

Federal Court



Cour fédérale

Date: 20111109

Docket: T-82-05

Citation: 2011 FC 1290

Ottawa, Ontario, November 9, 2011

PRESENT: The Honourable Mr. Justice Mandamin

BETWEEN:

1429539 ONTARIO LIMITED

Plaintiff

and

**CAFÉ MIRAGE INC., BDD SOLUTIONS INC.,
MICHAEL BACHOUR, AND AMY SALAM**

Defendants

REASONS FOR JUDGMENT AND JUDGMENT

I. Introduction

[1] The Plaintiff is a business corporation that franchises a restaurant concept named ‘The Symposium Café’. The principals of the Plaintiff are two brothers, Mr. William Argiropoulos and Mr. Terry Argiropoulos, who developed the Symposium Café concept. The Plaintiff holds the registered trade-mark ‘The Symposium Café’ along with other trade-marks related to the concept. By 2003, the Symposium Café had expanded to five restaurants in southern Ontario, with two in

Toronto, before encountering financial difficulties following the economic downturn after September 11, 2001.

[2] As a result of the Symposium Café financial difficulties, a creditor, Mr. Jim Kotsos, seized four of the Symposium Cafés for non-payment on a promissory note. The ensuing litigation was resolved by a settlement entered into between the Symposium Café Group and Mr. Kotsos. Under the terms of the Minutes of Settlement, the assets of the Kennedy Symposium Café and the Sheppard Symposium Café were transferred to Mr. Kotsos who was entitled to sell the Sheppard and Kennedy Cafés within or outside the Symposium Café franchise system. Mr. Kotsos operated the Sheppard and Kennedy Cafés during the period of litigation and shortly after the settlement sold the assets of the two restaurants to the Defendant BDD Solutions Inc. on an “as is” basis.

[3] The Plaintiff proposed that the new owner, BDD Solutions Inc. and its principals, Mr. Michael Bachour and Ms. Amy Salam, join the Symposium Café franchise system. They declined. They operated the Sheppard and Kennedy restaurants under the name of Café Mirage while retaining the appearance, trade dress, trade-marks and menus of the Symposium Café.

[4] The Plaintiff commenced this lawsuit suing for infringement of its trade-marks, infringement of copyright of the Symposium Café menus, injunctive relief against the Defendants, damages, and costs.

[5] I conclude that the Plaintiff is entitled to judgment for infringement of its trade-marks and copyright, injunctive relief with respect to infringement and damages for infringement of its trade-

marks and copyright. The Plaintiff did not prove the Defendants' conduct warrants punitive damages. Finally, I dismiss the claim against the Defendant Amy Salam.

II. Background

Symposium Café Group

[6] The Argiropoulos brothers began developing their restaurant concept in 1996. At the time they operated several deli restaurants under a company called Biltermar Restaurants Limited (Biltermar). As part of that venture they started a new restaurant named the Plantation Coffee and Tea Company

[7] In September, 1996, Biltermar filed trade-mark applications for 'Plantation Coffee and Tea Company Design' and 'Plantation Coffee and Tea Company'. When Biltermar was sold in 2000, the Argiropoulos brothers separated the Plantation Coffee and Tea Company venture from Biltermar. Later, they renamed the Plantation Coffee and Tea Company as The Symposium Café and operated under both names during the transition.

[8] This new restaurant venture utilized the "School of Athens" fresco by the renaissance artist Raphael. The Symposium Café prominently portrayed a School of Athens fresco as a mural set in an antiqued marble wall pattern and was promoted as a place where people could meet for food, drink and discussion.

[9] In addition to directly operating subordinate restaurants, the Argiropoulos brothers also franchised their restaurant concept under the Plaintiff and a related subordinate Ontario franchisor corporation. They also created separate business corporations to operate each Symposium Café or hold the restaurant leases.

[10] The Argiropoulos brothers are the controlling officers of the Plaintiff Corporation. They were active in establishing separate corporations for the purposes of franchise distribution, restaurant operations, and holding restaurant leases. They have been involved throughout in the development of the Symposium Café concept and assisting franchisees. For convenient reference, I refer to the Argiropoulos brothers and their companies, including the Plaintiff, collectively as the Symposium Café Group.

[11] In 2000, the Plaintiff applied to trade-mark the ‘Symposium Café Design’ in association with the provision of a restaurant and catering service and promotional wares, coffee cups, t-shirts and the like. Two years later, in 2002, the Plaintiff applied to register the trade-mark, ‘The Symposium Café’, for the same range of restaurant services and wares. In 2005, the Plaintiff also applied to register, as trade-marks, a series of expressions, first use claimed as early as 1999, to complement the Symposium Café concept. These trade-marks include:

Second To None
Passport To Pleasure
East Meets West
Escape The Ordinary
Symmetry For The Senses
To Europe And Back In 15 Minutes
Redefining the Café Experience

I will refer to these phrases as the Symposium Café trade-mark expressions.

[12] The Plaintiff also registered as a trade-mark design a three dimensional trade dress representation of the interior of the Symposium Cafés comprising interior walls and columns having the appearance of being made of antique cracked stone, a prominent reproduction of the School of Athens fresco, a circular mahogany bar consisting of two levels functioning as a display area with the lower level functioning as a counter area, and a circular floor tile pattern extending around the circular bar. This trade dress trade-mark design was filed in 2007 and registered in 2008. First use was claimed as 1999, back when the first Plantation Coffee and Tea Company opened. This trade-marked design was used as the principal trade dress for each of the Symposium Cafés.

[13] The Symposium Café Group also developed a common menu and emphasized delivering the same service and café experience across the Symposium franchise system.

Symposium Café Financial Difficulties

[14] In 2001, the Symposium Café Group was experiencing financial difficulty primarily due to going over-budget on renovations for a new restaurant in Kingston, Ontario. The Symposium Café Group borrowed money from Mr. Kotsos, an electrical contractor who had done work for them. The Symposium Café Group was also indebted to Mr. Kotsos for electrical work at the Kingston restaurant, owing in total approximately \$512,000.

[15] On August 13, 2001, 1480045 Ontario Limited (the Kennedy Symposium Café) provided Mr. Kotsos with, among other documentation:

- a blanket general security agreement to Mr. Kotsos

- a term promissory note for \$437,000 due on demand with Mr. William Argiropoulos guaranteeing payment to Mr. Kotsos.

The events of September 11, 2001 occurred just weeks after the Symposium Café Group signed the loan agreement with Mr. Kotsos. The Symposium Cafés' business dropped 50 per cent and the Symposium Café Group missed a payment on the promissory note.

[16] Consequently, Mr. Kotsos seized the Kennedy Symposium Café, the Sheppard Symposium Café, and two other Symposium Cafés operating in London, and Waterloo, Ontario. Litigation ensued.

Transfer of Sheppard and Kennedy Cafés

[17] The four Symposium Café corporations applied to the Ontario Superior Court of Justice for relief from Mr. Kotsos' seizures. Mr. Kotsos counter-applied adding the Argiropoulos brothers and other parties, both individuals and companies of the Symposium Café Group, as counter-respondents. The Court granted an interim interlocutory order on February 26, 2002 restoring possession of the London and Waterloo Symposium Cafés to the Symposium Café Group and possession of the Sheppard and Kennedy Symposium Cafés to Mr. Kotsos until further order of the Court.

[18] On July 21, 2003, the Symposium Café Group and Mr. Kotsos settled. The settlement confirmed two Symposium Café restaurants, London and Waterloo, were retained by the Symposium Café Group. All of the assets of the Sheppard and Kennedy Symposium Cafés were to

be transferred to Mr. Kotsos “free and clear of any encumbrances and governance.” The Minutes of Settlement was filed in the Ontario Superior Court of Justice to conclude that litigation.

[19] The settlement provided that Mr. Kotsos was at liberty to sell the Sheppard and Kennedy Symposium Cafés within or outside the Symposium franchise system. If sold outside the Symposium franchise system, Mr. Kotsos agreed the purchase documentation would contain a covenant on the part of the purchasers to remove the Plantation/Symposium signage.

Sale of Kennedy and Sheppard Cafés

[20] On September 18, 2003, Mr. Kotsos sold the assets of both the Sheppard and Kennedy Symposium Cafés to the BDD Solutions Inc., a corporation incorporated by Mr. Michael Bachour and Ms. Amy Salam. The terms of the Bills of Sale provided that Mr. Kotsos sold BDD Solutions Inc. all rights, title and interests in the corporation and the assets of the corporation. The sale agreement provided that the “purchasers [were] purchasing the assets on an ‘as is, where is’ basis”.

[21] The sales agreement between Mr. Kotsos and BDD Solutions Inc. included a covenant whereby if BDD Solutions Inc. decided not to join as a Symposium Café franchisee, it would remove the Symposium Café signs and the Symposium Café Group may retrieve the signs.

Infringement Claim

[22] The Symposium Café Group invited BDD solutions Inc. to join the Symposium franchise system and continue the Sheppard and Kennedy restaurants as Symposium Café franchises. They sent a proposal letter in December 2003 offering franchise rights for \$17,500. The proposal would keep the existing agreements in place giving the Defendants, among other things, the right to use the Symposium Café/Plantation Coffee & Tea Company names in return for payment of the one time franchise fee.

[23] BDD Solutions Inc. did not accept the proposal from the Symposium Group. Instead it adopted Café Mirage as the new name for the Sheppard and Kennedy Cafés using a sign design similar in general appearance to that of the Symposium Café Design.

[24] On January 4, 2004, counsel for the Symposium Café Group requested the removal of all signs, menus and other marketing materials associated with the Symposium Café/Plantation Coffee and Tea Company. On January 7, 2004, counsel for the Defendants responded indicating that they were prepared to remove the signage and that they had no intention of utilizing The Symposium Café name.

[25] The Defendants replaced the Symposium Café design signs, utilizing the sign box frames for their new Café Mirage sign but without returning the plastic inserts to the Symposium Café Group. The two Café Mirages maintained the School of Athens trade dress, and continued the use of the trade-mark names and expressions in various signage, menus, and receipts at both the Sheppard

and Kennedy locations until 2008 when the Sheppard Café Mirage was substantially renovated. The Kennedy Café Mirage continued the Symposium Café trade dress appearance.

This Lawsuit

[26] The Symposium Café Group rebounded from its low of three restaurants in 2004 and now has nine franchised Symposium Cafés. The Argiropoulos brothers now focus on managing the franchising operation, assisting new franchisees become established by providing training and support, developing new food menus, and generally promoting the Symposium Cafés.

[27] The Symposium Café Group made repeated efforts to secure the return of their Symposium Café Design signs. The Defendants say they took the signs down but offered no evidence of their return to the Symposium Café Group.

[28] On January 13, 2004, the Symposium Café Group's counsel served notice that the Defendants would be considered liable for the value of the signs if not returned or damaged, and for infringement of The Symposium Café trade-marked design and logos. Further details of the infringement allegations were served on March 22, 2004. Current counsel for the Symposium Café Group gave notice to the Defendants of the intention to proceed with this lawsuit on December 1, 2004.

[29] The Plaintiff's Statement of Claim was filed January 17, 2005 and further amended on January 3, 2006. The Plaintiff advanced claims for:

- i. Infringement of their trade-marks and passing off,
- ii. Infringement of copyright for the Symposium Café menus,
- iii. Injunctive relief against the Defendants,
- iv. Damages for infringement of trade-marks,
- v. Statutory damages for infringement of copyright,
- vi. Return of the Symposium signs or damages in lieu thereof,
- vi. Punitive damages, and
- vii. Costs.

[30] The Defendants filed an Amended Statement of Defence admitting they do not have a franchise licensing agreement with the Plaintiff but otherwise denying all allegations and claims in the Amended Statement of Claim

III. Issues

[31] The issues in this trial relate to infringement of trade-mark and copyright. The substantive issues are:

1. *Did the Defendants acquire the right to use the Plaintiff's trade-marks by purchasing the assets of the Sheppard and Kennedy Symposium Cafés? If not, did they infringe the Plaintiff's trademarks and pass off their restaurants as associated with the Symposium Café franchise without license to do so?*
2. *Does the Plaintiff have copyright in The Symposium Café menus? If so, did the Defendants commit either secondary or primary infringement of the menu copyright?*
3. *Is the Plaintiff entitled to return of The Symposium Café signs or damages in lieu of?*
4. *Did the Plaintiff prove the individual Defendants liable?*

IV. Analysis

Plaintiff's Evidence

[32] The witnesses for the Plaintiff were: Mr. William Argiropoulos, the Vice-President of Finance and Development of the Plaintiff, Ms. Darlene George and Mr. John Palumbo, both Symposium Café franchisees, Ms. Valentina B. Potter and Mr. Vittorio S. R. Scicchitano of Monarch Protection Services which was hired to report on the appearance and operation of the Sheppard and Kennedy Cafés, and Ms. Mindy Fleming, Operations Manager of Sensor Quality Management which conducted a survey exercise.

[33] Mr. Argiropoulos was a credible witness. He spoke in great detail about how he and his brother developed the Symposium Café concept and chronicled the development of what is now a successful franchise enterprise. His evidence on the development of the Symposium Café concept was not seriously challenged.

[34] A significant part of Mr. Argiropoulos' testimony concerned the development of the Symposium Café concept. He explained that their intention was to create an ambiance where people could gather to meet, eat and have discourse on subjects of interest. The School of Athens artwork captured that ambiance and they built the Symposium Café concept around the prominent display of a large mural of that fresco. To compliment the artwork, they had the walls antiqued in a cracked marble fashion. They added the circular display counter surrounded by a circular tile pattern. This combination was first used in 1999 in the Plantation Coffee and Tea Company and

replicated in the later Symposium Cafés. This trade dress was trade-marked as a trade dress design in 2008 for restaurant services.

[35] Mr. Argiropoulos emphasized that the Symposium Café trade dress made their restaurants unique and differentiated Symposium Café from other franchise restaurants that have restaurant interior décor similar to one another.

[36] From time to time Mr. Argiropoulos' testimony did stray into hearsay and opinion evidence, much of which was not determinative. I have not considered that portion of his testimony. In particular, I have not considered his testimony related to information obtained from the internet.

[37] Ms. George's testimony was straightforward and I have no difficulty accepting her testimony. She was a Symposium Café employee who became an independent owner of two Symposium Café franchises.

[38] Mr. Palumbo was also a credible witness. He was a prospective Symposium Café franchise customer who backed away after seeing the nearby Kennedy Café Mirage. He later took up a Symposium Café franchise in another location.

[39] The testimony of Ms. Potter and Mr. Scicchitano of Monarch Protection Services was not seriously disputed. They were investigators doing their work. I accept the evidence of these investigators about the appearance of the Sheppard and Kennedy Cafés.

[40] Ms. Fleming testified about the results of a customer survey. The Defendants challenged the value of this survey. I agree that the survey had been insufficiently grounded and I do not give that evidence any weight.

Defendants' Witnesses

[41] The witnesses for the Defendants were Mr. Michael Bachour, President and Director of BDD Solutions Inc. and Café Mirage Inc., Mr. Jim Kotsos, and Mr. Pele Dagher, an associate of Mr. Bachour who is involved in the management of the Café Mirage restaurants.

[42] Mr. Bachour was an indifferent witness. His evidence about involvement in the restaurant business was nowhere near as extensive as that given by Mr. Argiropoulos. Where his evidence directly differs from Mr. Argiropoulos, I prefer Mr. Argiropoulos' evidence.

[43] Mr. Kotsos' testimony reflected the acrimony of his previous litigation with the Argiropoulos brothers and Symposium Café Group. He is a direct and blunt spoken businessman. Notwithstanding his animosity towards the Argiropoulos brothers, I see no reason to not accept the main of his testimony. Where I do not relates to his legal interpretation of the settlement and sale documents which I will address later.

[44] Mr. Dagher's testimony is credible but does not add much to the narrative. He was involved with and managed the Café Mirage operations after the purchase of Sheppard and Kennedy Cafés from Mr. Kotsos.

Documentary Evidence

[45] Three legal documents are of relevance. The first is the Minutes of Settlement between the Symposium Café Group and Mr. Kotsos signed on the 21st of July 2003 and filed with the Ontario Superior Court of Justice. The remaining two are Bills of Sale for the sale and purchase of the assets of the Sheppard and Kennedy Symposium Cafés by Mr. Kotsos to BDD Solutions Inc., the first being the Bill of Sale by 1499675 Ontario Limited and the second being by Mr. Kotsos in his capacity as receiver of the assets of 1480045 Ontario Limited.

[46] The Minutes of Settlement provided:

13. The Franchisor and the Counter Respondents agree that Kotsos is at liberty to sell the Sheppard and Kennedy Cafés or either of them within or outside the Symposium Franchise System.

14. The Franchisor and the Counter Respondents agree that should Kotsos sell the Kennedy or Sheppard Café to a purchaser outside the Symposium Franchise System, then Kotsos agrees that the purchase documentation shall contain a covenant on the part of the purchaser to remove the Plantation or Symposium signage at the location within 90 days of closing. If the Franchisor wants the signage, it may retrieve it from the purchaser.

[47] The Bill of Sale for the assets of the Sheppard Symposium Café reads:

1. The Vender hereby grants, bargains, sells, assigns, transfers and sets over unto the Purchaser all of its rights, title and interest, if any, in and to the assets ...

2. The Purchaser acknowledges by its acceptance of this indenture that:

(ii) the Purchaser is purchasing the Assets on an “as is, where is” basis; ...

3. Nothing in this Indenture shall be construed as an attempt to assign any contractual rights forming part of the Assets that are not assignable in whole or in part with the consent of the other party to such contract, unless such consent has been given of the assignment is otherwise lawful.

4. The Vendor covenants that it has the right to convey to the Purchaser all of its rights, title and interest, if any, in and to the Assets.

...

11. There is no representation, warranty, collateral agreement or condition affecting this Indenture or the transaction provided for herein other than as expressed herein.

The Bill of Sale for the Kennedy Symposium Café reads much the same.

[48] Both the Plaintiff and Defendants submitted other documents in support of their respective positions. I consider two sets of documents to be of noteworthy significance.

[49] The first are the menus of both The Symposium Café and the Café Mirage as they are directly relevant to the issue of copyright infringement. The second are the inspection reports of the Monarch Protection Services investigators which provide evidence on the appearance of the Sheppard and Kennedy Cafés.

Trade-mark Infringement

[50] The Supreme Court of Canada has recently had occasion to discuss the nature of trade-marks in *Mattel U.S.A. Inc. v 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 SCR 772. At paragraph 2, Justice Binnie stated:

[t]he legal purpose of trade-marks continues (in terms of s. 2 of the *Trade-marks Act*, R.S.C. 1985, c. T-13) to be their use by the owner “to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others”. It is a guarantee of origin and inferentially, an assurance to the consumer that the quality will be what he or she has come to associate with a particular trade-mark (as in the case of the mythical “Maytag” repairman). It is, in that sense, consumer protection legislation.

[51] It is with this in mind that I consider the issue of trade-mark infringement in this case.

1. *Did the Defendants acquire the right to use the Plaintiff's trade-marks by purchasing the Sheppard and Kennedy Restaurants? If not, did they infringe the Plaintiff's trade-mark and pass off their restaurants as associated with the Symposium Café franchise without license to do so?*

[52] The Plaintiff submits that since 1996, the Symposium Café Group has developed its unique franchise system which uses names, expressions and trade dress design protected by trade-mark registration and menus protected by copyright. It submits that while the Defendants chose not to operate within the Symposium franchise system, they have continued to use the Symposium Café trade dress, trade-marks and menus in their Kennedy and Sheppard Cafés and, after 2008, have continued to do so with the Kennedy Café operation.

[53] The Plaintiff contends that the Defendants infringed upon its registered trade-marks by using its trade-marks in the Café Mirage signage and notices. The Plaintiff submits the Defendants are liable for trade-mark infringement and passing off contrary to s. 7 of the *Trade-marks Act*, RSC 1985, c T-13. The Plaintiff specifically claims infringement under sections 7, 19, 20 and 22 of the *Trade-marks Act*.

Statutory Provisions

[54] The Federal Court's jurisdiction for trade-mark infringement is embodied in section 7 of the *Trade-marks Act*. Of relevance are subsections 7(b) and 7(c) which deal with confusion, and passing-off. The relevant provisions read:

7. No person shall

...

(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;

(c) pass off other wares or services as and for those ordered or requested;

7. Nul ne peut :

...

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;

c) faire passer d'autres marchandises ou services pour ceux qui sont commandés ou demandés;

[55] In order to determine whether trade-marks or trade-names are confusing, subsection 6(5) must be examined. This provision provides that:

6. (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

6. (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

including

- (a) the inherent distinctiveness of the trademarks or trade-names and the extent to which they have become known;
- (b) the length of time the trademarks or trade-names have been in use;
- (c) the nature of the wares, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

toutes les circonstances de l'espèce, y compris :

- a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
- b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
- c) le genre de marchandises, services ou entreprises;
- d) la nature du commerce;
- 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.

[56] Section 20(1) provides when infringement of a trade-mark is deemed to have occurred:

20. (1) The right of the owner of a registered trade-mark to its exclusive use shall be deemed to be infringed by a person not entitled to its use under this Act who sells, distributes or advertises wares or services in association with a confusing trade-mark or trade-name, but no registration of a trade-mark prevents a person from making

- (a) any bona fide use of his personal name as a trade-name, or

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 non admise à l'employer selon la présente loi et qui vend, distribue ou annonce des marchandises ou services en liaison avec une marque de commerce ou un nom commercial créant de la confusion. Toutefois, aucun enregistrement d'une marque de commerce ne peut empêcher une personne :

- | | |
|---|--|
| <p>(b) any bona fide use, other than as a trademark,</p> <p>(i) of the geographical name of his place of business, or</p> <p>(ii) of any accurate description of the character or quality of his wares or services, in such a manner as is not likely to have the effect of depreciating the value of the goodwill attaching to the trade-mark.</p> | <p>a) d'utiliser de bonne foi son nom personnel comme nom commercial;</p> <p>b) d'employer de bonne foi, autrement qu'à titre de marque de commerce :</p> <p>(i) soit le nom géographique de son siège d'affaires,</p> <p>(ii) soit toute description exacte du genre ou de la qualité de ses marchandises ou services, d'une manière non susceptible d'entraîner la diminution de la valeur de l'achalandage attaché à la marque de commerce.</p> |
|---|--|

[57] No issue arises about the Plaintiff being the registered holder of trade-marks with respect to restaurant services and related wares. These trade-marks are:

- Symposium Café Design (Filed 2000-04-18, Registered 2003-08-29)
- The Symposium Café (Filed 2002-05-05, Registered 2005-01-18)
- Second To None (Filed 2005-04-29, Registered 2007-03-07)
- Passport To Pleasure (Filed 2005-04-29, Registered 2006-03-08)
- East Meets West (Filed 2005-04-29, Registered 2006-05-06)
- Escape The Ordinary (Filed 2005-04-29, Registered 2006-03-06)
- Symmetry For The Senses (Filed 2005-04-29, Registered 2006-12-01)
- To Europe And Back In 15 Minutes (Filed 2005-04-29, Registered 2006-03-07)
- Redefining The Cafe Experience (Filed 2005-04-29, Registered 2007-12-21)
- Symposium Café Trade Dress Design (Filed 2007-12-07, Registered 2008-05-21)

[58] The Plaintiff claims first use of its registered trade-marks going back as early as 1999 for the Symposium Café Trade Dress Design and the expressions, and 2000 for the Symposium Café Design and The Symposium Café name. The above dates are reflected in the Trade-Mark data and the certificates of registration. The Defendants have not challenged this evidence.

Acquiescence

[59] The Defendants contend that even though the Plaintiff is not a signatory, it was involved in the Minutes of Settlement and to suggest otherwise is disingenuous. The Defendants say this is especially so given that the Plaintiff is also trying to assert rights under the covenant in the Minutes of Settlement for the return of the Symposium Café design signs. The Defendants submit the Plaintiff is bound by the Minutes of Settlement agreed to by the Argiropoulos brothers and the Symposium companies in which all assets of the Sheppard and Kennedy Symposium Cafés were transferred.

[60] The Defendants submit they are entitled to raise the defence of acquiescence because the Plaintiff has consented to the use of the trade-marks by the Defendants. They rely on *Boston Pizza International Inc. v Boston Market Corp.*, 2003 FC 892, [2003] 238 FTR 1, where Justice Tremblay-Lamer stated:

[42] A defence of acquiescence may be successful if the expunging party (the plaintiff) consents to the use and registration of the trade-mark or leads the defendant to believe that the defendant's use of the mark is proper to the defendant's prejudice.

[43] In *White Consolidated Industries, Inc. v. Beam of Canada Inc.* (1991), 47 F.T.R. 172, Teitelbaum J. adopted at page 186 the following definition of acquiescence from *Archbold v. Scully* (1861), 9 H.L.C. 360:

If a party, who could object, lies by and knowingly permits another to incur an expense in doing an act under the belief that it would not be objected to, and so a kind of permission may be said to be given to another to alter his condition, he may be said to acquiesce [...]

[61] I agree with the Defendants' submission that the Plaintiff is bound by the terms of the Minutes of Settlement even if not specifically listed as a party. The Argiropoulos brothers are the principals and controlling directors of the Plaintiff. They established a hierarchy of companies which included 1424930 Ontario Limited, an Ontario corporation that functioned as the franchising company for Ontario restaurants, 966778 Ontario Inc. (the Sheppard Café), and 1480045 Ontario Limited (the Kennedy Café), companies which acquired the right to use of the Plaintiff's trade-marks.

[62] In my view, the parties to the settlement would have understood that use of the trade-marks in question would be available should the subsequent purchaser desire to continue within the Symposium franchise system. The Argiropoulos brothers agreed and they have the complete authority to direct the Plaintiff, the holder of the trade-marks, to comply. They cannot subsequently say, without express language in the Minutes of Settlement, the Plaintiff never consented to subsequent use of the trade-marks by a purchaser who opted to continue within the Symposium franchise system.

[63] I conclude that in the circumstances of this settlement, the agreement of the Argiropoulos brothers constitutes consent on behalf of the Plaintiff. However, I must consider what rights were actually transferred by the Minutes of Settlement.

[64] The Defendants say the Plaintiff is estopped from claiming any rights whatsoever with respect to any trade-marks as those rights have been effectively waived by the Plaintiff or others acting on behalf of the Plaintiff. The Defendants say that the Minutes of Settlement transferred all

the assets of the Sheppard Café and the Kennedy Café to Mr. Kotsos who was free to sell those assets.

[65] I have no hesitation in concluding that Mr. Kotsos could sell the Sheppard and Kennedy Cafés within the Symposium franchise system. The Minutes of Settlement expressly contemplate the Sheppard and Kennedy Cafés as being sold “within or outside the Symposium Café Franchise System”. The fact that the Argiropoulos brothers sought to persuade the Defendants to continue as part of the franchise system after BDD Solutions Inc. purchased the restaurants confirms my conclusion. In my view, Mr. Kotsos was entitled, by the Minutes of Settlement, to transfer that right to BDD Solutions Inc.

[66] The Sheppard and Kennedy Café assets did not, however, include the unlimited right to use the trade-marks outside of the Symposium franchise system. Mr. Kotsos says he had the right to do so because he assumed all of the assets of the Sheppard and Kennedy Cafés under the Minutes of Settlement. Mr. Kotsos is offering his interpretation of the Minutes of Settlement. I do not accept his interpretation of the settlement agreement.

[67] The Defendants assert BDD Solutions Inc. bought all of the assets that Mr. Kotsos possessed, including the trade-marks, since the agreements of purchase and sale specifically refer to and give value to the “Goodwill and trade name” at \$10,000 out of a total of \$160,000 for the Sheppard Café and \$49,000 out of a total of \$328,000 for the Kennedy Café.

[68] I note that the consequent Bills of Sale merely set out the total sale prices without any breakdown or separate reference to goodwill and trade names. Moreover, the Bills of Sale restrict the assets transferred to those held by Mr. Kotsos and are sold “where is, as is”. They expressly further limit the assets transferred:

2. Nothing in this Indenture shall be construed as an attempt to assign any contractual rights forming part of the Assets that are not assignable in whole or in part with the consent of the other party to such contract, unless such consent has been given of the assignment is otherwise lawful.

...

11. There is no representation, warranty, collateral agreement or condition affecting this Indenture or the transaction provided for herein other than as expressed herein.

[69] The evidence of Mr. Bachour is that the Defendants decided not to operate within the Symposium franchise system.

[70] The Symposium Café Group held registered trade-marks for the Symposium Café Design and The Symposium Café. The Argiropoulos brothers were developing the Symposium franchise system. Their plans and activities all point to an intention to maintain and develop the Symposium Café concept as their restaurant franchise concept. They personally borrowed money to defend their control of the Symposium Cafés in the litigation with Mr. Kotsos. All of this is contrary to the suggestion that they would give up rights to the central elements of their concept notwithstanding the financial and business difficulties they were contending with.

[71] Nothing in the Minutes of Settlement confirms Mr. Kotsos interpretation. I find that the Minutes of Settlement itself supports the interpretation that what was transferred was a right to use the Symposium Café trade-marks within the Symposium franchise system. This was acknowledged by Mr. Kotsos himself when he agreed that any sale and purchase documentation would contain a covenant on the part of the purchaser to remove the Plantation/Symposium signage at the Sheppard and Kennedy Café locations within 90 days of closing should the purchaser choose not to continue as Symposium Café franchises.

[72] I also consider the Defendants were on notice that the Plaintiff no longer consented to the use of its registered trade-marks as of January 2004 when the Plaintiffs demanded the return of the Symposium Café Design signs. In December of that year, the Plaintiff's solicitor gave notice of its intention to commence a lawsuit for the Defendants' infringement of the Symposium Café trade-marks and the Defendants' failure to return the signs. I find the Defendants were, as of January 2004, no longer entitled to use the trade-marks without the further consent of the registered trade-mark holder, the Plaintiff, which was never given.

Confusion

[73] Section 7(b) of the *Trade-marks Act* provides that no person shall direct public attention to his services as to cause or be likely to cause confusion between his services and the services of another. Confusion is defined in section 6 of the *Act* which sets out the required approach to a confusion analysis. Section 6(5) requires that all surrounding circumstances must be considered including:

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the wares, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

[74] It is therefore necessary to apply the criteria in section 6(5) to the present case.

(a) Inherent distinctiveness of the trade-marks and length of time they have been known

[75] The Symposium trade-marks involve the prominent featuring of the School of Athens coupled with antiqued marble wall patterns, a circular display counter and tiles, with trade-mark names and expressions associated with restaurant services. While the individual components are not particularly distinctive (the School of Athens, for instance, is a well known public work of art), the trade dress combination in conjunction with a restaurant satisfies this requirement for distinctiveness. Accompanying this imagery and décor are the trade-mark expressions used in association with the restaurant food, décor and service experience. The Symposium Cafés established in the Toronto area, London and Waterloo, Ontario all feature the same distinctive trade dress.

(b) Length of time the competing trade-marks have been in use

[76] The Plaintiff's first use of the trade-marks goes back to 1999 while the Defendants' usage of the Symposium trade dress is more recent, commencing in a competing mode in 2004.

(c) Nature of the Services

[77] Both parties operate restaurants in the Toronto area.

(d) Nature of the Trade

[78] Both parties provide the same food and service targeting the same clientele, customers who are going to a restaurant for a sit down meal.

(e) Degree of Resemblance in Appearance

[79] The similarity is to be considered in viewing the trade-marks as a whole. It is to be viewed as if by an average person with an imperfect recollection of specific detail who forms an overall impression: *Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, 2006 SCC 23, [2006] 1 SCR 824 at para 20. The Monarch Protection Services investigators reported on the similarities of the Sheppard and Kennedy Cafés with the Symposium Café. The Defendants had kept the prominent display of the School of Athens artwork, antiqued wall pattern, circular display counter and floor tiles that are part of the Symposium Café trade dress. The Defendants also continued the use of the

trade-mark expressions in signage and in menus. Significantly, the Defendants continued the use of the very large external School of Athens mural with the Symposium Café trade-marked expression 'Redefining the Café Experience' on the outside of the Kennedy Café Mirage.

[80] The Defendants submit that there is no evidence adduced by the Plaintiff to show confusion between Café Mirage and the Symposium Café. The Defendants submit that the testimony of Ms. George and Mr. Palumbo should be disregarded because they are closely related to the Plaintiff. They cite *Phillip Morris Products S.A. v Marlboro Canada Ltd.*, 2010 FC 1099, [2010] 90 CPR (4th) 1 at paragraph 263 , where the Court stated:

The same is true for the evidence provided by the Defendant's sales representatives, although for a host of other reasons. First of all, they are all employees of a party to this action, and rely on good relationships with their employer for their livelihood. This employer-employee relationship of subordination undermines the reliability of those testimonies. Furthermore, they were all relatively inexperienced and they made sweeping statements that did not always withstand cross-examination ...

[81] The Defendants also point to the evidence of Mr. Bachour who testified that he did not have any problems with confusion between Café Mirage and Symposium Café. The Defendants acknowledge Mr. Bachour is a party to the proceedings but say his evidence offsets the contrary evidence of Mr. Argiropoulos who is also a party.

[82] The evidence of Mr. Argiropoulos was that individuals told him of confusing Café Mirage with Symposium Café. The fact that individuals made statements to him is evidence but the allegation of confusion is hearsay. Mr. Argiropoulos also testified about his internet research which

brought up internet messages confusing Café Mirage with the Symposium Café. I do not rely upon this internet evidence, unsupported as it is by expert evidence on the reliability and utility of this internet documentation: *ITV Technologies Inc. v WIC Television Ltd.*, 2003 FC 1056, 29 CPR (4th) 182.

[83] The testimony of Ms. Potter and Mr. Scicchitano, both of Monarch Protection, also reported on the continuing use of the trade-mark expressions by the two Café Mirages at Sheppard and Kennedy. They reported that the Café Mirages maintained the prominent featuring of the School of Athens artwork, used the same circular display counter and floor tiles, used copied or similar menus, maintained the prominent School of Athens artwork and display of the Plaintiff's trade-mark expression 'Redefining the Café Experience' outside the Kennedy Café, and employed the Symposium Café's former name Plantation Coffee and Tea Company on its food receipts.

[84] Both Ms. George and Mr. Palumbo testified about their experience as Symposium Café franchise operators. They had been informed by customers who thought the Café Mirages were associated with the Symposium Café. Although both have a business relationship with the Symposium Café Group and an interest in the success of the Symposium franchise system, they are also independent business persons operating their own restaurants. As business persons, they are credible witnesses who are competent to comment on matters concerning the operation of their own restaurants. I accept their testimony that their restaurant customers told them about the similarities of Café Mirage with their Symposium Cafés.

[85] As restaurant owners, Ms. George and Mr. Palumbo would have regard for comments by customers that have a bearing on their restaurant businesses. They were credible witnesses who were each crossed examined. Their evidence was not shaken. There is no doubt that the statements were made to them. Notwithstanding the statements are hearsay, there is value in accepting such statements given if it avoids the necessity of calling a number of customers to testify about the confusion. Moreover, this hearsay testimony is corroborated by the Monarch Protection investigators who attended and recorded the similarities between the Sheppard and Kennedy Café Mirages and the Symposium Cafés.

[86] Mr. Palumbo testified about first seeing the Kennedy Café Mirage. He found it to be very much the same as the Symposium Café concept. His examination was not that of an average restaurant customer in somewhat of a hurry; he was a knowledgeable observer who had reason to more closely examine the trade dress of the Kennedy Café since he was a prospective Symposium franchise customer. Such a prospective franchisee would be expected to consider all aspects of a franchise somewhat closely including potential competition. He came to a decision not to proceed with his Symposium franchise application because of the close resemblance and proximity of the Kennedy Café Mirage to the proposed location for his Symposium Café franchise. He too is a customer, but of the franchise rather than a restaurant meal. From this perspective, he has also given direct evidence of confusion.

[87] Finally, I consider Mr. Dagher to be in somewhat of a different position from Ms. George and Mr. Palumbo since he is an employee managing Café Mirage. I give his testimony about the absence of confusion less weight than that of Ms. George and Mr. Palumbo.

[88] The documentary evidence also supports a finding of confusion. The Café Mirage initially used the orange menus which Mr. Kotsos had printed when the original Symposium Café menus became worn. Although the trade-mark name ‘The Symposium Café’ was removed as well as the references to Symposium (but for one oversight), the menus continued to use the Symposium Café trade-mark expressions. Significantly, the menu also listed the Symposium Café Group’s telephone number as the number to call for franchise information. Even when the new Café Mirage menus were introduced, the new menus continued to use trade-mark expressions, such as ‘East meets West’, or similar expressions such as ‘Redefining the Café Experience’ (Symposium Café) and ‘the Evolution of a Café Experience’ (Café Mirage).

[89] The legal test for confusion was set out by the Federal Court of Appeal in *Polo Ralph Lauren Corp. v United States Polo Association*, (2000), 9 CPR (4th) 51, 286 NR 282. As stated by Malone J.A. at paragraph 3, the proper test as to the likelihood of confusion is:

...whether, as a matter of first impression in the mind of an average consumer having a vague or imperfect recollection of another mark, the use of both trade-marks in the same area and in the same manner is likely to lead to the inference that wares associated with those marks are produced or marketed by the same company.

[90] An average restaurant customer, entering Café Mirage, seeing the prominent featuring of the School of Athens, the large display/counter, the antiqued wall pattern, and seeing the exact and very similar trade-marked expressions with menus containing the same items, would, in my view, conclude that Café Mirage was associated with the Symposium Café Group.

[91] I am satisfied that, having regard to the above, the average restaurant customer in somewhat of a hurry would, on first impression, consider the Café Mirage to be associated with the Symposium Café Group and would be confused by the Defendants' use of the Plaintiff's trade-marks.

[92] The Defendants submit that the material date for considering infringement of a registered trade-mark is the date of the hearing and cites *Alticor Inc. v Nutravite Pharmaceuticals Inc.*, 2005 FCA 269, [2005] 257 DLR (4th) 60 for that proposition. I consider this submission to be incorrect. The *Trade-marks Act* contemplates trade-marks to have significance from first use and most certainly from date of registration. The trade-mark expressions were registered before the Defendants took possession of the Sheppard and Kennedy Cafés. Although the Symposium Café trade-marked trade dress was not registered until 2008, the evidence supports its first use in 1999 and continuously thereafter.

[93] In *Alticor*, the Federal Court of Appeal explained the date of hearing was the relevant date when a party is seeking a permanent injunction. That is the situation here. However, the Plaintiff also seeks damages for infringement from the time it served notice on the Defendants of their infringement in January 2004. The Federal Court of Appeal stated:

[16] There is, however, no unwavering rule as to material date. There will be cases where another date or dates may be more appropriate, depending on the facts of the case and the remedies being sought. Obviously, such a situation might exist where a party alleges that infringement both began and ceased at some time prior to trial. There is no fixed time for confusion to be established; rather the usual situation is to demonstrate confusion over a period of time, for that is what generates the damages. Thus, it is plain that the material

date, though normally the time of the hearing, may vary depending on the specific facts and pleadings of each case.

[94] The evidence discloses the Sheppard Café Mirage was renovated in 2008 and no longer displays the Symposium trade dress. There is no evidence the Kennedy Café Mirage was similarly renovated. Mr. Bachour testified at trial that nothing had changed at Kennedy Café. Since the Defendants were in the best position to provide such evidence and did not, I draw the adverse inference that the Kennedy Café Mirage continues with the Symposium trade dress.

[95] I conclude the relevant dates for confusion are from the date the Defendants no longer had the licence to use the Symposium trade-marks, being in January 2004, to the date of this hearing. I find that the Defendants were infringing upon the Plaintiff's trade-marks as of January 2004 and that infringement continued until 2008 in respect of the Sheppard Café Mirage and is ongoing at the time of the hearing of this matter in respect of the Kennedy Café Mirage.

Copyright Infringement

[96] Copyright is established by statute. Briefly summarizing, copyright in a work grants the author the sole right to produce or reproduce the work. Copyright arises in every original literary, dramatic, musical and artistic work by an author who is a citizen of or ordinarily resident of a country that has adhered to the international treaties on copyright. Copyright subsists for a term of the life of the author plus fifty years. All of the forgoing is subject to the variations imposed by various provisions of the *Copyright Act*, RSC 1985, c C-42.

[97] The purchase of a copyrighted item does not transfer the copyright. For example, if one buys a book, one does not acquire the copyright to the book. While one can resell the book without offending the copyright, that person may not copy the book unless permission is granted by the owner of the copyright or the *Copyright Act* exceptions: see David Vaver, *Intellectual Property Law: Copyright, Patents, Trade-marks*, 2d ed (Toronto: Irwin Law Inc., 2011) at 58.

[98] Copyright protection covers original work, although the standard for such work is not so much the degree of intellectual originality as authorship. The protection is for the expression of the work and not the ideas embodied in it. In result, copyright is about prohibiting copying of original expressions of the work of an author.

[99] Finally, almost everything expressed in print or writing has been held to be literary works. The *Copyright Act* lists tables, computer programs, books, pamphlets, and writings. More unusual works include business records, forms, minutes of meetings, sudoku puzzles and lawyers' letters: *ibid* at 69.

2. *Does the Plaintiff have copyright in The Symposium Café menus? If so, did the Defendants commit either secondary or primary infringement of the menu copyright?*

[100] The Plaintiff contends it has copyright on its Symposium Café menus. It submits the Defendants have made use of the Plaintiff's copyright protected menus at the Sheppard and Kennedy Cafés without consent thereby infringing its copyright. In particular, the Plaintiff submits the Defendants' orange menu was a secondary infringement of their Symposium Café menus because Mr. Kotsos copied the menus without approval and the Defendants made knowing use of

the copied orange menus. The Plaintiff further submits the Defendants copied the new Symposium Café menus and thus infringed the Plaintiff's copyrights with respect to that menu.

Statutory Provisions

[101] As stated above, the *Copyright Act* provides that copyright in a work grants the author the sole right to produce or reproduce a work:

3. (1) For the purposes of this Act, "copyright", in relation to a work, means the sole right to produce or reproduce the work or any substantial part thereof in any material form whatever, to perform the work or any substantial part thereof in public or, if the work is unpublished, to publish the work or any substantial part thereof, ...

3. (1) Le droit d'auteur sur l'oeuvre comporte le droit exclusif de produire ou reproduire la totalité ou une partie importante de l'oeuvre, sous une forme matérielle quelconque, d'en exécuter ou d'en représenter la totalité ou une partie importante en public et, si l'oeuvre n'est pas publiée, d'en publier la totalité ou une partie importante; ...

[102] Infringement of copyright is the doing of anything that, according to the *Copyright Act*, only the owner has the right to do which includes the sole right to produce or reproduce the work or any substantial part thereof. The statutory definitions of both infringement (section 27(1)) and secondary infringement (section 27(2)) provide:

27. (1) It is an infringement of copyright for any person to do, without the consent of the owner of the copyright,

27. (1) Constitue une violation du droit d'auteur l'accomplissement, sans le consentement du titulaire de ce

anything that by this Act only the owner of the copyright has the right to do.

(2) It is an infringement of copyright for any person to

(a) sell or rent out,

(b) distribute to such an extent as to affect prejudicially the owner of the copyright,

(c) by way of trade distribute, expose or offer for sale or rental, or exhibit in public,

(d) possess for the purpose of doing anything referred to in paragraphs (a) to (c), or

(e) import into Canada for the purpose of doing anything referred to in paragraphs (a) to (c),

a copy of a work, sound recording or fixation of a performer's performance or of a communication signal that the person knows or should have known infringes copyright or would infringe copyright if it had been made in Canada by the person who made it.

droit, d'un acte qu'en vertu de la présente loi seul ce titulaire a la faculté d'accomplir.

(2) Constitue une violation du droit d'auteur

l'accomplissement de tout acte ci-après en ce qui a trait à l'exemplaire d'une oeuvre, d'une fixation d'une prestation, d'un enregistrement sonore ou d'une fixation d'un signal de communication alors que la personne qui accomplit l'acte sait ou devrait savoir que la production de l'exemplaire constitue une violation de ce droit, ou en constituerait une si l'exemplaire avait été produit au Canada par la personne qui l'a produit :

a) la vente ou la location;

b) la mise en circulation de façon à porter préjudice au titulaire du droit d'auteur;

c) la mise en circulation, la mise ou l'offre en vente ou en location, ou l'exposition en public, dans un but commercial;

d) la possession en vue de l'un ou l'autre des actes visés aux alinéas a) à c);

e) l'importation au Canada en vue de l'un ou l'autre des actes visés aux alinéas a) à c).

[103] Finally, for the purposes of this case, the following section is also relevant:

34.1 (1) In any proceedings for infringement of copyright in which the defendant puts in issue either the existence of the copyright or the title of the plaintiff thereto,

(a) copyright shall be presumed, unless the contrary is proved, to subsist in the work, performer's performance, sound recording or and

(b) the author, performer, maker or broadcaster, as the case may be, shall, unless the contrary is proved, be presumed to be the owner of the copyright.

34.1 (1) Dans toute procédure pour violation du droit d'auteur, si le défendeur conteste l'existence du droit d'auteur ou la qualité du demandeur :

a) l'oeuvre, la prestation, l'enregistrement sonore ou le signal de communication, selon le cas, est, jusqu'à preuve contraire, présumé être protégé par le droit d'auteur;

b) l'auteur, l'artiste-interprète, le producteur ou le radiodiffuseur, selon le cas, est, jusqu'à preuve contraire, réputé être titulaire de ce droit d'auteur.

The Menus

[104] When Mr. Kotsos took over the Sheppard and Kennedy restaurants, the Symposium Café menus were included among the assets. When the Symposium Café menus had become worn, Mr. Kotsos had them copied, removing all but one reference to Symposium. These copied orange menus were part of the assets of the restaurants sold to BDD Solutions Inc. The Defendants continued to make use of the orange menus after they received the Plaintiff's unequivocal notice to desist in January 2004.

[105] When the Symposium Café Group changed its menu, the Defendants produced the new Café Mirage menu which replicated the School of Athens artwork, listed much the same menu items together with identical or strikingly similar trade-mark expressions and food descriptions

which went, in my view, well beyond coincidence. Consider for example the following descriptions:

| | |
|---|--|
| Symposium East Meets West. Two separate pleasures on one plate. Vanilla ice cream and strawberries topped with strawberry puree meet chocolate ice cream, bananas and chocolate syrup – a mouth watering combination topped with whipped cream. | East Meets West. Two separate pleasures on one plate. Vanilla ice cream and strawberries topped with strawberry puree meet chocolate ice cream, bananas and chocolate syrup. A mouth watering combination topped with whipped cream. |
| New Symposium Café menu. | New Café Mirage menu. |

[106] Other similarities abound but first up is the portrayal of the respective Café designs on the cover accompanied by the School of Athens artwork and the phrases:

| | |
|--------------------------------|---|
| Redefining the Café Experience | The Evolution of a Unique Café Experience |
| New Symposium Café Menu. | New Café Mirage Menu. |

[107] Mr. Bachour testified that when they developed the new Café Mirage menu they “changed it [orange menu] a little”. He does not explain the incorporation of the School of Athens artwork nor the timing for producing the new Café Mirage menu.

[108] I have no hesitation in concluding the new Café Mirage menus were inspired by, and copied to a substantial degree, the new Symposium Café menus.

[109] The Plaintiff in its Amended Statement of Claim pleaded that the Defendants infringed on its copyright which was met by the Defendants' transverse denial. In its submissions, the Plaintiff specifically submitted that the Defendants infringed on its copyright to the Symposium Café menus. The Defendants responded that the Plaintiff is "estopped from claiming any rights whatsoever with respect to ... any ... copyright associated with the two restaurant locations or any other asset ... purchased by the Defendant BDD Solutions Inc.," as those rights were waived by the Plaintiff or entities acting with the Plaintiff's consent.

Did Symposium Café have copyright in their menus?

[110] I would be initially inclined to say no for two reasons. First, restaurant menu food descriptions are ubiquitous and many selections are somewhat standardized. Second, restaurant menus, as happened here, change over time. One may ask, as David Vaver did, "Has the author spent enough intellectual effort on the product to deserve protection from others' copying it for his lifetime and another fifty years beyond that?": Vaver at 101. Notwithstanding this view, I must have regard for the provisions of the *Copyright Act* and the jurisprudence on copyright.

[111] In *CCH Canadian Ltd. v The Law Society of Upper Canada*, 2004 SCC 13, [2004] 1 SCR 339 [CCH], the Supreme Court of Canada discussed the competing views on originality in a copyright context. The Supreme Court then went on to set out the test for originality to be applied under the *Copyright Act*. Speaking for the Court, the Chief Justice held:

[16] ... For a work to be "original" within the meaning of the *Copyright Act*, it must be more than a mere copy of another work. At the same time, it need not be creative, in the sense of being novel or

unique. What is required to attract copyright protection in the expression of an idea is an exercise of skill and judgment. By skill, I mean the use of one's knowledge, developed aptitude or practised ability in producing the work. By judgment, I mean the use of one's capacity for discernment or ability to form an opinion or evaluation by comparing different possible options in producing the work. This exercise of skill and judgment will necessarily involve intellectual effort. The exercise of skill and judgment required to produce the work must not be so trivial that it could be characterized as a purely mechanical exercise. For example, any skill and judgment that might be involved in simply changing the font of a work to produce "another" work would be too trivial to merit copyright protection as an "original" work.

[Emphasis added]

What I must determine, then, is whether the creation of a restaurant menu, and the Symposium Café menu in particular, involves an exercise of skill and judgment that is not so trivial that it could be characterized as a purely mechanical exercise.

[112] Firstly, where an author, as in the case here, applies his acquired knowledge, developed aptitude or practised ability to the development of a restaurant menu, while engaging his capacity for discernment or his ability to form an opinion or evaluation by comparing different possible outcomes, the resulting creation is clearly the product of an exercise of skill and judgment as envisioned by the Supreme Court of Canada in *CCH*. An author's demonstrated ability to select the food items to be included in the menu, to generate descriptions of those items and to arrange the layout and overall design of the menu are examples of the skill and judgment required to support a finding that a restaurant menu is an original work deserving copyright protection.

[113] However, *CCH* cautions that the exercise of skill and judgment must not be so trivial that it could be characterized as a purely mechanical exercise. With regards to restaurant menus, it is

possible to envision a menu that is little more than a standard list of food items with ubiquitous descriptions, prices and some identifying information such as the restaurant's name, location and store hours. While the creation of such a menu would inevitably be an exercise of some skill and judgment insofar as the author is required to determine which items are to be included, the prices, and possibly the order or grouping of the items, it is less clear whether an exercise of skill and judgment so described could be categorized as a purely mechanical exercise and thus not an original work for the purposes of copyright protection. However, where an author demonstrates a *de minimis* level of intellectual effort suggesting more than a purely mechanical exercise of skill and judgment, the resulting menu would be an "original" work and protected under the *Copyright Act*.

[114] The new Symposium Café menu consists of the depiction of the School of Athens art, the inclusion of its trade-mark expressions, photographs of menu selections, descriptions extolling the menu items and prices. Mr. Argiropoulos described the process of selecting the food items and generating descriptions that achieved the effect they were striving for as part of the Symposium Café concept. It is clear that thought was given to the menu food items to be included, the phraseology used in descriptions and the linking with images to associate the menu with the Symposium concept. I am satisfied that Mr. Argiropoulos has described a process that meets the standard of an exercise of skill and judgment in the menu selection, arrangement and design to establish copyright.

[115] In addition, section 34.1 of the *Copyright Act* provides that in any proceeding for infringement of copyright, in which the defendant puts in issue the existence of the copyright or the Plaintiff's title to the copyright, then copyright shall be presumed, unless the contrary is proved, to

subsist in the work in any proceedings for infringement of copyright. The Defendants have put the Symposium Café Group's copyright at issue as well as control over that copyright. I consider the Defendants' denials as engaging s. 34 of the *Copyright Act*. Accordingly, copyright is presumed and the Defendants must prove the contrary. They have not. I need not go further into the question of whether menu food descriptions can be copyrighted and preserved for the lifetime of an author plus fifty years.

[116] It is an infringement of copyright to do any of the things the copyright owner has the sole right to do which includes the production, reproduction of the work or any substantial part in any material form. The question is whether the Defendants infringed the Plaintiff's copyright with respect to either the orange menus initially used or the new Café Mirage menus.

[117] The Defendants did not copy the orange menus. They purchased them as part of the assets acquired from Mr. Kotsos. Mr. Kotsos testified he instructed the printer to make copies, removing only the references to Symposium Café. I have no difficulty concluding the orange menus were a substantial copy of the Symposium Café menus.

[118] Nevertheless, I do not consider the orange menus to have been copied without the implied consent of the Symposium Café Group. Mr. Kotsos had seized the Sheppard and Kennedy restaurants and held them pursuant to a court order. While Mr. Kotsos maintained he had no obligations with respect to the Symposium Café Group and did not want to associate with them, he lawfully held two restaurant corporations and their assets for a time. The assets of the two restaurant corporations would include a license, express or implied, to use any copyrighted

Symposium Café menus. I would think that included the right to make copies when old menus became worn.

[119] Mr. Kotsos could, by the terms of the Minutes of Settlement, sell the restaurant corporations and all their assets within or outside the Symposium Café franchise. In result, when the Defendants acquired the Sheppard and Kennedy restaurant assets, they also acquired the orange menus. Since I have concluded the orange menus were lawfully copied, no secondary infringement can arise with this subsequent use, even though the implied license expired when the Defendants declined to join the Symposium Café franchise system.

[120] The Defendants' claim that the Plaintiffs waived all rights by agreeing to transfer all assets does not succeed. Copyright does not transfer with the physical assets such as menus. There is no evidence that the Symposium Café Group ever transferred more than a license to use its trade-marks or copyrights. At best, the license to use the menus continued until they opted not to join the Symposium Café franchise. Since copyright is presumed and the Defendants have failed to prove the Plaintiff was no longer entitled to exclusive copyright, the presumption of copyright and the Plaintiff's entitlement to copyright continues.

[121] The new Café Mirage menus are similar, but not exact copies of the new Symposium Café Group menus.

[122] Subsection 3(1) grants the copyright holder the sole right to "reproduce the work or any substantial part thereof". The latter phrase "any substantial part thereof" has relevance here. The

Federal Court of Appeal in *CCH Canadian Ltd. v The Law Society of Upper Canada*, 2002 FCA

187, 18 CPR (4th) 161, rev'd on other grounds 2004 SCC 13, [2004] 1 SCR 339, noted that

“substantial” is not limited to the extent of any copying stating:

[237] What constitutes reproduction of a substantial part of a work does not depend on a purely quantitative analysis. Indeed, substantiality may be assessed from a quantitative and/or qualitative perspective. In *U & R Tax Services Ltd. v. H & R Block Canada Inc.*, *supra*, Richard J. (as he then was) provides the following summary of the law on substantiality, at paragraph 35:

what constitutes a “substantial part” is a question of fact and, in this respect, the courts have given more emphasis on the quality of what was taken from the original work rather than the quantity. Some of the matters that have been considered by Courts in the past include:

- (a) the quality and quantity of the material taken;
- (b) the extent to which the defendant’s use adversely affects the plaintiff’s activities and diminishes the value of the plaintiff’s copyright;
- (c) whether the material taken is the proper subject-matter of a copyright;
- (d) whether the defendant intentionally appropriated the plaintiff’s work to save time and effort; and
- (e) whether the material taken is used in the same or a similar fashion as the plaintiff’s.

[123] In this instance the Defendants have produced a menu that:

- (a) incorporates the School of Athens art into the menu although not quite cropped in the same fashion;
- (b) replicates the general layout and uses menu food descriptions closely parallel and in some instances copied word for word; (see paragraph 105)

- (c) the Symposium Café menu is protected by copyright.
- (d) the timing and circumstances of the issuance of the new Café Mirage menu, compiled with the Defendant's assertion that the Plaintiff acquiesced to their use of Symposium Café menus, support the inference the Defendants intentionally appropriated the Plaintiff's work to save time and effort;
- (e) the material taken is used as a restaurant menu just as the Symposium Café menu is.

[124] Given the degree of copying of the new Symposium Café menu in the Café Mirage menu, I am satisfied that infringement of copyright is proven.

3. Is the Plaintiff entitled to return of The Symposium Café signs or damages in lieu of?

[125] The Plaintiff also alleges the Defendants have failed to return Symposium Café signage they were obligated to remove and return to the Plaintiff as part of the business transaction with Mr. Kotsos and claims damages in lieu of.

[126] The Defendants submit that the Plaintiff's claim is a claim for common law conversion, return of property or damages thereof for which the Federal Court is without jurisdiction. Further, the Plaintiff submits there is no evidence of damages adduced except for Mr. Argiropoulos' guesstimate. The Defendants now submit the Plaintiff was not a party to the Minutes of Settlement and could not claim rights under that agreement as a third party, notwithstanding that the Defendants claimed earlier that the Plaintiff, if only indirectly, was a party to the Minutes of Settlement.

[127] The evidence before me is that the plastic insert signage was inscribed with the Symposium Café trade-mark design. Since the Federal Court has exclusive jurisdiction over matters covered under the *Trade-marks Act* including infringement of trade-marks, I do not accept the Defendants' submission that this is a subject over which the Federal Court has no jurisdiction.

[128] Mr. Kotsos agreed to include a covenant requiring any purchaser to allow the Symposium Café Group to retrieve the Symposium Café signs. The Defendant, BDD Solutions Inc., agreed to remove the Symposium Café signage, an obligation which arose once it decided not to join the franchise. At that point the Defendant was obligated to allow the Symposium Café Group to retrieve that signage. This is not a matter where a third party, a stranger to an agreement, is seeking to enforce rights thereto. The Plaintiff, as trade-mark holder, had rights with respect to the signs which had its trade-mark Symposium Café Design on it. Both Mr. Argiropoulos and Ms. George testified about their efforts to have the Symposium Café signs for Sheppard and Kennedy locations returned but to no avail.

[129] The Defendants presented evidence they took down the signs but offered no evidence they returned them to the Symposium Café Group. The Defendant Mr. Bachour testified that he took down the plastic insert and kept the box to use for their sign. He and Mr. Dagher testified they called the Symposium Café Group and told them where to pick up the signs.

[130] I prefer the evidence of Mr. Argiropoulos and Ms. George over the evidence of Mr. Bachour and Mr. Dagher, especially since the documentary evidence, the letters of Mr. Argiropoulos and

legal counsel seeking the return, confirm their persistent and repeated efforts to have the signs returned.

[131] Given that Mr. Bachour and Mr. Dagher were in the best position to provide evidence that the signs were returned, but did not, I draw the adverse inference that the signs were not returned. I find the Symposium Café signs were not returned.

[132] The Defendants submitted that there is no evidence of damages since the cost of the Symposium Café signs were estimates only. I do agree that the question of whether the signs composed of the plastic inserts only or also included the supporting boxes and fittings was inconclusive. At best, I consider the Plaintiff has proven the plastic inserts with their trade-mark designs were never returned. The cost of those signs was not proven. This does not mean the Plaintiff did not incur any damages arising from the non-return. I consider non-return of the signs also relates to the Plaintiff's loss of control over its trade-marks, and as such, is sufficient to complete the claim for damages.

4. Did the Plaintiff prove the individual Defendants liable?

[133] Finally, the Plaintiff submits the individual Defendants, Michael Bachour and Amy Salam, are jointly liable with the corporate Defendants. The Plaintiff submits Mr. Bachour was involved in activities infringing the Symposium Café's trademarks and copyright but also that Mr. Bachour admitted he does not distinguish between his corporations, BDD solutions Inc. and Café Mirage, and his own activities.

[134] The Plaintiff submits that Ms. Salam was also involved in the venture to infringe on the Symposium Café's trade-marks. Ms. George testified that Ms. Salam inquired as to the possible sale of the Symposium Cafés. She signed correspondence and was a shareholder in another separate business with Mr. Dagher. The Plaintiff submits that Ms. Salam's failure to testify at trial, given evidence of her involvement, calls for the Court to make an adverse inference and conclude she was involved personally in the Café Mirage operations.

[135] The Defendants submit that there is no basis for piercing the corporate veil to find the individual Defendants liable and refer to *Mentmore Manufacturing Co. v National Merchandise Manufacturing Co. Inc.* (1978), 40 CPR (2d) 164, 89 DLR (3d) 195 (FCA) [*Mentmore Manufacturing*] which held that small, two-person corporations enjoyed the same benefit as a large corporation.

[136] Further, the Defendants submit that the Plaintiff has not adduced any evidence Ms. Salam was involved in the day-to-day activities of the Café Mirages. Ms. Salam is a real estate agent and her activities with respect to BDD Solutions Inc. were that of a real estate agent who sometimes directly assisted Mr. Bachour.

[137] I agree with the Defendants that the evidence does not show Ms. Salam was closely involved with Café Mirage's day-to-day activities relating to the trade-mark and copyright infringement. The evidence shows her involvement with Mr. Bachour and the Defendant corporations, both with respect to the loan and lease guarantee and her conversation with Ms. George, but it falls short, in my view, of showing a day-to-day involvement in Café Mirage

operations. The Plaintiff made much of a letter which it contended was authored by Ms. Salam, but its submissions are merely speculative in nature. The most extensive evidence was that of the conversation between Ms. George and Ms. Salam, but that conversation can also be interpreted in the context of a real estate agent's interest in a client's affairs.

[138] The Plaintiff had to satisfy the burden of proof that Ms. Salam had a personal involvement in the activities of the Defendant corporations that constituted infringement of the Symposium Café Group's trade-marks and copyright. I conclude that the Plaintiff has not met that burden and there is no need for Ms. Salam to testify in her defence. As such, she was not required to testify and no basis exists for making an adverse inference about her involvement.

[139] I find the Plaintiff has not proven Ms. Salam was involved and that she participated in the infringement of the Symposium Café Group's trade-marks and copyright.

[140] The evidence of Mr. Bachour's involvement is much different. He was the principal mover in acquiring the Sheppard and Kennedy restaurants. He acknowledged hiring a broker to draft the business plan that paralleled the Symposium Café Groups' operations. The business plan reflected an intention to pursue a course of action which infringed on the Plaintiff's trade-marks by continuing the "status quo".

[141] In *Mentmore Manufacturing* the Federal Court of Appeal held at paragraph 28 that for an officer or director of a corporation to be personally liable there must be circumstances from which it is reasonable to conclude the officer or director's purpose was the deliberate, wilful and knowing

pursuit of a course of conduct that was likely to constitute infringement or reflected an indifference to the risk of it.

[142] Most importantly, Mr. Bachour himself did not separate his involvement from that of his companies. He stated that BDD Solutions Inc. was not the operating entity for the Sheppard and Kennedy restaurants; it was just used to make the purchase of the assets in 2004. Café Mirage was not incorporated until 2009 and was used to hold the Café Mirage name. Mr. Bachour himself acknowledged there was no distinction between his companies and himself stating at one point “the companies are me”.

[143] In *Rivett v Monsanto Canada Inc.*, 2010 FCA 207, 87 CPR (4th) 383, the Federal Court of Appeal held an individual farmer to be personally responsible rather than his farm corporation. To support that conclusion, the Appeal Court stated:

[99] To avoid disgorging profits, Mr. Kerkhof submits that all farming activity done or managed by him was done on behalf of his company Aldy Farms Inc. As a result, Aldy Farms earned the profit from the 120 acres of infringing crop grown in 2004 and 2005, not him.

[100] The record does not support that statement. Firstly, Mr. Kerkhof’s statement of defence simply does not mention Aldy Farms. Secondly, Mr. Kerkhof, who was represented by counsel throughout the proceedings, admits to the infringement in his personal capacity and agrees to disgorge profits. Thirdly, no evidence was provided that suggested Aldy Farms was the recipient of the revenues and of Mr. Kerkhof’s services. The only reference to that entity was during his examination-in-chief. Finally, the Agreed Statement of Facts is to the effect that Mr. Kerkhof planted, harvested and sold the seeds in his personal capacity.

[101] Thus, I agree with Monsanto, that there was no basis for the Judge to take into account the alleged involvement of Aldy Farms Inc. in the infringing activities of Mr. Kerkhof.

[144] I conclude that Mr. Bachour was directly involved in the management of Café Mirage and the infringing use of the Symposium Café Group's trade-marks and copyright. I find Mr. Bachour personally liable along with the corporate Defendants.

V. Remedies

Injunctive Relief

[145] Having found the Defendants BDD Solutions Inc., Café Mirage and Michael Bachour liable, and considering the trademark infringement has continued with respect to the Kennedy Café Mirage and the copyright infringement with the Café Mirage menus, I am satisfied injunctive relief is in order to protect the Plaintiff's intellectual property.

[146] The four components of the trade-marked Symposium Café trade dress design involve the use of the School of Athens art, the cracked antique wall treatment, the distinctive circular counter display ensemble and the circular tile pattern together in combination. The circular tile pattern, in my view, is by itself a weak element of the ensemble as is the cracked antique wall treatment. The circular counter display is distinctive but the Plaintiff had once before given that feature up in a restaurant that was part of the Biltermar restaurants sale. The School of Athens is a public work of art. Nevertheless, it is the combination of these four elements that makes the trade dress design distinctive.

[147] In my view, the School of Athens is the most dominant and critical component of the four. It embodies the Plaintiff's thematic concept of a meeting place for discussion and exchange of ideas. It is prominently featured in all Symposium Café franchise establishments. It is the continuing component of the Kennedy Café Mirage and the Café Mirage menus.

[148] I am satisfied the removal of the School of Athens from the Café Mirage trade dress will effectively dispel any confusion with the Symposium Cafés.

[149] Accordingly, the Defendants BDD Solutions Inc, Café Mirage and Michael Bachour, will be enjoined from displaying the School of Athens in the Kennedy Café, in any of the other Café Mirage restaurants, in the Café Mirage menus, and in any signage, posters, internet websites or otherwise.

[150] The Defendants will also be prohibited from any use, publication or printing of the Plaintiff's trade-marks being:

Symposium Café Design
The Symposium Café
Second To None
Passport To Pleasure
East Meets West
Escape The Ordinary
Symmetry For The Senses
To Europe And Back In 15 Minutes

[151] The Defendants will deliver all of its infringing Café Mirage menus depicting the School of Athens to the Plaintiff.

Damages

[152] The Plaintiff has sought damages calculated in the equivalent of a monthly franchise fee for the duration of infringement by both the Sheppard and Kennedy Café Mirages. This would, they submit, make up for their loss. They refer to the award in *2 For 1 Subs Ltd. v Ventresca* (2006), 48 CPR (4th) 311, 17 BLR (4th) 179 (Ont Sup Ct) as a precedent. However, the Plaintiff's evidence was that the franchise fee has been variable over time depending on the circumstances and the prosperity of the Symposium franchise system.

[153] At one point, when the Defendants acquired the Sheppard and Kennedy restaurant assets, the Symposium Café Group invited the Defendants to join the Symposium Café Group for a one time franchise fee of \$17,500.

[154] The Symposium Café Group also incurred specific loss with Mr. Palumbo's cancellation of his initial franchise application because of the proximity of Kennedy Café Mirage to the proposed site for his franchise. As such, he demanded the return of his \$6,588.13 franchise deposit and did not proceed with another Symposium Café franchise until some time later.

[155] Considering these together, I am of the view that a global award of \$30,000 is appropriate.

[156] The Plaintiff has sought statutory damages with respect to the copyright infringement with respect to the Café Mirage menus.

[157] I consider the copyright infringement to have been committed at two locations, at the Sheppard Café Mirage and the Kennedy Café Mirage. The renovation to the Sheppard Café Mirage implies the menus there were also changed. I award damages in the amount of \$2,500 at the Sheppard Café Mirage and \$5,000 at the Kennedy Café Mirage for a total of \$7,500 for copyright infringement.

[158] The Plaintiff seeks damages in lieu of the return of their trade-mark Symposium Café Design signs. They have variously estimated the value of the signs at \$35,000 but offered no evidence on the costs of the signs.

[159] Nevertheless the signs are not without value and could have been used in other Symposium Café ventures.

[160] I would award damages for the non-return of the signs in the amount of \$5,000 each for a total of \$10,000.

Punitive Damages

[161] The Plaintiff has also asked for punitive damages. The Defendants' appropriation of their Plaintiff's intellectual property and non-responsive conduct frustrated and aggrieved the Symposium Café Group. The Plaintiff takes issue with what it characterizes as a planned and deliberate attempt by the Defendants to take over their restaurant concept. The Plaintiff also considers the continuation of this effort during the course of this litigation as arrogance.

[162] I turn then to consider whether, on the facts of this case, exemplary or punitive damages should be awarded. I note first that there is no statutory impediment to assessing punitive damages in addition to profits or damages calculated in the usual manner. With respect to the copyrighted works, the Court's ability to award punitive damages in addition to an election to statutory damages is enshrined in s. 38.1(7) of the *Copyright Act*. (See also *Telewizja Polsat S.A. v Radiopol Inc.*, 2006 FC 584, 52 CPR (4th) 445 at para 34).

[163] The leading case on punitive damages is the Supreme Court decision in *Whiten v Pilot Insurance Co.*, 2002 SCC 18, [2002] 1 S.C.R. 595. As stated by Justice Binnie at paragraph 36, punitive damages will be awarded against a defendant:

... in exceptional cases for "malicious, oppressive and high-handed" misconduct that "offends the court's sense of decency": *Hill v. Church of Scientology of Toronto*, [1995] 2 S.C.R. 1130, at para. 196. The test thus limits the award to misconduct that represents a marked departure from ordinary standards of decent behaviour. Because their objective is to punish the defendant rather than compensate a plaintiff (whose just compensation will already have been assessed), punitive damages straddle the frontier between civil law (compensation) and criminal law (punishment).

[164] Justice Binnie further expounded on this general principle in *Whiten*. As summarized by the Nova Scotia Supreme Court in *2703203 Manitoba Inc. v Parks*, 2006 NSSC 6, 47 C.P.R. (4th) 276 at para 38, rev'd in part 2007 NSCA 36, 57 C.P.R. (4th) 391, the relevant factors to consider are as follows:

- Whether the conduct was planned and deliberate;
- The intent and motive of the defendant;
- Whether the defendant persisted in the outrageous conduct over a lengthy period of time;

- Whether the defendant concealed or attempted to cover up its misconduct;
- The defendant's awareness that what he or she was doing was wrong; and
- Whether the defendant profited from its misconduct.

[165] The general principles in *Whiten* relating to punitive damages were applied in *Louis Vuitton Malletier S.A. v Yang*, 2007 FC 1179, 62 CPR (4th) 362 by Justice Snider in a trade-mark infringement case where the defendants' conduct met all of the above factors.

[166] In my view, the actions of the Defendants do not constitute a basis for punitive damages. The Defendants' conduct was planned and deliberate but did not involve concealment, obstruction of court proceedings, or profit not compensable by damages. Its attempt to exploit the Symposium Café Group's concept was more in the nature of commercial competition overreaching lawful bounds.

Costs

[167] The Plaintiff seeks solicitor-costs against the Defendants.

[168] The fundamental principle is that an award of costs represents a compromise between compensating a successful party and not unduly burdening an unsuccessful party: *Apotex Inc. v Wellcome Foundation Ltd.* (1998), 84 CPR (3d) 303, 159 FTR 233 at para 7. The general rule is that costs follow the event and, absent exceptional circumstances, should be awarded to the successful litigant on a party-and-party basis.

[169] Costs are within the discretion of the Court: *Federal Courts Rules*, SOR/98-106, r 400(1). The non-exhaustive factors that may be considered in awarding costs are delineated in rule 400(3), including “any other matter that [the Court] considers relevant”. An award of solicitor-and-client costs is exceptional. The Supreme Court of Canada has stated that solicitor-and-client costs should generally be awarded only when a party has displayed reprehensible, scandalous or outrageous conduct: *Hamilton v Open Window Bakery Ltd.*, 2004 SCC 9, [2004] 1 S.C.R. 303 at para 26.

[170] Here, the Defendants at worst can be said to have tried to exploit what they saw as a business opportunity without due regard for the Plaintiff’s intellectual property. While that conduct offended and distressed the Plaintiff, it cannot be said to be reprehensible, scandalous or outrageous. Nor did the Defendants obstruct the litigation to any degree more than what would be expected in defending in an action.

[171] I am satisfied that costs of the action should follow the event on a party-to-party basis. I would award costs in the middle of Column III together with the usual disbursements including the costs of the Monarch Agency investigators but not the cost of the expert witness whose testimony I did not accept.

VI. Conclusion

[172] In conclusion, I would answer the substantive issues identified above as follows.

1. *Did the Defendants acquire the right to use the Plaintiff’s trade-marks by purchasing the assets of the Sheppard and Kennedy Symposium Cafés? If not, did they infringe the*

Plaintiff's trade-marks and pass off their restaurants as associated with the Symposium Café franchise without license to do so?

[173] The Defendants did not acquire the right to unrestricted use of the Plaintiff's trade-marks when they purchased the assets of the Sheppard and Kennedy Cafés. The right they acquired was to use the trade-marks within the Symposium Café franchise and that right ceased when they declined to join the franchise and the Symposium Café Group served notice to desist. The Defendants are liable for infringement of the Plaintiff's trade-marks. Damages are awarded at \$30,000.

2. *Does the Plaintiff have copyright in the Symposium Café menus? If so, did the Defendants commit a secondary infringement or an primary infringement of the copyright?*

[174] The Plaintiff has copyright in the Symposium Café menus which has not been disproved by the Defendants. The Defendants committed primary infringement with respect to the Café Mirage menus. Statutory Damages are assessed with respect to the Café Mirage Menus at \$7,500.

3. *Is the Plaintiff entitled to return of the Symposium Café signs or damages in lieu of?*

[175] The Plaintiff was entitled to retrieve its trade-mark design signs once the Defendants had declined to join the Symposium Café Group and were served notice to desist. Since the signs have not been returned, the Plaintiff is entitled to damages in lieu of. Damages are assessed in the amount of \$5,000,00 each for a total of 10,000.00

4. *Did the Plaintiff prove the individual Defendants liable?*

[176] The Defendant Michael Bachour is personally liable in respect of the proven claims given his personal involvement and his acknowledgement that he does not separate the Defendant companies' activities from his own affairs.

[177] The Plaintiff did not prove the Defendant Amy Salam liable.

Other Issues

[178] The Plaintiff is entitled to injunctive relief as follows:

1. The Defendants will be enjoined from displaying the School of Athens art in the Kennedy Café Mirage, in any of the other Café Mirage restaurants, on the Café Mirage menus, and on any signage, posters, internet websites or otherwise.
2. The Defendants are prohibited from any use, publication or printing of the Plaintiff's trade-marks being:
 - Symposium Café Design
 - The Symposium Café
 - Second To None
 - Passport To Pleasure
 - East Meets West
 - Escape The Ordinary
 - Symmetry For The Senses
 - To Europe And Back In 15 Minutes
3. The Defendants will deliver all of its infringing Café Mirage menus with the School of Athens art to the Plaintiffs.
4. These prohibitions and order take effect within 60 days of the issuance of this judgment.

[179] The Plaintiff is awarded costs on a party-to and party basis. I would award costs in the middle of Column III together with the usual disbursements, including the costs of the Monarch

Protection Services investigators, but not the cost the expert witness whose testimony I did not admit.

[180] Given that the Defendant Amy Salam did not appear at trial and her defence was conducted by legal counsel for the Defendants, I make no award of costs in respect of her defence costs.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The Defendants, BDD Solutions Inc., Café Mirage Inc. and Michael Bachour, are liable for infringement of the Plaintiff's trade-marks, copyright and non-return of signs.

2. Injunctive relief is granted as follows:
 - a) The Defendants, BDD Solutions Inc., Café Mirage Inc. and Michael Bachour, are prohibited from displaying the School of Athens art in the Kennedy restaurant, in any of the other Café Mirage restaurants, in Café Mirage menus, and on any signage, posters, internet websites or otherwise promoting Café Mirage.

 - b) The Defendants are prohibited from any use, publication or printing of the Plaintiff's trade-marks being:
 - Symposium Café Design
 - The Symposium Café
 - Second To None
 - Passport To Pleasure
 - East Meets West
 - Escape The Ordinary
 - Symmetry For The Senses
 - To Europe And Back In 15 Minutes

 - c) The Defendants will deliver all of its infringing Café Mirage menus bearing the School of Athens art to the Plaintiffs.

 - d) These prohibitions and order take effect within 60 days of the issuance of this judgment.

3. The Plaintiff is awarded damages against the Defendants, BDD Solutions Inc., Café Mirage Inc. and Michael Bachour, jointly and severally, for infringement of trade-marks owned by the Plaintiff in the amount of \$30,000, and \$7,500 for infringement of the Plaintiff's copyright in the menus.

4. The Plaintiff is awarded damages against the Defendants, BDD Solutions Inc., Café Mirage Inc. and Michael Bachour, jointly and severally, assessed in the amount of \$5,000 for each of the two Symposium Café Design signs for a total of \$10,000.

5. The Plaintiff is awarded party-and-party costs in the middle of Column III together with disbursements, including the cost of the Monarch Protection Services investigators, but not the cost of the expert witness.

6. No award of costs is made for Ms. Amy Salam.

“Leonard S. Mandamin”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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INC., BDD SOLUTIONS INC., MICHAEL
BACHOUR, AND AMY SALAM

PLACE OF HEARING: TORONTO, ON

DATE OF HEARING: JANUARY 31, 2011

**REASONS FOR JUDGMENT
AND JUDGMENT:** MANDAMIN J.

DATED: NOVEMBER 9, 2011

APPEARANCES:

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