaches. As with its passing off claim, the challenge for QPS is that its goodwill is restricted to the province of British Columbia, and it has not demonstrated an adverse effect upon that goodwill. *2 For 1 Subs* addressed a different situation, where the Court found that the plaintiff had clearly established goodwill in the market in which the defendant was operating, as a result of previous operation of one of the plaintiff's franchises in that market.

[69] I therefore find that QPS cannot establish the elements necessary to succeed in its s 22 claim.

F. *If the Defendant is liable for any of the Plaintiff's claims, what is the appropriate remedy?*

[70] Other than declaratory relief with respect to its trade-mark rights, the remedy QPS seeks is an order that Ontario pay it damages in the amount of \$50,000.00. QPS acknowledges that a precise quantification of its damages would be elusive, but it submits that the quantification challenge is not an impediment to the Court assessing damages as best it can.

[71] QPS arrives at the \$50,000.00 figure by reference to *Driving Alternative* and *Trans-High Corp. v Hightimes Smokeshop and Gifts Inc.*, 2013 FC 1190. In both cases the Court selected a figure of \$25,000.00 in the absence of evidence to support quantification of damages. QPS argues that it should be awarded \$25,000.00 for each of the two full years that have passed since its December 15, 2015 cease and desist letter to Ontario. It submits that, throughout this period, the public has been exposed to Ontario's infringing mark and that the commercial consequence to QPS, resulting from such infringement, is an adverse effect upon its ability to enter the Ontario market. QPS submits that its separation from government is of vital importance to its business model with respect to the Empower Me Program and argues that potential consumers of QPS's services in Ontario will believe that this is really an Ontario government program and will be put off as a result.

[72] Ontario takes the position that, even if QPS is entitled to monetary damages, its \$50,000.00 claim is excessive. Ontario challenges the logic of QPS's argument surrounding its separation from government, given that QPS's business model relies on sponsorships including those of local governments. It refers the Court to *Maxwell Realty Inc. v Omax Realty Ltd.*, 2016 FC 1122 [*Maxwell Realty*] and *Teavana Corp. v Teayama Inc.*, 2014 FC 372 [*Teavana*], cases in which this Court awarded damages of \$10,000.00 as compensatory damages reflecting the infringement of a plaintiff's legal rights without proof of actual quantum.

[73] I accept that, having established infringement of its trade-mark rights, QPS is entitled to damages, notwithstanding the absence of evidence quantifying actual damage (see *Maxwell Realty* at paras 27-28; *Teavana* at para 41; *Oakley, Inc. v Jane Doe* (2000), 193 FTR 42 at para 10). However, I share Ontario's concern about the logic of QPS's argument surrounding its separation from government. As explained earlier in these Reasons, I have found Ontario's mark confusing with that of QPS, notwithstanding Ontario's argument that Ontario's mark appears solely on a government website, because QPS's mark appears on government websites as well. QPS argues that there is a difference between being sponsored by government and consumers inferring that QPS's services are provided by government. However, I am not convinced that the casual consumer somewhat in a hurry, upon whose perceptions the confusion analysis is based, would draw this distinction.

[74] In my view, the required approach to quantification of damages in the present case is akin to that employed by the Court in *Maxwell Realty* and *Teavana*, as it is appropriate to award compensatory damages to reflect infringement of QPS's trade-mark rights without proof of any

particular impact on QPS's business. Guided by those authorities, I will award damages of \$10,000.00.

V. **Costs**

[75] At the hearing of this motion, I asked the parties their positions on the issue of costs. QPS requested an opportunity to address this issue following receipt of the Court's decision on the merits. Ontario agreed with this approach, although it also requested an opportunity to attempt to reach agreement with QPS on costs following receipt of the Court's decision.

[76] My Judgment will therefore afford the parties 30 days either to agree on costs, and advise the Court as to such agreement, or to contact the Court to propose a schedule for written submissions on costs.

JUDGMENT IN T-1787-16

THIS COURT’S JUDGMENT is that:

1. The Court declares that the Plaintiff is the owner of Canadian trade-mark registration no. TMA882733 for the trade-mark EMPOWER ME for use in association with energy awareness, conservation and efficiency services and that the Plaintiff has the exclusive right to the use of such trade-mark;
2. The Court declares that the Defendant has infringed such trade-mark, contrary to s 20 of the *Trade-marks Act*, RSC 1985, c T-13;
3. The Defendant shall pay the Plaintiff damages for trade-mark infringement in the amount of \$10,000.00;
4. The Plaintiff’s claims are otherwise dismissed; and
5. Within 30 days of the date of this Judgment, the parties shall either:
 - a. agree on costs and advise the Court as to such agreement; or
 - b. provide the Court with a joint proposal for a schedule for written submissions on costs.

“Richard F. Southcott”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1787-16

STYLE OF CAUSE: QUALITY PROGRAM SERVICES INC. v HER
MAJESTY THE QUEEN IN RIGHT OF ONTARIO

PLACE OF HEARING: VANCOUVER, BRITISH COLUMBIA

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DATED: OCTOBER 4, 2018

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