

Date: 20080110

Docket: A-103-07

Citation: 2008 FCA 12

**CORAM: DESJARDINS J.A.
SEXTON J.A.
PELLETIER J.A.**

BETWEEN:

HYUNDAI AUTO CANADA, a division of HYUNDAI MOTOR AMERICA

**Appellant
(Plaintiff)**

and

**CROSS CANADA AUTO BODY SUPPLY (WEST) LIMITED,
CROSS CANADA AUTO BODY SUPPLY (WINDSOR) LIMITED and
AT PAC WEST AUTO PARTS ENTERPRISE LTD.**

**Respondents
(Defendants)**

Heard at Toronto, Ontario, on January 10, 2008.

Judgment delivered from the Bench at Toronto, Ontario, on January 10, 2008.

REASONS FOR JUDGMENT OF THE COURT BY:

SEXTON J.A.

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REASONS FOR JUDGMENT OF THE COURT

(Delivered from the Bench at Toronto, Ontario, on January 10, 2008)

SEXTON J.A.

[1] This is an appeal by Hyundai Auto Canada (the “appellant”) from an Order of the Honourable Justice Strayer (the “Motions Judge”) who dismissed the appellant’s motion for an interlocutory injunction to prevent Cross Canada Auto Body Supply (“Cross Canada”) and others (collectively the “respondents”) from using a trade-mark of the appellant, namely HYUNDAI, registration number 302,619.

[2] The facts, put briefly, are that the respondents sell, *inter alia*, parts for HYUNDAI automobiles. These parts, or their packaging, bear the HYUNDAI trade-mark. The respondents take the position that these are genuine parts which they acquire from a single supplier whom they refuse to name. The appellant adduced no evidence that the HYUNDAI parts offered for sale by the respondents were not genuine HYUNDAI parts or that they were defective or inferior and indeed there was evidence that the parts are made by the same company which supplies the appellant (See reasons for judgment of Strayer J.A. para. 9). The appellant, nevertheless, argues that the conduct of the respondent has the potential to cause confusion in Canada between the respondents' products and those of the appellant. The appellant has launched an infringement proceeding against Cross Canada, and Cross Canada has brought an application for the expungement of five registered trade-marks of the appellant including the trade-mark HYUNDAI.

[3] The three-prong test for granting an interlocutory injunction has been clearly set by the Supreme Court of Canada in *RJR – Macdonald Inc v. Canada (Attorney General)*, [1994] 1 S.C.R. 311 at 334 (“*RJR – Macdonald*”):

1. There must be a serious question to be tried in the main action.
2. It must be demonstrated that in the absence of an interlocutory injunction the plaintiff will suffer irreparable harm; and
3. It must be demonstrated that the balance of convenience as between the parties favours the grant of an injunction against the defendants.

[4] The Motions Judge found that the evidence as to irreparable harm was essentially speculative and concluded that the appellant had not demonstrated that they would suffer irreparable harm that could not be compensated in damages if the injunction was refused. He, thus dismissed the motion to grant the injunction. We can find no overriding or palpable error in this conclusion.

[5] The appellant has attempted to focus this appeal on redefining the *RJR – Macdonald* test. Specifically, the appellant wishes this Court to endorse a slightly different test as worded by McLachlin J.A. (as she then was) in *British Columbia (Attorney General) v. Wale*, (1986) 9 B.C.L.R. (2d) 233 (B.C.C.A.), which, the appellant stresses, was approved by the Supreme Court of Canada: [1991] 1 S.C.R. 62. However, that decision preceded the Supreme Court's articulation of the test in *RJR-Macdonald*, and McLachlin J. (as she then was) was already sitting at the Supreme Court of Canada by the time *RJR-Macdonald* was heard. We believe that the test outlined in the *RJR* case is the appropriate test.

[6] A further very compelling reason to dismiss this appeal, however, is the fact that the appellant had waited for over two years after it learned of the respondents' use of the Hyundai name before seeking an interlocutory injunction. The appellant argues that it would be an error to focus on the date from which the appellant learned that the respondent was selling parts, rather than the date on which they learned that Cross Canada had made an application to expunge Hyundai's trademarks. We fail to see how Cross Canada's application is relevant to excusing the appellant's delay. If, as was contended in before the Motions Judge, the actions of the respondent have brought confusion with respect to Hyundai's trademark, the additional actions by Cross Canada should be irrelevant with respect to the urgency of an injunction.

[7] Furthermore, it is settled law that the granting of an interlocutory injunction involves the exercise of discretion of the judge hearing the application. An appellate court should only set aside such a discretionary order where there was a clear mistake by the Court below on the law or the

evidence amounting to an injustice, or some other significant glaring error that is so aberrant that the judgment must be set aside on the ground that no reasonable judge mindful of his duty would have so decided. We can find no such error on the part of the learned Motions Judge. See *B.(R.) v. Children's Aid Society of Metropolitan Toronto*, [1995] 1 S.C.R. 315.

[8] For these reasons, we would dismiss the appeal with costs.

“J. Edgar Sexton”

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-103-07

**(APPEAL FROM THE ORDER OF THE HONOURABLE MR. JUSTICE STRAYER
DATED DECEMBER 18, 2006. DOCKET NO. T-898-05.)**

STYLE OF CAUSE: HYUNDAI AUTO CANADA, a division of
HYUNDAI MOTOR AMERICA v. CROSS CANADA
AUTO BODY SUPPLY (WEST) LIMITED, CROSS
CANADA AUTO BODY SUPPLY (WINDSOR)
LIMITED and AT PAC WEST AUTO PARTS
ENTERPRISE LTD.

PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: January 10, 2008

**REASONS FOR JUDGMENT
OF THE COURT BY:** (DESJARDINS, SEXTON &
PELLETIER JJ.A.)

DELIVERED FROM THE BENCH BY: SEXTON J.A.

APPEARANCES:

H. Scott Fairley
Jeffrey Brown

FOR THE APPELLANT

Timothy M. Lowman

FOR THE RESPONDENTS

SOLICITORS OF RECORD:

Theall Group LLP
Toronto, Ontario

FOR THE APPELLANT

Sim, Lowman, Ashton & McKay LLP
Toronto, Ontario

FOR THE RESPONDENTS