

Federal Court



Cour fédérale

Date: 20220407

Docket: T-918-21

Citation: 2022 FC 499

Ottawa, Ontario, April 7, 2022

PRESENT: The Honourable Mr. Justice Manson

BETWEEN:

BEAN BOX, INC.

Applicant

and

ROASTED BEAN BOX INC.

Respondent

JUDGMENT AND REASONS

I. Introduction

[1] This is an application brought by the Applicant, Bean Box, Inc., for monetary, declaratory, and injunctive relief for alleged trademark infringement, passing off, and depreciation of goodwill contrary to sections 19 and 20 and subsections 7(b) and 22(1) of the *Trademarks Act*, RSC 1985, c T-13 [the “Act”] by the Respondent, Roasted Bean Box Inc.

II. Background

[2] The Applicant has operated an online platform through its websites (beanbox.com and beanbox.ca) and related mobile apps in association with the trademark “BEAN BOX” since 2014. Through the BEAN BOX platform, the Applicant sells coffee, coffee beans, and coffee-related gifts and accessories, and offers online ordering, subscription, delivery, and other coffee-related services in Canada, the United States, and elsewhere in the world.

[3] The Applicant’s BEAN BOX branded goods and services are offered and delivered throughout Canada to both individuals and businesses. Since its launch, the BEAN BOX platform has experienced continual growth and public recognition.

A. *The Applicant’s BEAN BOX Trademarks*

[4] Since 2014, the Applicant has operated its business and offered its goods and services in Canada and elsewhere around the world in association with its BEAN BOX trademarks.

[5] The Applicant’s BEAN BOX trademarks include the Canadian trademark registration TMA1,053,305 for the word mark BEAN BOX, which was filed on May 5, 2017 and registered on September 9, 2019, in connection with the following goods and services:

GOODS:

- (1) Coffee beans and coffee.

SERVICES:

- (1) Retail store services in the field of coffee and other coffee related goods and accessories, namely, coffee beans, coffee mugs, coffee makers, coffee making filters, coffee grinders, biscotti; computerized online ordering services, computerized online retail services, online ordering services and online retail store services all in the field of coffee; online retail store services featuring subscription boxes containing coffee beans or coffee.
- (2) Coffee delivery services.

and a series of logo designs including the “BEAN BOX” mark:



[6] The Applicant claims extensive sales, marketing, and recognition in association with its BEAN BOX trademarks for over seven years, including:

- The name and mark of the BEAN BOX platform are featured on all of the online and print marketing materials used to advertise and promote the Applicant’s business, coffee, coffee beans, and online ordering, subscription, retail store, and delivery services related to coffee, including websites, apps, labels and packaging, and letterhead in Canada, the United States, and elsewhere around the world.
- The Applicant has completed over 4,400 individual deliveries of products sold through the BEAN BOX platform to Canadian customers in every province and territory, with the number steadily increasing each year since 2014.

- Total Canadian sales revenues in excess of \$350,000 USD since 2014 and total global sales in excess of \$20 million USD.
- In 2020, advertising and promotional expenses related to the BEAN BOX platform were in excess of \$900,000 USD, with an advertising and promotional budget for the BEAN BOX platform in excess of \$2.75 million USD for 2021. The majority of these expenses relate to digital advertising, marketing, and promotion, which target both Canada and the United States.

B. *The Respondent's ROASTED BEAN BOX Trademarks*

[7] The Respondent began selling its home-brand roasted coffee beans through its online platform (located at roastedbeanbox.com) in August 2020. The roasted coffee beans are delivered directly to consumers in Montreal using a company-owned electric vehicle, through which the Respondent encourages its subscription customers to reuse their shipping boxes.

[8] The Respondent has used its mark, ROASTED BEAN BOX, in association with its goods and services:



The Respondent applied for the registration of the ROASTED BEAN BOX marks – in association with the Goods: coffee and roasted coffee beans – on June 15, 2020 and the application is live and awaiting examination.

[9] Since the launch of the Respondent's platform in August 2020, the Respondent has acquired over 245 customers and delivered hundreds of orders to the residents of Montreal. Total sales since the launch have been just under \$18,000, and the marketing expenses in the same period are over \$10,000. The marketing expenses include digital advertising, mail campaigns, a press release, sponsorships, and vehicle branding.

[10] The Respondent claims that the ROASTED BEAN BOX name has acquired significant reputation amongst the public in Montreal, as evident from the "Excellent" average public review the Respondent has received on Trustpilot based on 37 public ratings.

C. *The Respondent's Alleged Wrongful Activities*

[11] The Applicant claims to have learned of the Respondent's ROASTED BEAN BOX online platform in the summer of 2020 and alleges that:

- i. The Respondent's goods and services offered in association with the ROASTED BEAN BOX marks are the same as those offered by the Applicant through its BEAN BOX online platform.
- ii. The Respondent's ROASTED BEAN BOX marks and names are identical to the Applicant's BEAN BOX trademarks, but for the addition of the descriptive prefix "ROASTED."
- iii. The logo designs used by the Respondent for its ROASTED BEAN BOX marks mimic certain BEAN BOX trademarks.
- iv. Internet searches including "BEAN BOX" are directed or misdirected to the Respondent's ROASTED BEAN BOX website and business.

- v. The Respondent adopted and has persisted in using the ROASTED BEAN BOX marks and names with clear prior knowledge of the Applicant's BEAN BOX platform and trademarks, as confirmed by the Respondent.
- vi. The Respondent's activities have resulted in actual consumer confusion.

[12] The Respondent claims that it has never indicated, in any public or private communication platforms, that its ROASTED BEAN BOX name and mark are affiliated with the Applicant's BEAN BOX trademark, nor has the Respondent compared its goods or services with the Applicant's goods or services in an attempt to discredit the name and mark of the Applicant.

[13] The Respondent states that, during its operation for more than 15 months, it has had no reports of consumers mistaking its ROASTED BEAN BOX name with the Applicant's BEAN BOX trademark and trade name.

[14] The Parties communicated several times in late 2020 in an attempt to resolve this dispute; however, they were unable to reach a settlement.

[15] On June 9, 2021, the Applicant filed this application seeking monetary, declaratory, and injunctive relief for alleged trademark infringement, passing off, and depreciation of goodwill contrary to sections 19 and 20 and subsections 7(b) and 22(1) of the *Act* by the Respondent, and such further relief as this Court may deem just.

III. Issues

[16] The issues raised in the present application are as follows:

1. Has the Respondent's use of the ROASTED BEAN BOX mark infringed the Applicant's BEAN BOX trademark contrary to section 19 of the *Act*?
2. Has the Respondent's use of the ROASTED BEAN BOX mark infringed the Applicant's BEAN BOX trademark contrary to section 20 of the *Act*, to the extent that it causes confusion?
3. Has the Respondent's use of the ROASTED BEAN BOX mark directed public attention to its goods, services, or business in such a way as to cause or be likely to cause confusion between its goods, services, or business and the goods, services, or business of the Applicant, contrary to subsection 7(b) of the *Act*?
4. Has the Respondent used the Applicant's BEAN BOX trademark in a manner that is likely to have the effect of depreciating the goodwill attaching thereto, contrary to subsection 22(1) of the *Act*?
5. Was the Applicant's BEAN BOX trademark invalid and not registrable at the date of registration, contrary to subsections 12(b) and (c) of the *Act*, because it was not distinctive pursuant to subsections 18(1) and (b) of the *Act*?
6. If it is found that the Respondent's ROASTED BEAN BOX mark has infringed the Applicant's rights under the *Act*, what remedies should be granted?

IV. Analysis

- A. *Has the Respondent's use of the ROASTED BEAN BOX mark infringed the Applicant's BEAN BOX trademark contrary to section 19 of the Act?*

[17] Section 19 of the *Act* provides the owner of a registered trademark with the exclusive use of that trademark with the goods and services for which it is registered throughout Canada.

[18] Infringement under section 19 is distinct from infringement under section 20. Section 19 is concerned with the use by a defendant of a trademark that is identical to the plaintiff's registered trademark; the exclusive right that it protects is the right to the trademark as registered. Section 20 is broader in scope; it captures use by a defendant of a trademark that is confusing in light of, but not necessarily identical to, the plaintiff's registered mark [*Sandhu Singh Hansard Trust v. Navsun Holdings Ltd.*, 2019 FCA 295 at paragraph 20].

[19] The relevant question in assessing the section 19 claim, therefore, is not whether the Respondent's mark is confusingly similar to the Applicant's registered mark, but whether the two marks are identical.

[20] Though similar, the Respondent's ROASTED BEAN BOX is not identical to the Applicant's registered BEAN BOX trademark – having the additional descriptive prefix “ROASTED”. Therefore, the Respondent has not infringed upon the rights of the Applicant under section 19 of the *Act*.

B. *Has the Respondent's use of the ROASTED BEAN BOX mark infringed the Applicant's BEAN BOX trademark contrary to section 20 of the Act, to the extent that it causes confusion?*

[21] Under section 20 of the *Act*, the exclusive right granted under section 19 is deemed to be infringed when another person sells, distributes, or advertises goods or services in association with a confusing trademark or trade name.

[22] Subsection 6(2) of the *Act* outlines what constitutes confusion:

6(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.

[23] The test for confusion was outlined in *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27 at paragraph 40 [*Masterpiece*]:

The test to be applied 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] trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[24] Subsection 6(5) of the *Act* sets out a non-exhaustive list of factors to be considered when applying the test for confusion:

6(5) In determining whether trademarks 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 trademarks or trade names and the extent to which they have become known;
- (b) the length of time the trademarks or trade names have been in use;

- (c) the nature of the goods, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trademarks or trade names, including in appearance or sound or in the ideas suggested by them.

[25] The Applicant argues that its registered BEAN BOX trademark provides it with the exclusive right to use that trademark throughout Canada with the goods and services listed in its registration. In addition, the Applicant states that all the statutory factors and relevant surrounding circumstances demonstrate there is a likelihood of confusion between its BEAN BOX mark and the Respondent's ROASTED BEAN BOX mark.

[26] The Respondent argues that the Applicant has not demonstrated likelihood of confusion because i) the Applicant's BEAN BOX trademark lacks inherent and acquired distinctiveness in the Canadian marketplace and ii) the state of the trademarks register demonstrates that the Applicant's trademark is effectively diluted.

(1) Degree of resemblance – paragraph 6(5)(e)

[27] The degree of resemblance is the statutory factor often likely to have the greatest effect on the confusion analysis. If the marks do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. As such, the other factors become significant only once the marks are found to be identical or very similar [*Masterpiece* at paragraph 49].

[28] When considering the degree of resemblance between trademarks, the trademarks must be considered in their totality and not a side-by-side comparison [*Reynolds Presto Products Inc. v P.R.S. Mediterranean Ltd.*, 2013 FCA 119 [*Reynolds*] at paragraphs 30 to 31].

[29] The Parties' marks all include the term "BEAN BOX" in all capital letters and stylized coffee beans:

Plaintiff's Marks
"BEAN BOX"



Respondent's Marks



[30] The only significant difference between the Parties' marks is the use of the term "ROASTED" in the Respondent's marks, which the co-founder, president, and chief executive officer for the Respondent, Mr. Choudhary, acknowledged was "very descriptive" on multiple occasions on cross-examination of his affidavit evidence.

[31] Further, since the only addition to the Applicant's BEAN BOX trademark is the descriptive and non-distinctive element "ROASTED", consumers may well regard the differences between the Parties' marks as compounding rather than eliminating confusion. Consumers may simply regard the Respondent's ROASTED BEAN BOX goods and services as

being somehow related or affiliated with the Applicant and its BEAN BOX goods and services [Nature's Path Foods Inc. v Quaker Oats Co. of Canada, 2001 FCT 366 at paragraph 35].

[32] Overall, I find that there is a high degree of resemblance between the Applicant's BEAN BOX trademarks and the Respondent's ROASTED BEAN BOX marks, and this resemblance between them could lead to a likelihood of confusion as to source by a causal consumer, as a matter of first impression, having an imperfect recollection of the marks.

- (2) Inherent distinctiveness, length of time in use, and extent to which marks have become known – paragraphs 6(5)(a) and (b)

[33] The factors set out in paragraphs 6(5)(a) and (b) of the *Act* determine the strength of a particular trademark and the scope of protection it will be afforded. A mark with inherent and acquired distinctiveness will be afforded greater protection than one that is merely descriptive or suggestive of the associated goods or services or has not acquired any particular distinctiveness, reputation, or goodwill through extensive or lengthy use in the marketplace [Reynolds at paragraph 22].

[34] With respect to inherent distinctiveness, the BEAN BOX trademark is a coined term, and at worst merely suggestive or descriptive of some of the wares (*i.e.* coffee beans). However, the term "BEAN BOX" itself is not clearly descriptive of any of the goods or services offered by the Applicant, and has a limited, inherent distinctive character.

[35] Moreover, the Applicant has used its BEAN BOX trademark in Canada since 2014 and has sold its products and services to customers in every province and territory. As described above, since its launch, the Applicant has made hundreds of thousands of dollars' worth of Canadian sales, and has extensively marketed its BEAN BOX platform, spending hundreds of thousands of dollars annually on advertising and promotional efforts. The Applicant has also provided several examples of articles in popular publications regarding its products and services all of which are accessible in Canada and to Canadians, including People magazine, Cosmopolitan magazine, the Today Show on NBC, CNN Business, Robb Report magazine, GeekWire magazine, and Travel+Leisure magazine. By virtue of these activities, the BEAN BOX trademark has also acquired distinctiveness in Canada.

[36] The Respondent has used its ROASTED BEAN BOX marks and names for approximately 18 months and only in the local Montreal market. Its total sales revenues in that time have been just under \$18,000, and the marketing expenses in the same period are over \$10,000.

[37] These factors weigh in the Applicant's favour and nothing in the Parties' evidence indicates that the scope of protection for the Applicant's BEAN BOX trademarks should be limited so narrowly as to provide the Respondent with the ability to use ROASTED BEAN BOX, given the high degree of resemblance between the Parties' BEAN BOX and ROASTED BEAN BOX marks, for essentially the same goods and related services, in the same channels of trade.

- (3) Nature of goods, services, business, and channels of trade – paragraphs 6(5)(c) and (d)

[38] The Applicant's BEAN BOX trademark is registered in association with coffee, coffee beans, and coffee-related retail store services, online ordering and subscription services, and delivery services. The Respondent operates an online platform offering coffee, coffee beans, online ordering and subscription services, and delivery services all related to coffee. Therefore, the Parties' goods and services clearly overlap.

[39] The probable consumers are also the same for both Parties: those in the market for coffee, retail store services related to coffee, online ordering and subscription services related to coffee, and delivery services related to coffee.

[40] Though the Respondent offers its goods and services in Montreal only, the Applicant's registered BEAN BOX trademarks provide exclusive rights throughout Canada. In addition, the Applicant does offer its services and has customers in Québec. Further, any current geographic limitation of the Respondent's current offerings is irrelevant for the purposes of the confusion analysis, as the test for confusion of a registered trademark is independent of the geographic use by the owner of that registered mark.

[41] These factors weigh in the Applicant's favour.

- (4) Additional surrounding circumstances

[42] The Respondent claims that:

- i. A search of the words “bean” or “box” on the Canadian Trademarks Database reveals thousands of results in relation to the sales of coffee beans and offering coffee subscription services. Amongst these numbers, at least 24 products or companies with the general class of coffee and with prefix or suffix “bean” or “box” are available in the marketplace. For example, the Respondent provides the particulars for 13 trademarks, which use “bean” or “box” in association with coffee goods and/or services (*e.g.* Bean Head, Beanwise, Ethical Bean, Green Bean Initiative, JJ Bean, Jumping Bean, BC in a Box, K Box, Salad Box, The Blue Box Café, The Bread Box, The Organic Box, Wok Box, etc.)
- ii. There is no evidence of actual confusion other than a second-hand account of the Applicant’s affiant Mr. Berk, the chief executive officer of Bean Box, Inc.

[43] The Respondent’s argument regarding the state of the register and the state of the marketplace is given limited weight. The search results reveal that, while there may be several coffee associated marks that may use either “bean” or “box”, there is no evidence demonstrating the use of “BEAN BOX”, as marketed and used by the Applicant, so as to limit the scope of protection afforded to that mark when compared to the Respondent’s use of the ROASTED BEAN BOX mark.

[44] In addition, while the Respondent provided the particulars of 13 trademark registrations that include the terms “bean” or “box” in association with coffee, there is no confirmatory

evidence of the actual use of these marks in Canada and the state of the register alone is not persuasive.

[45] The state of the marketplace and register evidence does not assist the Respondent in diminishing the scope of protection available to the Applicant's registered trademark for BEAN BOX.

[46] The Applicant's evidence regarding a possible instance of actual confusion is vague and appears to be hearsay, as Mr. Berk admits that he is not the first point of contact for customers. As a result, the alleged evidence of actual confusion is given no weight.

(5) Conclusion on confusion analysis

[47] The question before the Court is whether, based on the relevant factors outlined in subsection 6(5) of the *Act*, the surrounding circumstances, and as stated by the Supreme Court of Canada in *Masterpiece*, there is a sufficient degree of resemblance between the Parties' marks, such that as a matter of first impression, the casual consumer, somewhat in a hurry and with an imperfect recollection of the Applicant's BEAN BOX trademark, would likely be confused as to the source of the goods and services sold and provided by the Respondent [*Masterpiece* at paragraph 41].

[48] I find that there is a likelihood of confusion. The subsection 6(5) factors weigh in favour of a finding of a likelihood of confusion:

- There is a high degree of resemblance between the marks at issue;

- The Applicant has been using their mark for a greater length of time;
- There is an overlap in the nature, goods, and trade favouring the Applicant;
- The Applicant's marks are known to a greater extent; and
- The state of the register and marketplace evidence does not limit the protection to be afforded to the Applicant's BEAN BOX registered trademark in determining the likelihood of confusion caused by the Respondent's use of ROASTED BEAN BOX.

C. *Has the Respondent's use of the ROASTED BEAN BOX mark directed public attention to its goods, services, or business in such a way as to cause or be likely to cause confusion between its goods, services, or business and the goods, services, or business of the Applicant, contrary to subsection 7(b) of the Act?*

[49] Subsection 7(b) is the statutory codification of the tort of passing off, which prohibits a person from directing and/or continuing to direct public attention to their goods, services, or business in such a way as to cause or be likely to cause confusion in Canada.

[50] In a claim for passing off, a plaintiff must establish three elements: i) that it possesses goodwill in the trademark; ii) that the defendant deceived the public by misrepresentation; and iii) that the plaintiff suffered actual or potential damage through the defendant's actions. The second element of misrepresentation will be met if the plaintiff establishes that the defendant has used a trademark that is likely to be confused with the plaintiff's distinctive mark [*Kirkbi AG v. Ritvik Holdings Inc.*, 2005 SCC 65 at paragraphs 66 to 68; *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd.*, 2016 FCA 69 at paragraphs 20 to 21].

[51] The Applicant argues that all the requirements have been met. The Respondent argues that the existence of goodwill favours neither party, there is no evidence of misrepresentation, and there is no supported evidence of actual or potential damage.

[52] I find that the Applicant has demonstrated its goodwill and reputation in and to the BEAN BOX trademarks acquired through over seven years of use and promotion in Canada. The Respondent's argument that the Applicant did not launch its online platform in Canada until 2021 appears to be based on a false and mistaken statement on the beanbox.com domain that has since been updated. The Applicant clarified, and provided evidence, that language on the website to this effect was incorrect. The Respondent did not take the opportunity to cross-examine Mr. Berk on the Canadian sales and marketing evidence of the Applicant's BEAN BOX goods and services provided in his affidavit since 2014 and that evidence stands as good evidence of these activities since 2014. In addition, there is no acknowledgement by the Respondent of the beanbox.ca domain. Goodwill in the Applicant's BEAN BOX trademark has been sufficiently established on the evidence.

[53] As discussed above, the Respondent's use of its ROASTED BEAN BOX marks and names in association with substantially the same goods and services to that of the Applicant gives rise to a likelihood of confusion and constitutes a misrepresentation. Therefore, the second requirement is met.

[54] The Applicant argues that it has suffered loss of control over the use and commercial impact of their marks, which has been recognized as actual damage sufficient to meet the third

requirement of the test for passing off [*Subway IP LLC v. Budway, Cannabis & Wellness Store*, 2021 FC 583 at paragraph 34, citing *Cheung v. Target Event Production Ltd.*, 2010 FCA 255 at paragraph 26].

[55] The Applicant has provided evidence that when internet users search for the terms “Montreal coffee subscription bean box” the first suggestion is an advertisement for the Respondent’s ROASTED BEAN BOX website and business. The Respondent provides contradictory evidence – when an internet search is conducted of the term “bean box”, the Applicant’s website and business as the first result.

[56] I find that as a result of the Respondent’s advertising and promotion, there is some evidence that those looking for a coffee subscription with the term “bean box” in Montreal will be directed or misdirected to the Respondent’s website and business, thus leading to the Applicant’s loss of control over the use and commercial impact of its marks.

[57] In conclusion, all three requirements have been met and the Respondent’s activities constitute a violation of subsection 7(b) of the *Act*.

D. *Has the Respondent used the Applicant’s BEAN BOX trademark in a manner that is likely to have the effect of depreciating the goodwill attaching thereto, contrary to subsection 22(1) of the Act?*

[58] Subsection 22(1) of the *Act* prohibits the use of a registered trademark by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attached to that registered trademark.

[59] A claim under subsection 22(1) has four elements [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltee*, 2006 SCC 23 [*Veuve Clicquot*] at paragraph 46]:

- i. It must be shown that a registered trademark was used by a defendant in connection with goods or services – whether or not such goods or services are competitive;
- ii. It must be shown that the registered trademark is sufficiently well known to have significant goodwill attached to it;
- iii. It must be shown that the trademark was used in a manner likely to have an effect on that goodwill (there must be a connection or “linkage”); and
- iv. It must be shown that the likely effect would be to depreciate the value of its goodwill (*i.e.* damage).

[60] “Use” for the purpose of section 22 means “use” as defined by section 4. The use need not be of the registered trademark exactly as registered. Rather, it need only be “sufficiently similar to [the registered mark] to evoke in a relevant universe of consumers a mental association of the two marks” [*Veuve Clicquot* at paragraph 38].

[61] The Federal Court of Appeal has described the standard as requiring the “use of the trademark or something so closely akin to it so as to be understood as the other party’s mark” [*Venngo Inc. v Concierge Connection Inc. (Perkopolis)*, 2017 FCA 96 at paragraphs 13 and 80].

[62] The Respondent, through use of its ROASTED BEAN BOX marks, has used the registered BEAN BOX trademark within the meaning of sections 22 and 4 of the *Act* in

association with the operation of their business offering substantially the same type of goods and services as those of the Applicant.

[63] The ROASTED BEAN BOX marks are sufficiently similar and “so closely akin” to the BEAN BOX trademark within the meaning of the jurisprudence. Therefore, the first requirement under section 22 is met.

[64] As stated above, the Applicant has also shown the existence of goodwill in and to its registered BEAN BOX trademark in Canada. Factors relevant to the existence of goodwill include the degree of recognition of the mark, the volume of sales and depth of market penetration, the extent and duration of advertising and publicity, geographic reach, degree of inherent or acquired distinctiveness, breadth of channels of trade, and extent to which the mark is identified with a particular quality [*Toys “R” Us (Canada) Ltd. v Herbs “R” Us Wellness Society*, 2020 FC 682 [*Toys “R” Us*] at paragraph 56].

[65] As discussed above, evidence of the extent of use, advertising and promotion, and public notoriety of the BEAN BOX trademark has been put forward to show that it is sufficiently well known to have significant goodwill. The second requirement is met.

[66] The third requirement is a question of evidence, though it does not require specific consumer evidence or survey evidence establishing a likelihood of linkage. The existence of a linkage or mental association between the parties’ marks can be inferred from the marked similarities between the parties’ trademarks combined with evidence of use, sales, and

advertising associated with the Applicant's registered BEAN BOX trademark, which is likely to have an effect on the goodwill associated with that trademark [*Toys "R" Us* at paragraphs 58 to 59]. The high degree of similarity and evidence of use, sales, and advertising have been described above. The third requirement is met.

[67] Finally, depreciation can come about not only through disparagement, but also the reduction of distinctiveness resulting from a mark being "bandied about by different users," through a blurring of brand image, or from a "whittling away" of the brand's power to distinguish the owner's goods or services [*Toys "R" Us* at paragraphs 60 to 63; *Veuve Clicquot* at paragraphs 63 to 64].

[68] As discussed above regarding the internet search results, the Respondent's marketing activities and use of the ROASTED BEAN BOX marks weakens the uniqueness of the BEAN BOX trademark and the impression it makes on consumers in the Canadian market, and interferes with and reduces the impact of the Applicant's own marketing activities. The fourth requirement is met.

[69] In conclusion, the Respondent's activities constitute a depreciation of the goodwill attaching to the Applicant's registered trademark contrary to subsection 22(1) of the *Act*.

- E. *Was the Applicant's BEAN BOX trademark invalid and not registrable at the date of registration, contrary to subsections 12(b) and (c) of the Act, because it was not distinctive pursuant o subsections 18(1) and (b) of the Act?*

[70] If a trademark is found to be not registrable, there can be no finding of infringement or passing off.

[71] The Respondent argues that the Applicant's BEAN BOX trademark is invalid because it was not registrable at the date of registration nor was it distinctive by the date of this proceeding pursuant to paragraphs 18(1)(a) and (b) of the *Act*. The Respondent states that the Applicant's marks are unregistrable because they are clearly descriptive of the character or quality of the goods or services in association with which it is used pursuant to paragraphs 12(1)(b) and (c) of the *Act*.

[72] The Applicant argues that the Respondent's submissions regarding validity are not at issue in this case and that this Court should not consider them because they were not set out in the Notice of Application as required under *Rule 301* of the *Federal Courts Rules*, SOR/98-106 [*Canada (Attorney General) v. Iris Technologies Inc.*, 2021 FCA 244 [*Iris*] at paragraph 36].

[73] I find that *Iris* is not relevant in this matter. *Iris* speaks to the requirement under *Rule 301* that an adequate Notice of Application be filed in order for a respondent to know the case being brought against them, including what relief is sought on an application for judicial review. This principle does not preclude the respondent from putting forward legitimate defences in their submissions. As such, I will examine the Respondent's defence of invalidity below.

[74] As stated above, I find that the Applicant's registered BEAN BOX trademarks are distinctive. The term "BEAN BOX," while suggestive of coffee beans when viewed with its

stylized coffee bean logo, does not plainly describe the sale of coffee or associated accessories, or the delivery of a subscription of curated coffee products.

[75] In addition, the evidence of sales and promotion in Canada by the Applicant in association with its BEAN BOX trademarks demonstrates acquired distinctiveness by the date of this proceeding – that is evidence that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or that is adapted so to distinguish them.

F. *What remedies should be granted for the Respondent's infringement of the Applicant's rights?*

[76] As stated above, the Applicant requests declaratory, monetary, and injunctive relief in light of the Respondent's violations of its rights under the *Act*.

[77] Section 53 of the *Act* grants this Court a wide discretion to grant remedies it considers necessary to give effect to rights that have been infringed. I have considered the Parties' oral and written submissions on costs and damages, and have considered the Applicant's *Rule 420 Offer to Settle* as of June 9, 2021.

[78] I find the Applicant is entitled to the following relief:

- i. A permanent injunction preventing the Respondent from using any form of the ROASTED BEAN BOX mark or name, or any trademarks, trade name, or words likely to be confusing with the Applicant's BEAN BOX trademark;

- ii. An Order for delivery up or proof by way of affidavit of the destruction of goods, packaging, labels, and advertising material that bears any of the ROASTED BEAN BOX marks or names;
- iii. An Order for the transfer of the domain name www.roastedbeanbox.com and any other domain name or social media account name owned and/or controlled by the Respondent, be it directly or indirectly, that contains, is comprised of, or is confusing with the Applicant's BEAN BOX Trademarks (*Michaels v. Michaels Stores Procurement Company, Inc.*, 2016 FCA 88 at paragraphs 8 to 9);
- iv. Damages in the amount of \$15,000; and
- v. Costs in the amount of \$10,000, given the knowing and continued infringement of the Applicant's registered BEAN BOX trademark notwithstanding notice of that alleged infringement and refusal by the Respondent to accept an offer to settle on terms more than favourable than the relief granted in this decision.

JUDGMENT in T-918-21

THIS COURT'S JUDGMENT is that:

1. This application is allowed.
2. The Respondent is permanently enjoined from using any form of the ROASTED BEAN BOX mark or name, or any trademarks, trade name, or words likely to be confusing with the Applicant's BEAN BOX trademark.
3. The Respondent shall delivery up or destroy under oath any goods, packaging, labels, and advertising material that bears any of the ROASTED BEAN BOX marks or names.
4. The Respondent shall transfer the domain name www.roastedbeanbox.com and any other domain name or social media account name owned and/or controlled by the Respondent, be it directly or indirectly, that contains, is comprised of, or is confusing with the Applicant's BEAN BOX Trademarks.
5. The Respondent shall pay damages in the amount of \$15,000.
6. The Applicant shall have costs in the amount of \$10,000, inclusive of pre- and post-judgment interest.

"Michael D. Manson"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-918-21

STYLE OF CAUSE: BEAN BOX, INC. v ROASTED BEAN BOX INC.

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: MARCH 28, 2022

JUDGMENT AND REASONS: MANSON J.

DATED: APRIL 7, 2022

APPEARANCES:

LAURENT MASSAM FOR THE APPLICANT
JAMES GREEN

MARK KMEC FOR THE RESPONDENT

SOLICITORS OF RECORD:

GOWLING WLG (CANADA) FOR THE APPLICANT
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POINTE-CLAIRE, QC