

Federal Court



Cour fédérale

Date: 20200211

Docket: T-1608-18

Citation: 2020 FC 224

Ottawa, Ontario, February 11, 2020

PRESENT: Madam Justice Walker

BETWEEN:

**COREY BESSNER CONSULTING INC. dba
CORE CONSULTANTS REALTY**

Plaintiff

and

**CORE CONSULTANTS REALTY INC. and
SHAWN ABRAMOVITZ**

Defendants

JUDGMENT AND REASONS

[1] This judgment addresses the parties' competing allegations of ownership and the right to use two trademarks, the CORE Logo (as defined in paragraph 5 of this judgment) and CORE CONSULTANTS REALTY (collectively, the Marks), in connection with their respective commercial realty brokerage businesses. The Plaintiff filed its Statement of Claim on September 4, 2018 and the Defendants responded by filing a Statement of Defence and

Counterclaim on November 21, 2018. Ultimately, the action proceeded by way of summary trial on September 4 and 5, 2019.

I. The Parties

[2] The Plaintiff, Corey Bessner Consulting Inc., dba Core Consultants Realty, is a commercial realty consulting and brokerage business based in Montréal, Québec. The Plaintiff is owned and operated by Mr. Corey Bessner, a real estate broker with more than 15 years' experience in the commercial real estate market in Montréal. Mr. Bessner is the sole officer, director and shareholder of the Plaintiff and has operated the Plaintiff's brokerage business using the CORE Logo and the trademarks and trade names, CORE REALTY CONSULTANTS and CORE CONSULTANTS REALTY, since June 2015.

[3] The Corporate Defendant, Core Consultants Realty Inc., was incorporated by Mr. Sari Samarah in January 2016 to carry on business in Toronto, Ontario as a commercial realty consultancy and brokerage. Mr. Samarah is an experienced real estate broker who had developed a friendship with Mr. Bessner through their professional connections. The individual defendant, Mr. Shawn Abramovitz, is also an experienced Toronto real estate broker and was Mr. Samarah's closest friend. Mr. Abramovitz worked with Mr. Samarah and the Corporate Defendant on a part-time basis initially and formally joined forces with Mr. Samarah in April 2016, becoming an equal shareholder in the Corporate Defendant as well as an officer and director. For simplicity in this judgment, I will refer to Core Consultants Realty Inc. as the Corporate Defendant and to Mr. Abramovitz using his surname (as opposed to the "individual defendant").

[4] During the last quarter of 2015 and into early 2016, Messrs. Bessner, Samarah and Abramovitz discussed combining their expertise and experience in the commercial realty markets in Montréal and Toronto. They envisaged a business alliance that would benefit the two separate operations by promoting a national brokerage under a common brand. It is the genesis, structure and ultimate demise of the alliance that is at the centre of this action.

II. Factual Background

Inception of the Plaintiff's business and development of trade names/trademarks

[5] In early 2015, Mr. Bessner decided to launch his own commercial realty brokerage business in Montréal using the trademark and trade name, CORE REALTY CONSULTANTS. On April 22, 2015, he registered two domain names for the business's website: <corerealtyconsultants.com> and <corerealtyconsultants.ca>. Mr. Bessner also worked with a web designer to develop a logo for use in association with the Plaintiff's business (the "CORE Logo"). The initial design of the CORE Logo featured a stylized rendering of the word "CORE" prominently. This design feature has remained unchanged. The only variation of note to the CORE Logo during the intervening years has been the order in which the words 'realty' and 'consultants' appear below the stylized rendering of the word 'CORE'. The CORE Logo is now a registered Canadian trademark (TMA1,014,664):



Les Consultants Core Immobilier | Core Consultants Realty

[6] On May 21, 2015, the Plaintiff registered the business name, “Core Realty Consultants Inc.”.

[7] Mr. Bessner launched his brokerage business and website in June 2015, using the CORE Logo and CORE REALTY CONSULTANTS mark. All branding for the business included the CORE Logo. The website (the “CORE website”) was hosted at ‘www.corerealtyconsultants.com’ and the two April 2015 domain names directed traffic to the site. The CORE website was and remains controlled by the Plaintiff and Mr. Bessner.

[8] On January 5, 2016, Mr. Bessner registered the domain names: <coreconsultantsrealty.com> and <coreconsultantsrealty.ca> as the Plaintiff began to move from using CORE REALTY CONSULTANTS to CORE CONSULTANTS REALTY in connection with its business and the burgeoning relationship with the Corporate Defendant. By February 2016, the April 2015 and January 2016 domain names all directed traffic to the Plaintiff’s CORE website and, by May 2016, the website was hosted at ‘www.coreconsultantsrealty.com’, completing the Plaintiff’s transition to use of the CORE CONSULTANTS REALTY mark.

[9] On March 14, 2018, the Plaintiff applied to register the trademarks, CORE Logo and CORE CONSULTANTS REALTY, in Canada under the *Trademarks Act*, RSC 1985, c T-13 (Trademarks Act). On February 6, 2019, the Canadian Intellectual Property Office issued Canadian Trademark Registration No. TMA1,014,664 for the CORE Logo.

[10] In November 2018, the Defendants opposed the Plaintiff's Trademark Application No. 1888061 to register the CORE CONSULTANTS REALTY mark and the Application remains pending.

The formation of the business alliance between the Plaintiff and Corporate Defendant

[11] Over the years, Mr. Bessner and Mr. Samarah had met each other in the course of their respective careers in commercial real estate and had become personal friends. In October 2015, Mr. Bessner approached Mr. Samarah to pitch a business arrangement that envisaged Mr. Samarah opening a commercial realty brokerage in Toronto using the Plaintiff's CORE branding and website. Mr. Samarah was interested in pursuing Mr. Bessner's proposal as a cost efficient way to launch an independent brokerage. The shared intention was to leverage a single brand via cross promotion to increase their respective businesses in Montréal and Toronto.

[12] During the same period, Mr. Samarah discussed with Mr. Abramovitz opening a Toronto brokerage business and pursuing an alliance with Mr. Bessner. Mr. Samarah and Mr. Abramowitz were very close personal friends, both characterizing their relationship at the time as one of brotherhood. The long-standing friendship between the two men is important in understanding the way in which the Defendants' business alliance with the Plaintiff and Mr. Bessner was conceived and operated.

[13] Discussions through November and December 2015 among Messrs. Bessner, Samarah and Abramovitz took place via emails among the three men and telephone calls primarily involving Mr. Bessner and Mr. Samarah. I note that a fourth individual in Montréal was involved in the discussions at this early stage but soon exited the picture and his involvement is not

material to the issues in this action. During this period, the three men discussed the name they would use for the business, agreeing to move forward with “CORE CONSULTANTS REALTY” rather than “CORE REALTY CONSULTANTS”.

[14] Messrs. Bessner, Samarah and Abramovitz also discussed proposed structures for their business alliance. They exchanged a number of emails highlighting various financial elements of the business, ownership of intellectual property of the business, the licensing of the name, term of the arrangement, exit mechanisms and decision-making. These discussions culminated in a December 24, 2015 email from Mr. Samarah to Mr. Bessner that attempted to summarize the business arrangement (December 24 Email). The email contained general, proposed terms for structuring the business alliance and stated that “[a]ll three partners would own equal share of intellectual property”. Mr. Samarah requested Mr. Bessner’s agreement and stated that the parties’ lawyers would need to be involved to draft an agreement.

[15] Mr. Bessner did not respond in writing to the December 24 Email and there was no further written correspondence among the men finalizing the proposal. There was no follow up with the parties’ respective lawyers and no formal agreement was finalized. I will return to the testimony at trial regarding the December 24 Email in my analysis.

[16] Messrs. Bessner, Samarah and Abramovitz continued to discuss and structure their business relationship in January 2016, as the Plaintiff transitioned to use of the CORE CONSULTANTS REALTY mark. The Corporate Defendant was incorporated in Ontario on January 13, 2016 by Mr. Samarah, with Mr. Bessner’s consent. Messrs. Bessner, Samarah and Abramovitz worked on revising the Plaintiff’s CORE website to reflect their combined business

operations, continuing to use the services of Sparrow Digital and Ryan Hayes, the website designer originally contracted by the Plaintiff and Mr. Bessner.

[17] The Toronto business began operations in early 2016. The Plaintiff and the Corporate Defendant, through Messrs. Bessner, Samarah and Abramovitz, operated over the next two and a half years largely within their respective spheres in Montréal and Toronto, using the CORE Logo, CORE website, social media accounts and branding, and sharing customer databases and certain expenses. They did not split profits or commissions, nor did they implement a referral fee structure. Ownership of the intellectual property, namely the CORE Logo and CORE CONSULTANTS REALTY mark, was not revisited.

The conduct and demise of the business alliance

[18] In the summer of 2018, the personal and business relationships between Mr. Samarah and Mr. Abramovitz fractured irrevocably. As a result, on August 20, 2018, Mr. Abramovitz purchased Mr. Samarah's stake in the Corporate Defendant pursuant to a shotgun clause in their unanimous shareholders agreement and became its sole officer, director and shareholder.

[19] When Mr. Bessner learned that Mr. Samarah had formally left the Corporate Defendant's business, he took action to sever the business arrangement between the parties. In a demand letter dated August 22, 2018 from the Plaintiff's solicitor (August 22 Letter), received by the Defendants on August 23, 2018, the Plaintiff asserted sole ownership of the CORE Logo and CORE CONSULTANTS REALTY mark and stated that the 2016 agreement between Mr. Bessner and Mr. Samarah regarding the use of the two Marks was one of licence:

As you know, roughly 2-3 years ago, our client had given Mr. Sari Samarah the revocable, non-exclusive and non-transferable limited

right to use the *Core Consultants Realty* brand in Toronto (“Mark”). The understanding between our client and Mr. Samarah included the right for our client to terminate any and all right to the Mark at any time in the future.

Our client has now taken the decision to terminate all rights to the Mark effective immediately.

(Emphasis in original.)

[20] The Plaintiff demanded that the Defendants immediately cease all use of the Plaintiff’s trademarks and any confusingly similar marks, and change the Corporate Defendant’s name. The Plaintiff requested written confirmation of the Defendants’ compliance with the August 22 Letter on or before August 29, 2018.

[21] Wary of the issues Mr. Samarah and Mr. Abramovitz were experiencing, the Plaintiff had stopped the Defendants’ access to the social media accounts associated with the CORE website on July 13, 2018. On August 27, 2018, the Plaintiff terminated the Defendants’ access to the CORE website and email accounts. The Plaintiff subsequently removed the Defendants’ information from the website.

[22] Despite the August 22 Letter, the Defendants continued to carry on business using the CORE CONSULTANTS REALTY mark and, briefly, the CORE Logo. The Defendants had already registered a new domain name <coreconsultantsrealtyinc.com> on August 19, 2018 and,

on August 27, 2018, launched a new website, 'www.coreconsultantsrealtyinc.com'. On August 31, 2018, the Defendants replaced the CORE Logo with a new logo:



[23] By letter dated August 28, 2018 from its solicitor to the Plaintiff's solicitor (Response Letter), the Corporate Defendant disputed the existence of a revocable non-exclusive license to use the CORE CONSULTANTS REALTY mark. The Response Letter indicated that the Defendants were developing their own website and logo and that they had developed goodwill associated with the CORE CONSULTANTS REALTY name since the Corporate Defendant's incorporation:

Your client's use of the name Core Consultants Realty creates the mistaken impression that your client's business is somehow associated with our client or continues to be associated with our client, thereby having the potential of creating confusion in the marketplace, and constitutes passing off. Our client has developed good will associated with the Core Consultants Realty name since incorporation.

Our client will not change its name as it is the registered owner of the corporate name, of which your client has been aware for several years without complaint. Your client is therefore estopped from asserting its demands with respect to our client's name. We also note that under section 16(3)(c) of the Trade Marks Act, Canada your client is not entitled to secure registration of a proposed trade mark.

[24] The Corporate Defendant demanded that the Plaintiff cease all use of the name 'Core Consultants Realty' within fifteen business days of the date of the Response Letter.

[25] The Plaintiff and the Corporate Defendant have since continued to carry on business using the CORE CONSULTANTS REALTY mark. They each contend that the other has caused confusion in the market and adversely affected its respective business.

III. Procedural History

[26] The Plaintiff filed a Statement of Claim on September 4, 2018 claiming: (1) declaratory relief against the Defendants regarding the Plaintiff's ownership and right to exclusive use of the CORE Logo and CORE CONSULTANTS REALTY mark, and infringement and passing off by the Defendants; (2) injunctive relief; and (3) damages. On September 6, 2018, the Plaintiff brought a Motion for an interlocutory injunction to restrain the Defendants from using the Marks pending a final decision in the action. The Motion was adjourned a number of times through the fall of 2018.

[27] The Defendants filed a Statement of Defence and Counterclaim on November 21, 2018. In their Counterclaim, the Defendants sought (1) a declaration that the Plaintiff and the Defendants equally own the intellectual property associated with 'CORE CONSULTANTS REALTY'; (2) a declaration that the Defendants are entitled to use the CORE CONSULTANTS REALTY name and associated intellectual property in Ontario; and (3) damages.

[28] On each of January 30, 2019 and March 25, 2019, the Plaintiff amended its September 6, 2018 Motion to request summary judgment or summary trial or, in the alternative, an interlocutory injunction. On April 8, 2019, the Defendants filed their Motion Record opposing

the Plaintiff's Motion for summary judgment. The Defendants argued that the evidence before the Court raised serious issues of credibility and that the Claim and Counterclaim should not be determined by way of summary judgment. The Defendants also resisted the Plaintiff's request for an interlocutory injunction.

[29] On April 12, 2019, in response to directions from the Court and in order to permit the receipt of *viva voce* evidence, most notably from Mr. Samarah, the parties agreed to proceed with a summary trial of the Claim and Counterclaim.

[30] The Plaintiffs filed a Third Amended Notice of Motion on July 12, 2019 for summary trial in respect of the following issues:

1. Is the Plaintiff the owner and the person entitled to register the CORE CONSULTANTS REALTY trademark in Canada, as between the parties, in association with commercial realty services?
2. Are the Defendants infringing the Plaintiff's rights in Canadian Trademark Registration No. TMA1,014,664 for the CORE Logo contrary to sections 20 and 22 of the Trademarks Act?
3. Should the Defendants be enjoined from using the CORE CONSULTANTS REALTY trademark in Canada in association with commercial realty services?

[31] The Defendants did not file any supplementary materials in response to the Plaintiff's July 12, 2019 Notice of Motion.

IV. Is a Summary Trial Appropriate?

[32] As stated above, the parties have agreed to deal with this action as a summary trial in accordance with Rules 213-219 of the *Federal Courts Rules*, SOR/98-106 (Rules). The circumstances in which a summary trial is appropriate have been canvassed by the Court in a number of decisions, most notably by Justice Hughes in *Teva Canada Limited v Wyeth and*

Pfizer Canada Inc, 2011 FC 1169 at paras 28-37; appeal all'd on other grounds, 2012 FCA 141 (see also *0871768 B.C. Ltd. v Aestival (Vessel)*, 2014 FC 1047 at paras 55-63). In *Cascade Corporation v Kinshofer GmbH*, 2016 FC 1117 at paragraph 35, Justice Southcott summarized the circumstances the Court should consider in deciding whether to proceed with a summary trial:

[35] In a motion for summary trial, Rule 216(6) provides that, if the Court is satisfied that there is sufficient evidence for adjudication, regardless of the amounts involved, the complexities of the issues and the existence of conflicting evidence, the Court may grant judgment either generally or on an issue, unless the Court is of the opinion that it would be unjust to decide the issues on the motion. In determining whether summary trial is appropriate, the Court should consider factors such as 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 *Louis Vuitton Malletier S.A. v Singga Enterprises (Canada) Inc.*, 2011 FC 776).

[33] I conclude that this action is indeed appropriate to decide by summary trial. The issues are well defined; the record provided is extensive; the facts necessary to resolve the issues are set out in the evidence adduced by affidavit, cross examination on the principal affidavits, and through the trial itself; and, although there are questions as to credibility, there has been cross examination of Mr. Bessner and Mr. Abramovitz on their respective affidavits and Messrs. Bessner, Abramovitz and Samarah each testified at the trial and were subject to cross examination. Proceeding by way of summary trial promotes affordable and timely justice for these parties (*Hryniak v Mauldin*, 2014 SCC 7 at para 5).

V. Issues and Relief Sought

Plaintiff's Theory of the Case

[34] The Plaintiff's position is that it is the sole owner of the CORE Logo and CORE CONSULTANTS REALTY mark. The Plaintiff emphasizes that Mr. Bessner conceived of, designed and used the word 'CORE' as the central element in branding and promoting his business prior to any discussions with Mr. Samarah or the Defendants. 'CORE' is the focal point of the CORE Logo and is the unchanging element in the CORE REALTY CONSULTANTS and CORE CONSULTANTS REALTY marks. The Plaintiff argues that there is no evidence of any agreement on its part or Mr. Bessner's part to assign any ownership interest in the Marks to the Defendants.

[35] The Plaintiff argues that the Defendants' use of the Marks from 2016 to August 2018 was pursuant to an inferred license under section 50 of the Trademarks Act. Therefore, their use of the Marks during that period has the same effect as use by the Plaintiff. The Plaintiff also argues that the Defendants' continued use of the CORE CONSULTANTS REALTY mark as a corporate name, trade name and domain name in the provision of commercial realty brokerage and consulting services in Ontario after termination of the license in August 2018 constitutes passing off and infringes the Plaintiff's Marks (subsection 7(b) and section 20 of the Trademarks Act).

Defendants' Theory of the Case

[36] The Defendants' initial argument in contesting the Plaintiff's Claim was that the CORE CONSULTANTS REALTY mark is jointly owned by the Plaintiff and the Corporate Defendant

in accordance with the December 24 Email, the terms of which were accepted by Mr. Bessner prior to December 31, 2015. In light of evidence to the contrary from Mr. Bessner and Mr. Samarah during the trial, the Defendants now argue that Mr. Bessner accepted the terms of the December 24 Email by his subsequent conduct in failing to expressly reject the email and in implementing the alliance with the Defendants largely in accordance with the principles set out in the email.

[37] The Defendants also argue that their use of the CORE CONSULTANTS REALTY mark from 2016 to August 2018 was not pursuant to an express or inferred license within the meaning of section 50 of the Trademarks Act because Mr. Bessner and the Plaintiff did not exercise sufficient control over the operations of the Corporate Defendant. Therefore, the Defendants' use of the CORE CONSULTANTS REALTY mark enured to their own benefit and undermines the distinctiveness of the mark. At trial, the Defendants also contested the validity of the registered CORE Logo mark.

[38] The Defendants submit that the Court should exercise its equitable jurisdiction and find that the Defendants reasonably relied on Mr. Bessner's conduct as permission to use the CORE CONSULTANTS REALTY mark in Ontario such that he and the Plaintiff should be estopped from disputing the Defendants' right to continue to use the mark. Finally, the Defendants argue that the Plaintiff has not established that they have engaged in passing off or that they are infringing the Marks contrary to subsection 7(b) and section 20 respectively of the Trademarks Act.

The Issues before the Court

[39] The four issues before me are:

1. Did the Plaintiff grant or assign any ownership interest in the CORE Logo or CORE CONSULTANTS REALTY mark to the Defendants?
2. Was the Defendants' use of the Marks from early 2016 to August 23, 2018 pursuant to a license under section 50 of the Trademarks Act?
3. Has the Defendants' continued use of the CORE CONSULTANTS REALTY mark since August 23, 2018 constituted passing off and infringed the Plaintiff's rights under subsection 7(b) and section 20 of the Trademarks Act?
4. Is the prevailing party entitled to injunctive relief?

[40] Neither party has pursued its claim for damages.

VI. Summary of the Evidence at Trial

[41] The Plaintiff's Motion Record filed with the Court on March 25, 2018 in respect of its second amended Motion for summary judgment or summary trial was admitted into evidence as was the Defendants' responding Motion Record filed on April 8, 2019. Mr. Bessner and Mr. Abramovitz each swore affidavits in the context of the Plaintiff's Motion and were cross examined on their affidavits. The affidavits and cross-examination transcripts were included in the Motion Records, together with documentary evidence relevant to the genesis and operation of the business alliance between the Plaintiff and the Corporate Defendant. The will say statement of Mr. Abramovitz, as amended, was also entered as evidence.

[42] The Plaintiff's Motion Record included an affidavit from Mr. Michael Wolfe, a long-standing client of the Plaintiff. Mr. Wolfe was not cross examined by the Defendants.

[43] Three witnesses testified at the summary trial and were cross examined by opposing counsel: Mr. Bessner, Mr. Abramovitz and Mr. Samarah. I found each witness to be generally credible except as I explain in this judgment. Although Mr. Bessner and Mr. Abramovitz differ in their interpretation of the business arrangement between the Plaintiff and the Corporate Defendant, the factual elements of their respective narratives do not materially diverge. I have placed considerable weight on the testimony of Mr. Samarah in arriving at my conclusions. I found Mr. Samarah to be a frank and thoughtful witness who gave measured answers to the questions posed to him by counsel to both parties. As he was the principal liaison between Mr. Bessner and Mr. Abramovitz during the discussions that led to the business alliance between the Plaintiff and the Corporate Defendant, his evidence is critical to my determination of the existence and nature of any agreement or license between the parties regarding the ownership and use of the CORE Logo and CORE CONSULTANTS REALTY mark.

[44] The Defendants raised the fact that Mr. Bessner and Mr. Samarah are minority shareholders in a Montréal-based restaurant business, Kinton Ramen. The Defendants appear to rely on this shared business interest as a basis for a statement made by Mr. Abramovitz in his affidavit that, as his relationship with Mr. Samarah deteriorated, he believed Mr. Bessner was taking steps to alienate Mr. Abramovitz from the Corporate Defendant. The Defendants introduced no evidence regarding the alleged shareholdings in Kinton Ramen or regarding any form of conspiracy on the part of Messrs. Bessner and Samarah to the detriment of Mr. Abramovitz. I place no weight on any such joint business interest of Mr. Bessner and Mr. Samarah in assessing their credibility.

[45] I will address the content of the parties' evidence in the course of my analysis.

VII. Analysis

1. *Did the Plaintiff grant or assign any ownership interest in the CORE Logo or CORE CONSULTANTS REALTY mark to the Defendants?*

[46] My analysis of this issue has two aspects. First, I address the development of Mr. Bessner's branding and promotion of his business based on the word 'CORE' (the CORE Brand) from 2015 through the discussions that led to the adoption of the CORE CONSULTANTS REALTY mark. Second, I address the December 24 Email and the discussions and conduct of the parties, Mr. Samarah and Mr. Bessner, and whether there was any agreement that the CORE Logo and CORE CONSULTANTS REALTY mark would be jointly owned by the Plaintiff and the Corporate Defendant.

[47] Mr. Bessner conceived of the CORE Brand and independently developed the CORE Logo and CORE REALTY CONSULTANTS mark prior to entering into any discussions with Mr. Samarah regarding a business alliance. In the spring of 2015, Mr. Bessner registered domain names for his new brokerage's website using the CORE REALTY CONSULTANTS mark; designed and developed the CORE Logo with a graphic designer; designed the CORE website with assistance from Sparrow Digital; and registered his business name, Core Realty Consulting Inc. In June 2015, Mr. Bessner launched the CORE website and his commercial realty brokerage business in Montréal. Central to Mr. Bessner's initiatives was the word 'CORE'. It is the dominant element of the CORE Logo and the one word common to all aspects of the branding used by Mr. Bessner and the Plaintiff, whether in English or French. Mr. Bessner chose the word as a play on both his first name and the premise that his business would be core to his clients' commercial realty needs.

[48] Mr. Samarah testified that Mr. Bessner approached him in the fall of 2015 in Toronto and “planted the seed to run my own brokerage in Toronto under the Core name”. The documentary evidence in the record and the testimony of Messrs. Bessner and Samarah establish that their business alliance was to be based on Mr. Bessner’s CORE branding, enabling Mr. Samarah to enter the Toronto brokerage market seamlessly using the CORE website, existing domain names and social media accounts. From Mr. Bessner’s perspective, an alliance with Mr. Samarah would enable the Plaintiff to introduce the CORE Brand and business to the Toronto commercial realty market with little financial exposure.

[49] The Plaintiff submits and I agree that the principal discussions regarding the business alliance in late 2015 and early 2016 were between Mr. Bessner and Mr. Samarah.

Mr. Abramovitz participated in the discussions through, and in reliance on, Mr. Samarah and his discussions with Mr. Bessner, and at times, directly via group emails.

[50] Messrs. Bessner, Samarah and Abramovitz discussed the use of the CORE REALTY CONSULTANTS mark through late 2015/early 2016. The three men proposed variations on the mark, all of which included the word ‘CORE’ as a prominent feature. One set of proposals by the fourth individual included names that buried the word (4Score Realty Consultants; Scorecard Realty; PreCore Realty Consultants; SACore Realty) but these suggestions were quickly rejected. Ultimately, the three remaining partners agreed to switch the order of the words ‘Realty’ and ‘Consultants’ and to move forward using ‘CORE CONSULTANTS REALTY’, in conjunction with the CORE Logo and the CORE website.

[51] While the documentary evidence establishes that there was considerable discussion among Messrs. Bessner, Samarah and Abramovitz leading to an agreement to use the CORE

CONSULTANTS REALTY mark, the evidence also establishes that any use of the word 'CORE' in the business alliance, including the move from CORE REALTY CONSULTANTS to CORE CONSULTANTS REALTY, was subject to Mr. Bessner's approval. He held a veto. Mr. Samarah and Mr. Abramovitz both testified that, if Mr. Bessner had not consented to the use of the name, they would have proceeded with their own brokerage in Toronto using a different name and branding.

[52] I find that the CORE CONSULTANTS REALTY mark is a variation of the CORE REALTY CONSULTANTS mark within the CORE Brand conceived by Mr. Bessner and the Plaintiff. The evidence demonstrates that the word 'CORE' was central to the parties' discussions. All three men referred to the burgeoning business by the shorthand 'Core'. The discussions surrounding any change to the CORE REALTY CONSULTANTS mark were based on suggestions with 'CORE' as the featured element.

[53] It is in this regard that Mr. Abramovitz's testimony was not credible. In cross-examination on his Affidavit and at trial, Mr. Abramovitz repeatedly evaded questions from the Plaintiff's counsel regarding the relationship between the CORE Brand, CORE Logo and CORE REALTY CONSULTANTS mark, on the one hand, and the CORE CONSULTANTS REALTY mark, on the other. His insistence that the CORE CONSULTANTS REALTY mark was a mark the three men came up with without reference to the pre-existing marks and branding is not credible. When asked why they decided to use 'CORE CONSULTANTS REALTY', Mr. Abramovitz responded that they hated the CORE REALTY CONSULTANTS mark. He was asked, why "core anything?", and his response was that it was just a bunch of names they looked at. I do not accept Mr. Abramovitz's testimony and find that the CORE CONSULTANTS

REALTY mark was adopted for use in the business alliance by the Defendants, Mr. Samarah, the Plaintiff and Mr. Bessner in reliance on the existing CORE branding and that the use of the mark was subject to Mr. Bessner's approval.

[54] There is no evidence in the record that the discussions surrounding the adoption of the CORE CONSULTANTS REALTY mark included any agreement that the mark would be jointly owned. Once the three men agreed on the adoption of the CORE CONSULTANTS REALTY mark, Mr. Bessner implemented the use of the mark, registering domain names in the Plaintiff's name and instructing his agent to begin revisions to the CORE website. Mr. Bessner also consented to the use of 'Core Consultants Realty' as part of the Corporate Defendant's name. From the outset, Messrs. Bessner, Samarah and Abramovitz treated the CORE CONSULTANTS REALTY mark as part of Mr. Bessner's CORE Brand. Subject to my analysis of the December 24 Email and the Defendants' arguments based on promissory estoppel, as between the Plaintiff and the Defendants, the Plaintiff was and remains the sole owner of all rights in the CORE CONSULTANTS REALTY mark.

[55] The Defendants raise two additional arguments. First, they argue that the Corporate Defendant used the CORE CONSULTANTS REALTY mark from January 2016 onwards, before the Plaintiff completed its transition to carrying on business under the new mark in the spring of 2016. The documentary evidence substantiates this argument. However, the use of the CORE CONSULTANTS REALTY mark by the Corporate Defendant was subject to Mr. Bessner's approval and authorization and its early use of the mark is not evidence of an ownership interest. Second, the Defendants submit that they paid for one half of the revisions to the CORE website to reflect adoption of the CORE CONSULTANTS REALTY mark and

launch of the Montréal/Toronto business alliance. Again, the evidence substantiates their submission but the Corporate Defendant's financial contributions to revisions to the CORE website and other expenses necessary to launch the business alliance do not establish an ownership interest in the CORE Logo, CORE website or CORE CONSULTANTS REALTY mark.

[56] I turn now to the December 24 Email. Messrs. Bessner, Samarah and Abramovitz exchanged a number of emails in November-December 2015 regarding the nature of the proposed business alliance and relationship between the Plaintiff and Corporate Defendant. The emails culminated in the December 24 Email from Mr. Samarah to Mr. Bessner that states:

Corey, the following is the structure we discussed:

One Ontario office (run by me and Shawn), and one Quebec office
(Run by Yourself)

Each office operates independently with no profit sharing.

All three partners would own equal share of intellectual property.

All leads must be referred between our firms. 25% sounds like an incentivizing referral fee, but we can also do it on deal by deal basis.

We can try to share as many costs as possible including IT admin costs (exchange email server), Website Admin, ICSC booth, Party's, Marketing, etc.

Splits – need to discuss whether we have universal split structure.

If you think this is okay, we can ask our lawyers to draft a simple agreement to finalize these terms. My goal is to register the company, brokerage, MLS by end January, in time for Whistler.

Let me know if you have any questions or would like to discuss further.

Thank you

[57] The December 24 Email was forwarded to Mr. Abramovitz by Mr. Samarah. In his affidavit, Mr. Abramovitz states that he and Mr. Samarah discussed the possibility that Mr. Bessner would not agree to the terms of the email. They agreed they would move forward independently without Mr. Bessner, using another name and website.

[58] Mr. Abramovitz's evidence was that Mr. Samarah informed him by the end of December 2015 that Mr. Bessner had verbally agreed to the terms of the December 24 Email. In contrast, Mr. Bessner and Mr. Samarah testified that Mr. Bessner did not agree to the December 24 Email during their telephone conversation and, in fact, Mr. Bessner indicated that he was not comfortable agreeing to the terms of the email. Mr. Samarah stated that he and Mr. Bessner agreed to see how the business alliance proceeded over the next few years and, if it worked, they would then find a way to bring the businesses together.

[59] Mr. Samarah also testified that he went back to Mr. Abramovitz and informed him that they would use the CORE name and website and look like two offices but that Mr. Bessner did not want to put anything on paper and they would see how the business went.

[60] Mr. Bessner, Mr. Samarah and Mr. Abramovitz all acknowledge that the terms of their alliance were never formalized in writing. During the heady first months of 2016, all three were anxious to launch their national brokerage business and did not want to become mired in the legal implications of their arrangement. In cross-examination, Mr. Samarah stated that the issues raised in the December 24 Email were sensitive and the three men decided to "fly by the seat of our pants and hope [for] the best based on the relationships we all had". When questioned what he and Mr. Abramovitz would do should the arrangement with Mr. Bessner not work out after a

few years, Mr. Samarah responded that his understanding was that he and Mr. Abramovitz would have moved forward on their own but using a different name.

[61] In closing submissions, the Defendants conceded that the December 24 Email does not constitute evidence of a binding agreement between the Plaintiff and the Defendants. I agree and find that the December 24 Email was a proposal only. Mr. Bessner did not agree in writing to the proposal. Further, I accept the testimony of Mr. Bessner and Mr. Samarah that Mr. Bessner did not verbally agree to the terms of the December 24 Email and that, in fact, he communicated his concerns with the email to Mr. Samarah. I also find that those concerns were communicated to Mr. Abramovitz. Mr. Abramovitz may not have understood the legal implications of failing to insist on a resolution of the ownership of the intellectual property used in connection with the business but, in the end, all three men decided to proceed with only a vague understanding of the nature of their joint endeavour and the consequences of any termination of that endeavour. As a result, I find that neither the Plaintiff nor Mr. Bessner agreed to any co-ownership or assignment of the Plaintiff's rights in the CORE Logo and CORE CONSULTANTS REALTY mark.

[62] During the summary trial and in their closing submissions, the Defendants relied on principles of equity and fairness to argue that Mr. Bessner and the Plaintiff, by their conduct, implicitly agreed to conduct the business alliance on the terms set out in the December 24 Email and should now be estopped from either (1) denying the terms of the purported agreement; or (2) terminating the Defendants' right or licence to use the Marks.

[63] I find that the requirements of the common law doctrine of promissory estoppel are not met in the case at bar. These requirements are set out in *Maracle v Travellers Indemnity Co of Canada*, [1991] 2 SCR 50. In that case, Justice Sopinka stated (at page 57):

The principles of promissory estoppel are well settled. The party relying on the doctrine must establish that the other party has, by words or conduct, made a promise or assurance which was intended to affect their legal relationship and to be acted on. Furthermore, the representee must establish that, in reliance on the representation, he acted on it or in some way changed his position.
...

[64] The evidence in this case does not establish that, by words or conduct, either Mr. Bessner or the Plaintiff made a clear promise to the Defendants that they would co-own the CORE Logo and/or CORE CONSULTANTS REALTY mark. Mr. Bessner informed Mr. Samarah that he was not comfortable with the terms of the December 24 Email. Mr. Samarah testified that he communicated Mr. Bessner's position to Mr. Abramovitz. In fairness to Mr. Abramovitz, it is difficult to pinpoint the degree to which Mr. Bessner's concerns were made clear to him. However, Mr. Bessner's conduct in refusing to respond to the December 24 Email and his conversation with Mr. Samarah should have, at a minimum, put Mr. Abramovitz on notice that any decision to proceed was not based on a settled agreement to jointly own the intellectual property used in the course of the business alliance.

[65] The Defendants argue that the parties implemented their business alliance in accordance with the December 24 Email and that Mr. Bessner and the Plaintiff should be estopped from denying its terms. They state that Mr. Bessner did not assert ownership rights in the CORE Logo and CORE CONSULTANTS REALTY mark during the course of the business alliance. Notwithstanding the Plaintiff's willingness to move forward with an alliance that, in certain

respects, mirrored the terms of the December 24 Email, there is no evidence that Mr. Bessner or the Plaintiff made any promise by their conduct that an ownership interest in the Plaintiff's Marks would be assigned to the Defendants. Mr. Bessner expressed his unwillingness to implement the terms of the December 24 Email to Mr. Samarah. Mr. Bessner's unease was communicated to Mr. Abramovitz and he cannot now plead reliance on an alleged promise by conduct on the part of Mr. Bessner. Mr. Bessner was under no positive obligation to re-assert his rights to the two Marks.

[66] Further, Mr. Bessner retained physical control over the CORE Logo and CORE CONSULTANTS REALTY mark through his control of the CORE website, email and social media accounts. He also maintained effective control over the use of the Marks from the establishment of the alliance in early 2016 to its end in August 2018 because no changes to the Marks or to the alliance's promotional initiatives could occur without his consent. Mr. Samarah acknowledged in his evidence that any change to the CORE Logo, the CORE CONSULTANTS REALTY mark or their use in promoting the two businesses was subject to Mr. Bessner's approval. As Mr. Samarah stated, "it was his name and logo that he had before and he kind of welcomed us into that". Finally, the Defendants' substantive and financial involvement in revising the CORE website is not sufficient to establish an implied assignment of rights in the CORE Logo and CORE CONSULTANTS REALTY mark. It is simply a reflection of their involvement in the business.

[67] For the foregoing reasons, I find that the Plaintiff did not grant or assign any ownership interest in the CORE Logo or CORE CONSULTANTS REALTY mark to the Defendants either

expressly or by its conduct from the initial discussions in 2015 and the launch of the alliance in early 2016, through to August 2018.

2. *Was the Defendants' use of the Marks from early 2016 to August 23, 2018 pursuant to a license under section 50 of the Trademarks Act?*

[68] Having found that the Plaintiff did not grant or assign to the Plaintiff any ownership rights in the CORE Logo or CORE CONSULTANTS REALTY mark, the question becomes the basis upon which the Defendants used the two Marks in Ontario from the launch of their business in 2016 to August 23, 2018, the date the Plaintiff demanded they cease using the Marks. The Plaintiff submits that the Defendants' use of the Marks was pursuant to a license under section 50 of the Trademarks Act. The Defendants submit that there is insufficient evidence in the record to establish the existence of such a license as the Plaintiff did not exercise sufficient control over the operations of the Corporate Defendant or use of the Marks in connection with the services offered by the Defendants in Ontario.

[69] Subsection 50(1) of the Trademarks Act provides that:

Licence to use trademark

50 (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trademark to use the trademark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the goods or services, then the use, advertisement or display of the trademark in that country as or in a trademark, trade name or otherwise by that entity has,

Licence d'emploi d'une marque de commerce

50 (1) Pour l'application de la présente loi, si une licence d'emploi d'une marque de commerce est octroyée, pour un pays, à une entité par le propriétaire de la marque, ou avec son autorisation, et que celui-ci, aux termes de la licence, contrôle, directement ou indirectement, les caractéristiques ou la qualité des produits et services, l'emploi, la publicité ou l'exposition de la marque, dans

and is deemed always to have had, the same effect as such a use, advertisement or display of the trademark in that country by the owner.

ce pays, par cette entité comme marque de commerce, nom commercial — ou partie de ceux-ci — ou autrement ont le même effet et sont réputés avoir toujours eu le même effet que s'il s'agissait de ceux du propriétaire.

[70] The parties agree that there was no written license agreement in place regarding the use of the Marks by the Defendants but that a license may be inferred or implied from the business relationship between two parties. They also agree that, for a license to fall within the ambit of section 50, the owner of the trademark(s) in question must maintain direct or indirect control over the character or quality of the goods or services at issue.

[71] The Defendants rely primarily on somewhat dated cases that focus on the corporate structure of the purported licensor and licensee, and/or the degree of control exercised by a licensor in the context of a franchise agreement or the provision of physical goods. Two of the cases cited were decided under the old Trademarks Act and do not address the nature of a license for purposes of section 50 of the current Trademarks Act (*Foodcorp Ltd. v Chalet Bar-B-Q (Canada) Inc.*, 55 CPR (2d) 46 (FCTD); appeal all'd in part, *Chalet Bar-B-Q (Canada) Inc. v Foodcorp Ltd.* (1982), 66 CPR (2d) 56 (FCA), and *Moore Dry Kiln Co, of Canada Ltd. v U. S. Natural Resources Inc.* (1976) 23 CPR (2d) 35 (FCTD)). In any event, the factual circumstances of the two cases differ materially from those in the present case.

[72] The Plaintiff relies on two decisions of this Court: *Cushman & Wakefield Inc. v Wakefield Realty Corp.*, 2004 FC 210; aff'd 2004 FCA 415 (*Cushman and Wakefield*) and *Allianz Global Investors of America LP v Middlefield Capital Corporation*, 2014 FC 620 (*Allianz*). In my view, the *Cushman & Wakefield* and *Allianz* cases provide the better guidance as

to the nature and content of a section 50 license in the context of the use of trademarks in the provision of commercial realty brokerage services.

[73] In *Cushman & Wakefield*, an appeal of a trademark opposition decision, one of the issues before the Court was whether the use of the trade name and trademark ‘Cushman & Wakefield’ in Canada by a third party, Royal LePage Commercial Inc., occurred pursuant to a section 50 license under which Cushman & Wakefield maintained direct or indirect control of the character or quality of the services provided by Royal LePage. Wakefield Realty argued that Cushman & Wakefield “at most maintained an indirect control of the use of the trade-mark as opposed to the character or quality of the services, i.e. real estate brokerage, etc” (*Cushman & Wakefield* at para 55). Justice Harrington found that Royal LePage’s use of the trademark was authorized and controlled by Cushman & Wakefield, and stated (*Cushman & Wakefield* at para 56):

[56] The essence of the relationship between Cushman & Wakefield and Royal LePage is a joint venture and referral arrangement. The written memorandum of agreement does not address trade-marks. However, the authority need not be in writing. I am satisfied that Royal LePage had authority from Cushman & Wakefield to use both the "CUSHMAN & WAKEFIELD" name and the "CUSHMAN & WAKEFIELD WORLDWIDE" trade-mark. The evidence of John Coppedge and Sarah Langdon shows there was authorization. In furtherance of the joint initiative, Cushman & Wakefield established the position of Director of United States/Canadian Operations, a position initially held by its Frank Ziska. Thereafter, a branding initiative allowed Royal LePage to continue to use the "CUSHMAN & WAKEFIELD" name but also the trade-mark. All business activities were closely monitored so that the requirements of section 50(1) have been met.

[74] In *Allianz*, a case involving the marketing of securities services to institutional investors, the Court cited the decision in *Cushman & Wakefield* and confirmed that a written license agreement in respect of the use of a mark is not required to maintain control over the mark; a

licensing agreement may be inferred (*Allianz* at para 15). Justice Rennie found that the use of the mark in question by third-party investment dealers and brokers constituted use by the owner and did not result in a loss of control over the character of the services in question (*Allianz* at para 18). The focus in *Allianz* was the degree of control by the owner of the mark over the character of the services in respect of which the mark could be used by the third party and not on the provision by the third party of the services themselves.

[75] The business relationship between the Plaintiff and Corporate Defendant is analogous to that between Cushman & Wakefield and Royal LePage: a joint venture and referral arrangement in which Mr. Bessner and the Plaintiff exercised no day-to-day control over the operations of the Corporate Defendant but maintained control over the character and use of the CORE Logo and CORE CONSULTANTS REALTY mark in conjunction with the services offered by the Corporate Defendant.

[76] It is clear that the Corporate Defendant had the Plaintiff's authority and consent to use the Marks in connection with its commercial realty brokerage in Toronto. Mr. Bessner and the Plaintiff monitored the use of the Marks through Mr. Bessner's contact with Mr. Samarah during the course of the business alliance and, more importantly, through control and oversight of the CORE website, email and social media accounts and of any changes to the Marks themselves or to the nature of the advertising and services in respect of which the Marks were used. The Plaintiff did not have inspection rights over the Corporate Defendant's business but such rights would not be necessary or common in this type of service business. Similarly, there was no need for Mr. Bessner to regularly visit the Toronto office as his control and oversight of the use of the Marks was maintained electronically.

[77] The Defendants correctly point out that the parties took a collaborative approach to the promotion and marketing of their respective brokerage businesses and joint initiatives until August 2018 but the ongoing collaboration does not alter the fact that Mr. Bessner's consent was required for the continued use of the CORE Logo and CORE CONSULTANTS REALTY mark. The evidence of Mr. Bessner and Mr. Samarah was unequivocal in this regard. It is reasonable to infer from the evidence that no one, Mr. Abramovitz included, was under any misapprehension as to Mr. Bessner's ultimate control of the CORE Logo and CORE CONSULTANTS REALTY mark.

[78] I find that the use of the Marks by the Defendants from the launch of the business alliance in 2016 to August 23, 2018 was pursuant to a license under section 50 of the Trademarks Act. The lack of control by the Plaintiff of the Defendants' day-to-day business operations is not fatal to the existence of a section 50 license. The Plaintiff's control of the Marks and the nature of the services in respect of which the Marks could be used by the Defendants is the determinative factor in this type of business arrangement. By reason of section 50, the use of the Marks by the Defendants in Ontario from January 2016 to August 2018 is considered to be use of the Marks by the Plaintiff as the owner of the Marks. The Defendants' concurrent use of the Marks during that period did not render the Marks non-distinctive.

[79] The Defendants argue that, in the event the Court finds that their use of the Marks in Ontario was pursuant to an implied license, the Plaintiff should be estopped on equitable principles from revoking the license. Again, I find that the Defendants have not established the basis of a claim for promissory estoppel. The Defendants relied on the Plaintiff's permission to use the Marks to conduct their business in Ontario during the term of the business alliance.

However, I find no promise by the Plaintiff or Mr. Bessner of an irrevocable and perpetual license of the Marks that would survive the termination of the business relationship. The Defendants have pointed to no evidence to this effect, nor is their argument commercially reasonable.

[80] The Defendants also submit that the August 23 revocation of the license by the Plaintiff was inequitable because the August 22 Letter provided only a brief notice period for the Defendants to cease their use of the Marks. They argue that they were not given reasonable notice in light of the fact that the identity of the Corporate Defendant itself and the Defendants' brokerage business were premised on the CORE Brand.

[81] I agree that a seven-day period is a short period of time in which to rebrand a going concern but the Defendants have made no representations as to what would have constituted a reasonable notice and have taken no action to mitigate their exposure.

[82] Mr. Abramovitz's own evidence was that he was put on notice on July 13, 2018 that his and the Corporate Defendant's reliance on the CORE Logo, CORE CONSULTANTS REALTY mark and CORE website was at issue. On that date, he noticed that Sparrow Digital had changed the business Instagram account password and passwords to all social media accounts.

Mr. Abramovitz was directed by Ryan Hayes and Mr. Samarah to Mr. Bessner for more information. Mr. Abramovitz chose not to make contact with Mr. Bessner as he anticipated Mr. Bessner would not be cooperative. Mr. Abramowitz took action in anticipation of the dispute to come, registering a new domain name on August 19, 2018, <coreconsultantsrealtyinc.com>.

In addition, upon receipt of the August 22 Letter, the Defendants decided to move forward using 'CORE' as a prominent feature in the branding and promotion of their business. They launched a

new website and rebranded their business using a new logo that incorporated the CORE branding despite the obvious risk to their ongoing right to use the CORE CONSULTANTS REALTY mark.

[83] I find that the Plaintiff's revocation of its permission and license to use the Marks was effective. The Defendants made no initial attempt to comply with the demands made in the August 22 Letter, nor have they since taken steps to rebrand the Corporate Defendant's business. I note the Defendants' reliance on the English Chancery Division case of *Dorling v Honnor Marine Ltd.*, [1964] CH 560 (UK ChD) (*Dorling*) but the Court in that case did not declare a revocation of license ineffective. The Court found only that the Defendant was entitled to a reasonable period of notice of the revocation. The defendant in *Dorling* continued his business in defiance of the revocation after a reasonable period of notice. Justice Cross stated that "[t]his conduct does not commend itself". In the present case, any reasonable notice period has long since expired.

3. *Has the Defendants' continued use of the CORE CONSULTANTS REALTY mark since August 23, 2018 constituted passing off and infringed the Plaintiff's rights under subsection 7(b) and section 20 of the Trademarks Act?*

[84] The Plaintiff submits that the Defendants' continued use of the Marks since August 23, 2018 constitutes passing off and infringes its rights under subsection 7(b) and section 20 of the Trademarks Act, causing confusion and harm to its business and depreciating the value of the goodwill it has built in the CORE Logo. Although the Plaintiff also referenced section 22 of the Trademarks Act in its Third Amended Notice of Motion, the Plaintiff's arguments at trial focussed on infringement of the CORE Logo contrary to section 20.

[85] The Defendants submit that the Plaintiff has failed to meet its burden of demonstrating that the Defendants have infringed on the Marks as the Plaintiff has relied only on an affidavit from one client, Mr. Wolfe, and Mr. Bessner's own evidence of confusion and harm to his business. The Defendants also argued at trial that the CORE Logo and CORE CONSULTANTS REALTY mark are not distinctive and that the registration of the CORE Logo (TMA1,014,664) is invalid pursuant to paragraph 18(1)(b) of the Trademarks Act and should be expunged.

[86] I have addressed the Defendants' arguments regarding loss of distinctiveness due to their concurrent use of the Marks from 2016 through August 23, 2018 in the prior section of this judgment. Their use of the Marks during that period was authorized by the Plaintiff by license under section 50 of the Trademarks Act and that use is considered to be use of the Marks by the Plaintiff.

[87] The Defendants also argue that the CORE Logo is invalid for lack of distinctiveness based on a 2015 NUANS search entered as evidence during Mr. Samarah's testimony. A NUANS search is a corporate name search typically used in connection with a proposed incorporation or registration of a trade name. The NUANS search referenced by Mr. Samarah was used by the parties in early January 2016 to assess the advisability of incorporating the Corporate Defendant using the CORE CONSULTANTS REALTY mark. I find that the NUANS search is not proof of a lack of distinctiveness of the CORE Logo. The search merely sets out an outdated registry of corporate names. It provides no information as to whether any of the corporate entities listed remain in business and, if so, the nature of their business and use of the word "CORE". I find that the Defendants have not established that the registration of the CORE Logo is invalid pursuant to paragraph 18(1)(b) of the Trademarks Act.

[88] The Plaintiff's evidence of passing off and infringement is as follows:

1. The Defendants continue to use the CORE CONSULTANTS REALTY mark in connection with the promotion and provision of commercial real estate brokerage services in Toronto. They have registered domain names using the Mark and their website is www.coreconsultantsrealtyinc.com. The prominent feature of the Defendants' new logo is the words "CORE CONSULTANTS". They conduct business under the name 'Core Consultants Realty'.
2. The Defendants' use of the CORE CONSULTANTS REALTY mark is causing actual confusion in the marketplace. One of the premier marketing opportunities in the commercial realty industry in Canada is the conventions organized by the International Council of Shopping Centres (ICSC). Mr. Bessner testified that the Plaintiff and Corporate Defendant have attended two post-August 2018 ICSC conventions, one in Toronto and one in Whistler, B.C. The presence of the two brokerages, operating with the same name, has caused confusion. The Plaintiff introduced an attendance list for the October 2018 ICSC in Toronto which lists representatives of the Plaintiff and the Corporate Defendant. The list indicates that they all work for "Core Consultants Realty". The only distinguishing information is the different addresses. A third party reading the list would inevitably conclude that the individuals work for the same company. During the same conference, Mr. Bessner and his colleagues attended an event hosted by a large Canadian commercial property owner and were given nametags with the Corporate Defendant's logo, copies of which were included as Exhibits to Mr. Bessner's second affidavit.
3. Mr. Wolfe, a client of the Plaintiff since 2015, swore an affidavit on March 21, 2019 which was included in the Plaintiff's evidence. Mr. Wolfe is the president of a Montréal-based company that owns approximately 100 retail, office and industrial properties throughout Québec. Mr. Wolfe has concluded a number of transactions with the Plaintiff and states that he typically refers to the Plaintiff as "Core". Mr. Wolfe also states that he attended the ICSC conference in Toronto and saw a booth bearing the name 'Core Consultants Realty'. He assumed the booth was operated by the Plaintiff but was told by the representative manning the booth that it was not. Mr. Wolfe also states that he has received emails from the Corporate Defendant since August 2018 and initially assumed the emails were from the Plaintiff.
4. Mr. Bessner testified that the Corporate Defendant's presence and business in Toronto has impeded his plans to expand the Plaintiff's business into the Toronto market.

[89] With respect to the Plaintiff's prospective business plans, I accept the Defendants'

argument that Mr. Bessner's evidence in this regard is not conclusive but note that Mr. Bessner's

initial approach to Mr. Samarah in 2015 was prompted by a desire to expand the CORE Montréal business into the Toronto market. From 2016 to August 2018, Mr. Bessner did not take steps to expand independently to Toronto given the business relationship with the Corporate Defendant. His inaction during this period cannot be taken to indicate disinterest in the market. It is reasonable to assume that the Defendants' continued use of the CORE CONSULTANTS REALTY mark in the commercial realty market in Toronto and the resolution of this action have delayed Mr. Bessner's expansion plans since August 2018.

[90] Trademark infringement occurs where a defendant has used a trademark or a confusingly similar mark, without the consent of the trademark rights holder, in association with goods or services. Paragraph 20(1)(a) of the Trademarks Act states:

Infringement

20 (1) The right of the owner of a registered trademark to its exclusive use is deemed to be infringed by any person who is not entitled to its use under this Act and who

(a) sells, distributes or advertises any goods or services in association with a confusing trademark or trade name;

Violation

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) soit vend, distribue ou annonce des produits ou services en liaison avec une marque de commerce ou un nom commercial créant de la confusion;

[91] The elements of infringement under paragraph 20(1)(a) are: the existence of a registered trademark; "use" of a confusing trademark by an allegedly infringing party; sale, distribution, or advertisement of any goods or services in association with that confusing trademark or trade name; and lack of entitlement or authorization.

[92] I find that the Plaintiff has satisfied each of the necessary elements of infringement of the CORE Logo by the Defendants under paragraph 20(1)(a) of the Trademarks Act. The CORE Logo is a registered mark (TMA1,014,664) owned by the Plaintiff.

[93] The present case does not require a detailed analysis of the factors set out in subsection 6(5) of the Trademarks Act in order to establish infringement. The dominant element of the CORE Logo is the word ‘CORE’, with the words ‘Core Consultants Realty’ appearing immediately below. The word ‘Core’ also appears in the French version of the business name in the Logo. There is clearly a significant degree of resemblance between the CORE Logo and the CORE CONSULTANTS REALTY mark as used by the Defendants. The Defendants’ use of the mark in its logo, as its business name and in the promotion of essentially the same services as those of the Plaintiff has caused actual confusion in the marketplace and I am satisfied as to the likelihood, if not inevitability, of ongoing confusion.

[94] Finally, the Defendants have used the CORE CONSULTANTS REALTY mark since August 23, 2018 without authorization from the Plaintiff to market the Corporate Defendant’s commercial realty brokerage business in Ontario.

[95] The Plaintiff also submits that the Defendants’ continued use of the CORE CONSULTANTS REALTY mark is contrary to subsection 7(b) of the Trademarks Act which states:

**Unfair Competition and
Prohibited Signs
Prohibitions**

7 No person shall

...

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

**Concurrence déloyale et
signes interdits
Interdictions**

7 Nul ne peut :

...

b) appeler l’attention du
public sur ses produits, ses

business 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;

services 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;

[96] The statutory and common law causes of action for “passing off” both require three elements: (1) the existence of goodwill associated with a valid trademark held by the plaintiff; (2) confusion or likely confusion in the public due to a misrepresentation; and (3) actual or potential damage to the plaintiff (*Ciba-Geigy Canada Ltd v Apotex Inc.*, [1992] 3 SCR 120; *Scott Technologies Inc. v 783825 Alberta Ltd. (Scott Safety Supply Services)*, 2015 FC 1336 at para 53).

[97] I find that the Plaintiff has established passing off by the Defendants contrary to subsection 7(b) of the Trademarks Act. First, it is reasonable to infer from the evidence that, since 2015, the Plaintiff has built up substantial goodwill in the CORE Logo and CORE CONSULTANTS REALTY mark in the commercial realty brokerage markets in Montréal directly, and in Toronto, through its license with the Corporate Defendant. Second, with respect to confusion, the Defendants are carrying on business using the Plaintiff’s CORE CONSULTANTS REALTY mark. They are not using a similar mark. The Defendants are effectively using the mark itself, offering the same services under the same name in the same market segment. In these circumstances, confusion to the public is easily established and, in any event, the Plaintiff has demonstrated actual confusion. This is not a case in which survey evidence is required to establish confusion. Third, the actual or potential damage to the Plaintiff

results from the confusion caused to its clients and to potential clients, coupled with its inability to build on its established Marks to enter the Toronto market.

4. *Is the prevailing party entitled to injunctive relief?*

[98] I have found that the Plaintiff is the sole owner of the CORE Logo and the CORE CONSULTANTS REALTY mark as between the parties. I have also found that the Defendants are engaging in passing off and infringement in respect of the Marks by their continued use of the CORE CONSULTANTS REALTY mark to promote and provide commercial realty consulting and brokerage services in Toronto. The Defendants are causing confusion in the marketplace which is adversely affecting the Plaintiff's current business and impeding its expansion plans. In these circumstances, I am satisfied that the Plaintiff is entitled to permanent injunctive relief to terminate the Defendants' use of the CORE CONSULTANTS REALTY mark and to restrain the Defendants from conducting activities that infringe the Plaintiff's rights.

VIII. Costs

[99] Each of the parties claimed costs in this summary trial. At the hearing, the parties agreed on the quantification of costs to be awarded to the successful party. The agreed amount was \$45,000.00, inclusive of all fees, disbursements and applicable taxes. As the Plaintiff is the successful party, I award costs to the Plaintiff in that amount.

JUDGMENT in T-1608-18

THIS COURT'S JUDGMENT is that:

1. The Plaintiff has not granted or assigned any ownership interest in the CORE Logo or CORE CONSULTANTS REALTY trademark to the Defendants either expressly or by its conduct.
2. The Plaintiff is the sole owner of the CORE Logo and the CORE CONSULTANTS REALTY trademark as between the parties.
3. The Defendants have infringed the CORE Logo trademark, contrary to section 20 of the Trademarks Act.
4. The Defendants have engaged in passing off contrary to subsection 7(b) of the Trademarks Act by directing public attention to their services and business in such a way as to cause or be likely to cause confusion in Canada between their services and business and the services and business of the Plaintiff.
5. The Plaintiff is entitled to a permanent injunction restraining the Defendants, themselves and through any related business, corporation or company in which either or both Defendants hold an interest or that is under their authority or control, whether directly or indirectly, including as a licensee, and their directors, officers, shareholders, employees, representatives and agents, from:
 - (a) using either the CORE Logo or CORE CONSULTANTS REALTY trademark, or any confusingly similar mark, as a

trademark, trade name, corporate name, domain name or otherwise in association with commercial realty services;

(b) directing public attention to the Defendants' services or business in such a way as to cause or be likely to cause confusion in Canada with the services and business of the Plaintiff, including without limitation, by adopting or using either the CORE Logo or the CORE CONSULTANTS REALTY trademark, or any confusingly similar mark, as a trademark, trade name, corporate name, domain name or otherwise in association with commercial realty services;
or

(c) using the CORE Logo or any trademark registered by the Plaintiff, including, if and when registered, the CORE CONSULTANTS REALTY trademark, or any other trademark or trade name that is likely to be confused with the CORE Logo or any such registered trademark, in a manner that is likely to have the effect of depreciating the value of the goodwill attaching to the CORE Logo or such registered trademark.

6. Costs are awarded in the lump sum of \$45,000.00 (inclusive of fees, disbursements and taxes, if any) to be paid by the Defendants to the Plaintiff.

"Elizabeth Walker"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1608-18

STYLE OF CAUSE: COREY BESSNER CONSULTING INC. dba CORE
CONSULTANTS REALTY v CORE CONSULTANTS
REALTY INC. and SHAWN ABRAMOVITZ

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: SEPTEMBER 4-5, 2019

JUDGMENT AND REASONS: WALKER J.

DATED: FEBRUARY 11, 2020

APPEARANCES:

John H. Simpson
Shan Arora

FOR THE PLAINTIFF

Justin Robinson
Selina Piekarski

FOR THE DEFENDANTS

SOLICITORS OF RECORD:

Shift Law
Barristers and Solicitors
Toronto, Ontario

FOR THE PLAINTIFF

Friedman Law Professional
Corporation
Barristers and Solicitors
Toronto, Ontario

FOR THE DEFENDANTS