

**Date: 20080702**

**Docket: T-2278-06**

**Citation: 2008 FC 828**

**Ottawa, Ontario, July 2, 2008**

**PRESENT: The Honourable Orville Frenette**

**BETWEEN:**

**PHARMACOMMUNICATIONS HOLDINGS INC.**

**Applicant**

**and**

**AVENCIA INTERNATIONAL INC., JASON LEWIS,  
DONALD LAJOIE AND GREGORY KOCHUK**

**Respondent**

**REASONS FOR ORDER AND ORDER**

**I. The Requested Relief**

[1] This is an application by PharmaCommunications Holdings Inc. (the “Applicant”), for the following relief pursuant to section 53.2 of the *Trade-Marks Act*, R.S.C., 1985, c. T-13 (the “Act”):

- a declaration that:
  - i. the Applicant is the owner of the unregistered trade-mark “PharmaCommunications” (the “Trade-mark”);

- ii. Avencia International Inc., Jason Lewis, Donald Lajoie and Gregory Kochuk (the “Respondents”) have directed public attention to Avencia International Inc.’s (the “Respondent corporation” or “Avencia”) services and business in such a way as to cause or be likely to cause confusion in Canada between its services and business and the services and business of PharmaCommunications Group Inc./Groupe PharmaCommunications Inc. (“PGI”);
  - iii. the Respondent corporation’s business name “PharmaComm” is confusingly similar to the Applicant’s Trade-mark.
- a permanent injunction order:
    - i. restraining the Respondents from using the Applicant’s Trade-mark, or any trade-name, trade-mark or business name confusingly similar thereto, including, but not limited to, the business names “Pharmacomm” and “PharmaComm”;
    - ii. requiring the Respondents to cease using, and to forthwith destroy, any and all brochures, business cards, letterhead, sales and promotional literature or other documents, statements and advertisements, in whatever form or medium whatsoever, which include or refer to the business names “Pharmacomm” or “PharmaComm” or any business name similar to the Applicant’s Trade-mark;
    - iii. prohibiting the Respondents from stating or referring to the business names “Pharmacomm” or “PharmaComm” on the Respondent corporation’s web

site and requiring the Respondents to alter its uniform resource located and any other means by which it identifies or locates its website so that it does not refer to or state the names “Pharmacomm” or “PharmaComm” or any other business name similar to the Applicant’s Trade-mark; and

iv. prohibiting the Respondents from directing public attention to the Respondent corporation’s services and business in such a way as to cause or be likely to cause confusion in Canada between its services and business and the services and business of PGI.

- an order directing that all items including, but not limited to signage, commercial stationary and advertisements bearing the business names “Pharmacomm” or “PharmaComm”, or any other word or words that phonetically sound like or are similar to the Applicant’s Trade-marks, regardless of their spelling, be removed from the Respondent corporation’s premises and delivered up to the Applicant at the Respondents’ expense, to be dealt with by the Applicant as it deems appropriate.
- such other relief as this Honourable Court may deem just.
- the costs of the application in accordance with Column III of the Table in Tariff B of the *Federal Court Rules, 1998*.

## II. The Background

[2] The Applicant has been incorporated since September 26, 1995. It asserts that since it was incorporated, it has owned the unregistered Trade-mark and has licensed it to PGI, a related

company that was also incorporated in 1995. The Applicant also insists that the Trade-mark has been used by its predecessor corporations since December 1982, and that the Trade-mark has always been used in relation to the provision of marketing, advertising and related consulting services to the pharmaceutical industry in Canada.

[3] The Respondent corporation was incorporated on January 20, 2004 and it registered the name “PHARMACOMM” under the *Business Names Act*, R.S.O. 1990, c. B.17 on December 2, 2004. Since then, it has operated using that name. While the Respondents admit that the personal Respondent Jason Lewis is the director of Avencia, they insist that the personal Respondents Donald Lajoie and Gregory Kochuk are not officers or directors of the corporation.

[4] It is against this backdrop, that the Applicant has asserted that Avencia, and the personal Respondents in association with it, carry on the same business as the Applicant using a name that is confusingly similar to its alleged Trade-mark. It insists that the Respondents actions constitute a violation of section 7(b) of the *Act*, and that it should be granted the considerable relief that it has requested.

A. *PGI's Business*

[5] The Applicant describes PGI as a marketing company for pharmaceutical companies in Canada. This is a niche market of approximately 100 companies. In contrast, the Respondents characterize PGI as a distribution company.

[6] Regardless, both parties appear to agree that PGI's business involves disseminating information about its client's products to health care workers by means of direct marketing and a call-centre. Further, they appear to agree that it is also involved in the business of gathering data on the prescribing needs and practices of medical practitioners, which it then makes available to its clients via a specific website.

*B. Avencia's Business*

[7] There is less comity on the subject of Avencia's business.

[8] The Applicant asserts that Avencia's business is substantially similar to PGI's, in that both offer marketing information and programs to pharmaceutical manufacturers in Canada. The Applicant insists that the Respondent corporation also arranges for the delivery of the marketing materials it creates. For example, the Applicant has pointed to a purchase order makes reference to a "direct mail campaign" and includes a handwritten comment that states "cost includes outsourcing delivery to physicians by Dendrite...".

[9] The Applicant also notes that Avencia's website lists a number of the services that it provides. The Applicant goes on to simply assert that those services are similar or identical to those offered by PGI in connection with the Trade-mark. The services listed on the website range from the opaque (such as "exciting and engaging directed e-tactics") to those that actually seem to resemble those the Applicant asserts are offered by PGI (such as "E-based research, communications and detailing on a common platform designed for clients, local and global").

[10] The Respondents, for their part, submit that Avencia is an advertising agency. They also describe its business in somewhat esoteric marketing terms, such as “core creative brand development”, “strategic brand planning”, “dialogues and brand analysis with healthcare professionals for clients” and “production management and provision of finished goods”. Ultimately, the Respondents claim that Avencia’s business is really brand consultation, media advertising, product promotion and sales techniques.

#### V. Issues

[11] While numerous issues were raised, I will only be dealing with the main one: Are the Respondents liable for statutory passing off?

#### VI. Legislation

[12] The relevant statutory provisions of the *Act* are as follows:

##### **Definitions**

2. In this Act,  
...

"trade-mark" means

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him

##### **Définitions**

2. Les définitions qui suivent s’appliquent à la présente loi.

«marque de commerce » Selon le cas :

a) marque employée par une personne pour distinguer, ou de façon à distinguer, les marchandises fabriquées, vendues, données à bail ou louées ou les services loués

from those manufactured, sold, leased, hired or performed by others,

ou exécutés, par elle, des marchandises fabriquées, vendues, données à bail ou louées ou des services loués ou exécutés, par d'autres;

(b) a certification mark,

b) marque de certification;

(c) a distinguishing guise, or

c) signe distinctif;

(d) a proposed trade-mark;

d) marque de commerce projetée.

"use" , in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with wares or services;

«emploi » ou «usage » À l'égard d'une marque de commerce, tout emploi qui, selon l'article 4, est réputé un emploi en liaison avec des marchandises ou services.

When deemed to be used

Quand une marque de commerce est réputée employée

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

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

When mark or name confusing

Quand une marque ou un nom crée de la confusion

6. (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

6. (1) Pour l'application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l'emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de

	commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.
What to be considered	Éléments d'appréciation
(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including	(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :
(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;	a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
(b) the length of time the trade-marks or trade-names have been in use;	b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
(c) the nature of the wares, services or business;	c) le genre de marchandises, services ou entreprises;
(d) the nature of the trade; and	d) la nature du commerce;
(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.	e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.
Prohibitions	Interdictions



7.  
(b) direct public attention to his wares, services or 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 wares, services or business and the wares, services or business of another;

7.  
b) appeler l'attention du public sur ses marchandises, ses 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 marchandises, ses services ou son entreprise et ceux d'un autre;

## VII. Arguments

### *A. Applicant's Evidence*

[13] The Applicant's evidence consists of the affidavit of Ronald Maheu, the President of the Applicant, and a number of documents attached to it as exhibits.

- A printed version of webpage with the date "2/8/2007" that lists Pharmaceutical and Consumer Healthcare manufacturers that PGI has allegedly completed projects for.
- A sample letter from the Applicant's direct mail business.
- A package of documents that includes: (1) an undated document advertising PharmaCommunications Direct Marketing; (2) a printed version of web-pages from the PharmaCommunications Direct Marketing website with the date "2/8/2007"; (3) a printed copy of web-pages from the Medication Information Center website with the date "2/8/2007"; and (4) a printed version of web-pages from MedBase Marketing Intelligence Inc. with the date "2/8/2007".

- A Business Names Report indicating that Avencia has registered the business name PHARMACOMM.
- A printed copy of web-pages from Avencia's pharmacomm.ca website with the date "2/8/2007".
- An undated PharmaCommunications Direct Marketing brochure.

[14] The Applicant also made a motion to obtain authorization to file: (1) on a confidential basis document created after the institution of these proceedings that demonstrates that PGI has been referred to as PharmaComm by at least one client; and (2) an exchange of correspondence between the Applicant's counsel and a named company that took place on November 22 and 23, 2007. In that correspondence, that company, in response to a demand letter from the Applicant, denied that it renders marketing services in competition with the Applicant. Both of the above documents were supported by another affidavit from Ronald Maheu. The motion was allowed by Prothonotary Aalto on April 21, 2008:

[15] Counsel for the Respondents vehemently attacked the probative value of the confidential document for the following reasons:

- A. there was no previous evidence on file of the purported confusion of names before this document was publicized on July 25<sup>th</sup>, 2007 by Diffmarv. Communications and, in the document, the client generally uses the name "PharmaCommunications" except for page 6 where it refers to PharmaComm.;

- B. the application was filed on December 22, 2006, and the above document was only produced following an order dated April 21, 2008;
- C. the credibility of Mr. Maheu is weakened by the decision of Justice Roger E. Baker, J.S.C. of February 12, 2004, in *IMS du Canada Ltée v. Pharmacommunications Group Inc.*, [2004] Q.J. No. 3410 (Q.C.S.C.) where the Respondents in that case were found guilty of contempt of court. The Respondents in this case specifically note that Justice Baker wrote that “The testimony of Mr. Maheu lacked credibility”.

[16] Considering the relevant factors raised by the Respondents as a whole, I must conclude that the probative value of the above document is very weak.

*B. Applicant's Arguments*

[17] The Applicant makes two notable assertions regarding its use of the trademark and the notoriety of its company: (1) it insists that the Trade-mark is located prominently on the face of all information provided by PGI to its customers, on all PGI web-sites, and on all information packages delivered to PGI customers; and (2) the Applicant asserts that PGI has become known as the “premiere” supplier of marketing services over 24 years, and is equated with the electronic delivery of marketing services. This second assertion was, for some reason, hidden away in the Applicant’s claims regarding confusion.

[18] These are supported primarily by assertions in Mr. Maheu’s affidavit, although some of the exhibits attached to that affidavit might possibly be seen as at least providing some support to these

claims. For example, I could presume the printed version of the Applicant's website – printed after this application was initially filed - with a long list of companies that they claim to have completed projects for is intended to prove PGI's alleged notoriety in the Canadian pharmaceutical marketplace.

[19] As far as the rest of its submissions go, the Applicant concentrates almost exclusively on the issue of confusion.

[20] First, the Applicant asserts that the Trade-mark and the name "PharmaComm" closely resemble each other given that: (a) the words are nearly identical (such as the upper case "C"); (b) the words sound similar; and (c) the ideas suggested by the name are identical (both "pharmaceutical" and "communications").

[21] The Applicant also insists that many who deal with PGI have referred to it as "PharmaComm", and supplied the confidential document mentioned above to support this assertion. As noted above, I have found this document to be of little probative value.

[22] Further, as noted above, the Applicant has supplied a letter from EOCI Pharmacomm Ltd. This letter was supplied in response to the Respondents' assertion, as will be detailed below, that EOCI Pharmacomm Ltd. is a similarly named company in the same business as the Applicant.

[23] Second, the Applicant asserts that there have been three specific situations in which PGI customers have confused services offered by the Respondents with those offered by PGI.

- On Thursday, November 2, 2006, Mr. Roland Mattern, Marketing Manager for Alcon Canada Inc. allegedly met with Mr. Maheu and advised him that personal Respondents Jason Lewis and Gregory Kochuk had met with Alcon Canada Inc. to promote their services under the name “PharmaComm”, described themselves as “partners”, and described their services as effectively “whatever you need, we can do”. Mr. Mattern allegedly expressed the view that the similarity in names could lead to confusion among his staff.
- On October 12, 2006, Eric West, President of Isis Digital Media Inc allegedly described a meeting to Mr. Maheu in which a representative of one of his customers, Janssen Ortho Inc., stated that she could not understand how the applicant and Avencia could use such similar names.
- Karen Tuinstra, PGI’s Director of Sales and Marketing, allegedly advised Mr. Maheu that she was invited by the Marketing Director of a pharmaceutical business called “Biogen-Idec” to book a meeting with it to describe PGI’s services, that she attempted to book that meeting on or about January 12, 2007, by telephone, and that Biogen-Idec’s Marketing Director’s assistant expressed confusion about the purpose of the phone call and asked whether Ms. Tuinstra had received the meeting confirmation that had already been sent to Jason Lewis of “PharmaComm”.

[24] Third, regarding the Applicant's claim to be "equated with the electronic delivery of marketing services", the Applicant suggests that because of this notoriety Avencia's use of the name "PharmaComm" much more likely to cause confusion.

[25] Finally, the Applicant submits that personal Respondent Jason Lewis has questionable credibility. To support this, the Applicant notes that in his cross-examination, Mr. Lewis claimed never to have heard of PGI or the Applicant before the Notice of Application in this proceeding. However, the Applicant notes that this directly conflicts para. 14 of his Affidavit where he states that he has directed certain clients to seek the services of the Applicant over the years. Further, the Applicant claimed that Mr. Lewis was also inconsistent in that he initially claimed not to know whether or not Avencia was doing certain work for the drug company Biovail, but later admitted that Avencia had actually prepared some advertising copy and images for Biovail.

### *C. Respondents' Evidence*

[26] The Respondents' evidence consists of affidavit of the Respondent corporation's President Jason Lewis, and a number of documents attached to it as affidavits.

- A Corporation Profile Report for "PHARMACOMMUNICATIONS HOLDINGS INC."
- A Corporation Profile Report for "PHARMACOMMUNICATIONS GROUP INC./GROUPE PHARMACOMMUNICATIONS INC."
- A WHOIS search for the domain "pharmacomm.ca".
- A WHOIS search for the domain "pharmacommunications.ca".

- A demand letter from the Applicant’s counsel and the response from the Respondents’ counsel.
- A search for “pharmacommunications” in the Canadian Trade-marks Database.
- A Corporation Profile Report for “MEDBASE MARKETING INTELLIGENCE INC.
- A WHOIS search for the domain “pharmagram.com”.
- A WHOIS search for the domain “medinfocenter.com”.
- A WHOIS search for the domain “medmarkintel.com”.
- A printed version of EOCI Pharmacomm’s web-page with the date “3/19/2007”.
- A printed version of a google.ca search for the term “pharmacomm” with the date “3/19/2007”.

#### *D. Respondents’ Arguments*

[27] First, the Respondents submit that the Applicant’s alleged Trade-mark does not satisfy the definitions of “trade-marks”, “distinctive” or “distinguishing guise” as prescribed by the *Act*. They insist that the sole right to descriptive words cannot be appropriated, even by combining two words together (*Westfair Foods Ltd. v. Jim Pattison Industries Ltd.* (1989), 59 D.L.R. (4<sup>th</sup>) 46 at paras 18 and 19, 24 C.I.P.R. 70 (*Wesfair*); see also *Alitcor Inc. v. Nutravite Pharmaceuticals Inc.*, 2004 FC 235 at paras. 24 and 90, 247 F.T.R. 85 (*Alitcor Inc.*)), and that words of a general nature cannot be appropriated over a wide area (*Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22 at para. 75, [2006] 1 S.C.R. 772 (*Mattel*)). Further, the Respondents assert that a certain amount of confusion

must be accepted when non-distinctive names are chosen (*Alticor Inc.* at para. 60), that that the terms “pharma” and “communications” are commonly used descriptive words.

[28] The Respondents submit that the Applicant has offered no evidence that it acquired distinctiveness through becoming well-known in association with its services (*Alticor Inc.* at paras. 21, 23, 25, 26, 28 and 29). The Respondents insist that the length of time that a trade-mark is used is not evidence that the mark is well-known (*Alticor Inc.* at para. 26), but that the Applicant has not produced evidence of use since 1982 anyways. The Respondents assert that the exhibits to Ronald Maheu’s affidavit do not prominently display the alleged Trade-mark and deny the assertion that the Trade-mark is located prominently on the face of all information provided by PGI to its customers.

[29] Additionally, as referred to above, the Respondents claim that EOCI Pharmacomm Ltd. - a company that is unrelated to the parties and which has its head office in the City of Montreal, Québec - provides similar/identical services to PGI and that its website shows that it has many of the same clients as PGI. Further, the Respondents note that a search for “pharmacomm” on [www.google.ca](http://www.google.ca) results in 279 matches, and reveals many companies operating under that name. The Respondents also submit that the Applicant has not produced evidence that any customers refer to it or PGI as “PharmaComm”.

[30] Second, the Respondents submit that no confusion has been shown. The Respondents assert that there is no resemblance between the appearance or pronunciation of PharmaComm and the



Applicant's licensee's trade name, PharmaCommunications Group Inc. The Respondents also deny that they have ever encountered client confusion.

[31] The Respondents also attempt to distinguish the business of Avencia from that of PGI, as noted above, by claiming that Avencia provides creative content but does not distribute it, while PGI is primarily a distribution firm. The Respondents submit that Avencia does not offer the same services as those advertised by PGI (such as mailing services, response fulfillment, sampling services, telemarketing, database management, Good Manufacturing Practices, warehousing, or recall services). The Respondents take the view that the Purchase Order and Customer Purchase Order is actually evidence that Avencia does not offer the same services as PGI. Additionally, the Respondents submit that, while relevant, the nature of the wares or services is not controlling (see *Mattel* at para. 51).

[32] The Respondents also note that while a customer may more likely be confused due to the similarity of the respective parties' products or services, other surrounding circumstances could diminish the effect of this finding (*Alticor Inc.* at para. 31). The Respondents submit that the fact that the market where the confusion is being alleged is a niche market where the two parties have co-existed for two years without an incident of confusion supports their contention that it does not provide the same services.

[33] The Respondents also submit that the instances of confusion alleged in Mr. Maheu's affidavit are not credible as: (1) the Applicant did not provide the names of any of the "other

persons” who stated that the names could cause confusion; (2) no actual confusion is shown as all that was shown was that someone who was not confused thought that someone could be confused; (3) with regard to the meeting with Roland Mattern, the personal Respondent Jason Lewis claims to have spoken to Mr. Mattern on February 19, 2007 and been advised by him that his comment was taken out of context, and that PGI and Avencia provide different services to his company; (4) the evidence from Isis Digital Media Inc. - a direct competitor of the Respondents - is unreliable hearsay from an unnamed source that appears to be an attempt to provide unqualified legal advice; and (5) the statement of Karen Tuinstra, who worked with personal Respondents Jason Lewis and Gregory Kochuk at MarketForce Communications until on or about May 25, 2006 when her position was terminated and who started work with the Applicant on or about July 5, 2006, is problematic as the Respondent corporation has never rendered services to Biogen Idec.

[34] Third, the Respondents submit that registered trade-mark cases are not of much assistance where passing-off is the issue as the legal incidents are different. Section 19 of the *Act* provides the holder of a registered trade-mark has “the exclusive right to the use throughout Canada of the trade-mark” where as subsection 7(b) does not create a property interest or exclusive right (*Westfair Foods* at para. 34).

[35] The Respondents submit that subsection 7(b) of the *Act* is the statutory equivalent of common law passing off, and the three elements the common law passing off are: (a) the existence of goodwill; (b) deception of the public due to misrepresentation; and (c) actual or potential damage to the plaintiff (*Top Notch Construction Ltd. v. Top-Notch Oilfield Services Ltd.*, 2001 FCT 642 at

paras. 34 and 37, 207 F.T.R. 260 (*Top Notch*)). The Respondents note that in *Westfair* at para. 16, the court cited an Ontario Court of Appeal decision which states that a claim based on a marking or appearance of wares contrary to subsection 7(b) will fail unless the claimant establishes that the marking or appearance has “become recognized by the public as having a particular origin”. The Respondents note that in *Top Notch* no passing off was found where there was no misrepresentation (intentional or not) leading or likely to lead the public to believe that the goods or services sold were those of the plaintiff (*Top Notch* at para. 37). The Respondents submit that to succeed in a passing-off action, the plaintiff must establish that he selected a peculiar – novel – design as a distinguishing feature of his goods, and that his goods are known in the market, have acquired a reputation in the market, by reason of that distinguishing feature (*Westfair* at para. 36). Then the plaintiff must also prove that the defendant’s course of conduct caused or was likely to cause confusion (*Westfair* at para. 36).

[36] The Respondents also assert that the Applicant is entitled to relief for passing off as it has not shown an instance of confusion in the marketplace, nor any actual or potential damages resulting from the Respondent’s conduct.

[37] Fourth, the Respondents submit that in *IMS* at paras. 36, 37, 38, 49 and 50, the court found that Mr. Maheu deliberately wanted his clients to believe that his competitor was violating his companies’ rights and possibly the law.

[38] Fifth, the Respondents submit that the personal Respondents are not proper parties to this application.

### VIII. Analysis

[39] It is not necessary to deal with the request to strike part of the Applicant's Memorandum of Fact and Law that arose by way of the Applicant's earlier motion before Prothonotary Aalto which were deferred to the hearing. This matter can be disposed of on the basis that there is simply a lack of submissions on the part of the Applicant who appears to believe that passing-off revolves mainly around the issue of confusion.

[40] As stated in *Kirkbi AG v. Ritvik Holdings Inc.*, 2003 FCA 297, [2004] 2 F.C.R. 241 at page 245, subsection 7(b) is the equivalent statutory expression of the common law tort of passing off. However, reliance on subsection 7(b) also requires that a plaintiff (as this is usually not done through an application) prove possession of a valid and enforceable trade-mark, whether registered or unregistered.

[41] Therefore, the Applicant must prove possession of a valid and enforceable trade-mark in addition to the three necessary components of a passing-off action: (a) the existence of goodwill; (b) deception of the public due to a misrepresentation; and (c) actual or potential damage to the plaintiff (*Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 S.C.R. 120 at paragraph 33, [1992] S.C.J. No. 83 (QL)).

[42] I do not need to opine on whether or not the Applicant has a valid and enforceable trademark. Nor do I need to discuss whether or not the Applicant has shown the existence of goodwill, or whether there has been deception of the public due to misrepresentation. It is not necessary because the Applicant has so clearly failed to meet one of the components of passing-off as required by subsection 7(b) of the *Act*, i.e. actual or potential damage.

[43] I find the Applicant has failed to make any submissions or present any evidence establishing “actual or potential damage”. In reaching this conclusion, I note that I am faced with a problem similar to that faced by the court in *Tommy Hilfiger Licensing Inc. v. Produits de Qualité I.M.D. Inc.*, 267 F.T.R. 259, [2005] F.C.J. No. 17(QL) at paras. 137 and 138: a lack of evidence, or even submissions, about actual or potential damage to the plaintiff.

**137** As for the third element, actual or potential damage for the plaintiffs, I find myself with the same absence of evidence as in my analysis of section 22 with regard to the negative impact the defendants' competition had on the plaintiffs' business. Not only was I not presented with evidence quantifying the damage to the plaintiffs' interests but I was not presented with evidence showing merely the nature of the damage. The only piece of evidence that remotely touches on that point is the complaint, by a client of the Galaxi Blue store, about the Explore Canada products. But as I said earlier in this decision, the witness testifying to that effect could not recall the name of the Galaxi Blue owner and the store is now closed. As a consequence, no weight can be given to that complaint. In any case, without other evidence, this type of isolated incident would be, even if credible, highly insufficient to meet the "potential or actual damage" threshold necessary to conclude to passing-off under paragraph 7(b).

**138** In sum, the absence of evidence with regard to potential or actual damage to the plaintiffs means that I cannot conclude the

defendants were involved in passing-off under paragraph 7(b) of the Act.

[44] As noted in *BMW Canada Inc. v. Nissan Canada Inc.*, 2007 FCA 255 at para. 35, 60 C.P.R. (4<sup>th</sup>) 181, actual or potential damages cannot be presumed, and there must be evidence proving them (see also *Remo Imports Ltd. v. Jaguar Cars Ltd.*, 2007 FCA 258 at para. 90, 367 N.R. 177).

[45] In this case, there is no mention of actual or potential damage in the Applicant's Notice of Application. Nor is there any mention of actual or potential damage in the Applicant's Memorandum of Fact and Law.

[46] The Applicant has not established two of the conditions required in passing-off and because of the absence of evidence with regard to potential or actual damage to the Respondents, I cannot conclude the Respondents were involved in passing-off under subsection 7(b) of the *Act*.

[47] Given this, the question of the liability of the personal Respondents and the requests for injunctions do not need to be dealt with. In any event, the conditions required for an injunction either interlocutory or permanent, have not been met (*RJR-MacDonald Inc. v. Canada (AG)*, [1994] 1 S.C.R. 311, [1994] S.C.J. No. 17; *Ault Foods Ltd. v. George Weston Ltd.* (1996), 112 F.T.R. 245 (FCTD), 68 C.P.R. (3d) 87)).

[48] For all of these reasons, the application fails.

**ORDER**

**WHEREFORE, THIS COURT ORDERS that** the application is dismissed with costs against the applicant.

"Orville Frenette"

---

Deputy Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-2278-06

**STYLE OF CAUSE:** Pharmacommunications Holdings Inc.  
v.  
Avencia International Inc. et a.

**PLACE OF HEARING:** Toronto, Ontario

**DATE OF HEARING:** June 9, 2008

**REASONS FOR ORDER  
AND ORDER BY:** D.J. Frenette

**DATED:** July 2<sup>nd</sup> 2008

**APPEARANCES:**

Paul Bigioni

FOR THE APPLICANT

Daniel J. Mackeigan

FOR THE RESPONDENTS

**SOLICITORS OF RECORD:**

Paul Bigioni  
BIGIONI LLP  
Barristers & Solicitors  
Suite 201, 6060 Hwy 7 East  
Markham, Ontario L3P 3A9

FOR THE APPLICANT

FOR THE RESPONDENTS