



[2022] 3 F.C.R. D-11

## TRADEMARKS

### PRACTICE

*Related subject: Copyright*

Motion for default judgment by plaintiffs against defendants pursuant to Federal Courts Rules, SOR/98-106, r. 210(1) — Plaintiffs well-known manufacturers, distributors, sellers of luxury fashion goods in Canada, around the world — Filed statement of claim, amended statement of claim against defendants — Seeking to enforce their respective exclusive rights in trademarks, copyrighted works — Defendants failed to file statement of defence or seek extension of time to do so — Plaintiffs owners of BURBERRY, CHANEL trademarks — Defendants carrying on their online business selling counterfeit merchandise — Import, advertise, offer for sale in Canada clothing, fashion accessories, including items bearing BURBERRY, CHANEL trademarks — Plaintiffs requesting comprehensive relief intended to deter, stop defendants' infringing, harmful activities, attempts to evade detection — Whether defendants in default for failure to file a statement of defence — Whether plaintiffs established that defendants engaged in trademark infringement — If so, what remedies appropriate? — Defendants in default, plaintiffs entitled to bring motion for default judgment under r. 210(1) — Evidence unequivocally establishing that defendants knowingly, deliberately imported, offered for sale counterfeit BURBERRY, CHANEL merchandise — Plaintiffs established that business activities of defendants described in evidence contrary to *Trademarks Act*, R.S.C., 1985, c. T-13, ss. 7(b),(c),(d), 19, 20, 22 — Defendants in violation of *Copyright Act*, R.S.C., 1985, c. C-42, ss. 3, 27, infringed plaintiffs' rights in and to BURBERRY copyrighted works — In light of scope, nature, duration of defendants' importation, sale of counterfeit merchandise, plaintiffs entitled to declarations as between parties regarding validity, ownership of BURBERRY, CHANEL trademarks, infringement by defendants of BURBERRY, CHANEL trademarks, BURBERRY copyrighted works — Defendants ordered to disclose names, contact information of entities from whom they obtained counterfeit merchandise — Defendants relied on third parties to conduct their infringing activities — Plaintiffs requested order enjoining third parties who have notice of present judgment from knowingly assisting defendants, and requiring third parties to provide information regarding defendants' infringing activities — Third party order granted but with conditions — Significant risk that defendants will continue their infringing activities despite injunction, with result that there will likely be future shipments, further detentions of counterfeit merchandise by CBSA — Rolling order structured to fold additional names used by defendants, future detentions into injunctive relief granted to plaintiffs justified, within Court's jurisdiction — Critical curb on rolling order continued involvement of Court in supervisory role to ensure that only infringing activities of defendants are captured within its scope — Defendants liable for all losses actually sustained by plaintiffs, including any loss of reputation, business, goodwill or trade suffered by plaintiffs as result of or attributable to those acts — Online nature of defendants' business not warranting departure from established case law — Court having to consider scope of infringing activities before it in order to estimate appropriate quantum of damages — In addition to damages awarded for defendants' infringement of plaintiffs' rights under *Trademarks Act*, plaintiffs entitled to recovery of damages, profits in relation to copyright infringement by defendants — Motion granted.

BURBERRY LIMITED V. WARD (T-1553-22, 2023 FC 1257, Walker J., reasons for judgment dated September 19, 2023, 53 pp. + 39 pp.)