

Federal Court



Cour fédérale

Date: 20190502

Docket: T-1674-17

Citation: 2019 FC 571

Vancouver, British Columbia, May 2, 2019

PRESENT: The Honourable Mr. Justice Zinn

BETWEEN:

YETI COOLERS, LLC

Applicant

and

HOWSUE HOLDINGS INC.

Respondent

ORDER AND REASONS

[1] By Judgment dated March 18, 2019, Yeti Coolers LLC [Yeti] was successful in its application to expunge Canadian trade-mark registration No. TMA866,631 owned by HowSue Holdings Inc. [HowSue]: 2019 FC 316. The parties were permitted an opportunity to make submissions on costs.

[2] Yeti urges the Court to award it costs in a lump sum. It says that it incurred total costs of “at least \$356,377.87” and it seeks an award of \$150,000 in costs. HowSue argues that costs to

Yeti ought to be assessed in accordance with Column III of Tariff B of the *Federal Courts Rules*. Each has prepared a draft Bill of Costs in support of its position. HowSue submits that costs assessed in the manner it urges would entitle Yeti to an award of fees of \$5,550 plus its actual disbursements.

[3] Each party served an offer to settle. Neither is relevant to my decision on costs, except to show that the parties attempted settlement but were unsuccessful. It is also noted that they have other pending trademark litigation in the United States, and no doubt that fact had some bearing on the conduct of this litigation. Both parties engaged in a full-out litigation strategy.

[4] I find that a lump sum award of costs is appropriate for the reasons stated in *Dimplex North America Limited v CFM Corporation*, 2006 FC 1403 at paragraph 3; namely that it saves time and trouble for the parties, and, I add, for the Court.

[5] I am not persuaded that Yeti is entitled to costs being awarded in the amount it seeks. The proposed sum is excessive given the complexity of this matter. While it is admirable that junior lawyers have been involved in this litigation from the beginning, they have always been in the company of senior counsel. A wonderful learning opportunity, but not one for which the losing party must pay, as in most instances, two lawyers were not required. In many instances only a junior level lawyer would have been required. Most certainly HowSue is not to be burdened with these additional and superfluous costs.

[6] On the other hand, this was a hotly contested application by each party and additional costs seem to have been incurred because HowSue provided evidence that was deliberately obtuse, if not misleading, in an effort to confuse Yeti and the Court about its use of the trademark on the relevant goods in Canada. It is appropriate, therefore, that it should bear some of the additional costs incurred.

[7] I have reviewed the submissions and replies filed by the parties, and considered the factors set out in Rule 400(3) of the *Federal Courts Rules* that are to be examined when exercising my discretion on costs.

[8] Yeti was entirely successful in its application. The importance of that result for Yeti is significant. The issues raised were somewhat complex and the application was thus more than the usual expungement proceeding. There was no public interest in this application; however, as noted it was of significant and material interest to these parties. Neither party, with one exception, misused its position or engaged in improper or unnecessary proceedings. The exception is the affidavit evidence filed by HowSue which was less than frank and resulted in additional time on cross-examination and at the hearing.

[9] In the exercise of my “full discretion”, considering the factors set out above, and the use of two counsel by Yeti when it was seldom required, I am of the view that it is appropriate that Yeti be awarded its costs in a lump sum of \$50,000, inclusive of fees, disbursements and HST.

ORDER IN T-1674-17

THIS COURT'S JUDGMENT is that the Applicant is awarded its costs in the amount of \$50,000.00.

"Russel W. Zinn"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1674-17

STYLE OF CAUSE: YETI COOLERS, LLC v HOWSUE HOLDINGS INC

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: FEBRUARY 20, 2019

ORDER AND REASONS: ZINN J.

DATED: MAY 2, 2019

APPEARANCES:

Shane Hardy
Peter J. Henein

FOR THE APPLICANT

May M. Cheng

FOR THE RESPONDENT

SOLICITORS OF RECORD:

CASSELS BROCK & BLACKWELL LLP
Barristers and Solicitors
Toronto, Ontario

FOR THE APPLICANT

OSLER, HOSKIN & HARCOURT LLP
Barristers and Solicitors
Toronto, Ontario

FOR THE RESPONDENT