Federal Court Cour fédérale

Date: 20250401

Docket: T-2555-23

Citation: 2025 FC 595

Ottawa, Ontario, April 1, 2025

PRESENT: The Honourable Madam Justice Tsimberis

BETWEEN:

ECOLAB USA INC.

Plaintiff

and

2431717 ONTARIO INC. COB AS
3D ECO CHEMICAL LABS CANADA

Defendant

JUDGMENT AND REASONS

I. Overview

[1] Ecolab USA Inc. [Plaintiff], brings an *ex parte* motion seeking an order for default judgment, pursuant to Rule 210 of the *Federal Courts Rules*, SOR/98-106 [Rules], against 2431717 Ontario Inc. cob as 3D Eco Chemical Labs Canada [Defendant] based on the Defendant's use of various ECO and LAB formative trademarks in association with a range of cleaning and disinfecting products [Defendant's goods].

[2] In its Statement of Claim, the Plaintiff makes the following allegations:

i. The Defendant's use of the trade names and trademarks 3D ECO LAB, 3D ECO LABS, 3D ECO CHEMICAL LABS CANADA, 3D ECO CHEMICALS LABS CANADA, the 3D ECO CHEMICAL LABS CANADA logo depicted below [collectively, the "alleged Infringing Marks"] in association with the operation of its business and in the advertising, performance and sale of its goods or services, infringe and depreciate the value of the goodwill of the Plaintiff's Canadian trademark registration No. TMA419,951 for ECOLAB [ECOLAB Trademark], contrary to sections 20 and 22 of the *Trademarks Act*, RSC 1985, c T-13 [Act];

3D ECO CHEMICAL LABS CANADA logo

ii. Through its use of the alleged Infringing Marks, the domain names www.3decolabs.com, www.3decolab.com, and social media accounts that feature the Plaintiff's ECOLAB Trademark, including but not limited to the Facebook account, https://www.facebook.com/3DEcoLabcom, the Instagram account, https://www.instagram.com/3decolabcom, and LinkedIn account, https://www.linkedin.com/company/3decolab, the Defendant directs public attention to its goods, services or business in such a way as to cause or be likely to cause confusion in Canada between its goods, services or business and the goods, services or business of the Plaintiff, contrary to subsection 7(b) of the Act;

[3] The Plaintiff seeks a permanent injunction prohibiting and restraining the Defendant and its representatives from directly and indirectly directing public attention to the Defendant's goods, services, and business in such a way as to cause, or be likely to cause, confusion in Canada between its goods, services and business and those of the Plaintiff.

[4] The Plaintiff requests an order directing the Defendant to deliver up to a representative of the Plaintiff, or destroy under oath, all printed and electronic materials, and all copies thereof, including all business cards, advertising, promotional and labelled materials and signage, which is in the possession, power or control of the Defendant, that feature any of the alleged Infringing Marks or any trade name and trademark that is confusingly similar with the Plaintiff's ECOLAB Trademark.

[5] The Plaintiff also requests an order directing the Defendant to terminate the website located at www.3decolabs.com, all social media accounts, including but not limited to the Facebook account, https://www.facebook.com/3DEcoLabcom, the Instagram account, https://www.instagram.com/3decolabcom, and LinkedIn account, https://www.linkedin.com/company/3decolab, as well as any other social media accounts that are in the Defendant's possession, power or control that violate the rights of the Plaintiff.

[6] Finally, the Plaintiff also requests an order directing the Defendant to transfer ownership of the domain name www.3decolabs.com to the Plaintiff.

[7] The Plaintiff has established that the Defendant was served with the Statement of Claim and the Defendant has failed to serve and file a Statement of Defence within the time set in Rule 204. The Court notes the Defendant has also not responded to the Plaintiff's response to the Court's Notice of Status Review and has not served or filed any other document in respect of this proceeding.

[8] For the reasons that follow, I partially grant the motion for default judgment.

[9] There is no doubt the Defendant is in default of its obligation to file a Statement of Defence under the Rules.

[10] On the merits of this matter, I find that there is sufficient evidence to establish both infringement and depreciation of the value of the goodwill of the ECOLAB Trademark pursuant to sections 20 and 22 of the Act and passing off under paragraph 7(b) of the Act, with regards to some of the Defendant's alleged Infringing Marks. On that basis, I grant the injunctive and delivery up relief sought relating to the alleged Infringing Marks, except for 3D ECO CHEMICAL LABS CANADA, 3D ECO CHEMICALS LABS CANADA, the 3D ECO CHEMICAL LABS CANADA logo, which the Plaintiff has not established on a balance of probabilities constitute trademark infringement, depreciation of the value of the goodwill or passing off of the Plaintiff's rights in the ECOLAB Trademark. Finally, I award damages to the Plaintiff in the amount of $15,000 and the costs sought.

II. Issues

[11] The present motion raises the following issues:

A. Should the Court grant default judgment against the Defendant, in particular:
    1) Is the Defendant in default?
    2) Has the Plaintiff established the Defendant is liable for the causes of action under the Act asserted in the claim?

B. To what remedies, if any, is the Plaintiff entitled?

C. To what costs, if any, is the Plaintiff entitled?

III. Legal Framework

[12] Where a defendant fails to serve and file a Statement of Defence within the time set out in Rule 204 or otherwise allowed by the Court, a plaintiff may bring a motion for default judgment against the defendant on the Statement of Claim (Rule 210(1)). All non-admitted allegations of fact in a Statement of Claim are deemed denied (Rule 184). This deeming is not affected by a defendant's failure to respond; a plaintiff on default judgment must file evidence to establish the allegations in their Statement of Claim (Rule 210(3); *TFI Foods Ltd v Every Green International Inc*, 2021 FC 241 [TFI Foods] at paras 4-5, citing *McInnes Natural Fertilizers Inc v Bio-Lawncare Services Inc*, 2004 FC 1027 [*McInnes Natural Fertilizers*] at para 3).

[13] A plaintiff on a default judgment motion must therefore establish two things through evidence, on a balance of probabilities: (1) the defendant is in default; and (2) the defendant is liable for the causes of action in the claim (*TFI Foods at para 5, citing McInnes Natural Fertilizers* at para 3 and *Louis Vuitton Malletier SA v Yang*, 2007 FC 1179 at para 4).

[14] In *Trimble Solutions Corporation v Quantum Dynamics Inc*, 2021 FC 63 at paragraph 36, Justice Pentney emphasized the discretion of the Court to grant a motion for default judgment and the evidentiary requirements that must be satisfied:

> It must be emphasized that granting default judgment is never automatic; it is a discretionary order (*Johnson v Royal Canadian Mounted Police*, 2002 FCT 917 at para 20; *Chaudhry v Canada*, 2008 FC 356 at para 17). As in all civil cases, and particularly where the matter is *ex parte*, the "evidence must be scrutinized with care by the trial judge" and that evidence "must

> always be sufficiently clear, convincing and cogent to satisfy the balance of probabilities test" (*FH v McDougall*, 2008 SCC 53 at paras 45-46, cited with approval in *NuWave Industries Inc v Trennen Industries Ltd*, 2020 FC 867 at para 17).

IV. Analysis

A. *The Court should grant default judgment against the Defendant*

[15] On this motion for default judgment, the Plaintiff limited its arguments to its claims for infringement, depreciation of the value of the goodwill contrary to sections 20 and 22 of the Act and passing off contrary to subsection 7(b) of the Act. On this motion, the Plaintiff did not pursue the additional claims of passing off by substitution contrary to subsection 7(c) of the Act, making a false description likely to mislead the public as to the character and quality of its goods and services contrary to subsection 7(d) of the Act, and false and misleading representations contrary to section 52 of the *Competition Act*, RSC 1985, c C-34 that it made in the Statement of Claim.

[16] The Plaintiff relies on the evidence of three affidavits. The first is the Affidavit of Samer Loubieh [Loubieh Affidavit], the Senior Marketing Manager of the Institutional Business division of Ecolab Canada, a wholly owned subsidiary of Ecolab Inc., which was authorized by the Plaintiff, a wholly owned subsidiary of Ecolab Inc., to submit the affidavit on its behalf. The second is the Affidavit of Anthony Kunkel [Kunkel Affidavit], a licensed private investigator in Ontario and the general manager for Mitchell Partner Investigation Services who was retained by the Plaintiff's counsel to purchase a few of the Defendant's products and document the Defendant's website http://www.3decolabs.com and related social media profiles and submit a

report. The third is the Affidavit of Chirani Mudunkotuwa [Mudunkotuwa Affidavit], a law clerk employed by the Plaintiff's counsel that submitted the Plaintiff's Bill of Costs.

[17] The Loubieh Affidavit includes evidence from his personal knowledge, as well as some evidence based on information and belief related to the Plaintiff's demand letter and ensuing settlement discussions. As this is a motion for default judgment and not summary judgment or summary trial, statements on information and belief may be filed (Rule 81(1)). As no contrary evidence was presented, and the evidence appears reliable, I accept Mr. Loubieh's evidence on these limited issues. I conclude that no adverse inference should be drawn from the fact that Mr. Loubieh gives some evidence based on information coming from other parties at the Plaintiff and Ecolab Inc.

[18] The factual findings in these reasons are based largely on the Loubieh Affidavit and Kundel Affidavit, including the attached exhibits.

(1) The Defendant is in Default

[19] The Plaintiff's Affidavit of Service establishes that a manager who appeared to be in control or management for the Defendant was personally served with the Statement of Claim on December 5, 2023. Rule 204(a) provides that a Statement of Defence was to have been served and filed by the Defendant within 30 days, or by January 23, 2024, given the seasonal recess. No statement of defence, or other responding document was filed by the Defendant by that date, or at any time.

[20] I am satisfied the Defendant has failed to “serve and file a Statement of dDfence within the time set out in Rule 204” (Rule 210(1)).

(2) There is sufficient evidence to establish the Defendant is liable for some of the causes of action under the Act asserted in the claim

[21] I find that the Plaintiff has established its claims for trademark infringement, depreciation of the value of the goodwill and passing off under 7(b) of the Act of its ECOLAB Trademark on a balance of probabilities in respect of the Defendant’s 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo depicted below.

3DEcoLab

[22] However, I do not find that the Plaintiff has established its above-referenced claims on a balance of probabilities in respect of the Defendant’s 3D ECO CHEMICAL LABS CANADA, 3D ECO CHEMICALS LABS CANADA, 3D ECO CHEMICAL LABS CANADA logo, 3DECO and 3D ECO trademarks.

(a) *The Plaintiff, its ECOLAB trademark and trade name, and website*

[23] Since 1986, the Plaintiff and its parent company, Ecolab Inc., along with its predecessors in title and affiliate companies, including Ecolab Canada, have operated under the trade name ECOLAB and have used the ECOLAB Trademark in Canada in association with a wide variety

of cleaning, disinfecting, hygiene, and water treatment and purification goods and services in a variety of applications and industries, including the chemical processing, food & beverage processing, food service, healthcare, life sciences, manufacturing, mining and mineral processing, power generation, pulp & paper, refinery, retail and transportation industries. With consumers across a wide spectrum of industries, Ecolab is described as a leader in cleaning and disinfecting products in Canada with its ECOLAB Trademark having been in use in Canada for almost 40 years.

[24] The Plaintiff is the owner of Canadian trademark registration No. TMA419,951 for the ECOLAB Trademark, registered on November 26, 1993, in association with a wide variety of goods including cleaning and disinfecting products, detergents, soaps, cleaners, sanitizers, disinfectants and dispensers for the latter, and a wide variety of services including “consulting services in the field of comprehensive cleaning, disinfecting, sanitizing and pest elimination for the food service”, “business information services in the field of regulatory requirements in the food service industry” and “educational and training services regarding medical instrument cleaning and reprocessing, hand hygiene and surgical scrub techniques, and cleaning and sanitizing product use and processes; educational and training services regarding efficient dishwashing practices and procedures”.

[25] Since at least 1986, the Plaintiff’s goods have been sold in Canada and continue to be sold to Canadian consumers in association with the ECOLAB Trademark. Representative packaging of Ecolab laundry detergent, bathroom cleaner and disinfectant, hand soap, hand hygiene dispenser bearing the ECOLAB trademark are reproduced hereinafter:

[26] Over the past thirty-eight (38) years, the ECOLAB goods have been sold extensively to a wide range of consumers in Canada, including to commercial and industrial consumers, and individuals. While not providing the numbers of consumers across Canada, the evidence demonstrates numerous ECOLAB branded soap and sanitizers dispensers have been sold to Canadian consumers across Canada, and have been installed at various businesses, in major national retailers, gyms, public restrooms, restaurants (e.g., Boston Pizza, Swiss Chalet, St. Hubert, Harvey's, Montana's, East Side Mario's, the Keg, The Pickel Barrel, Bier Markt, Kelseys), hotels (e.g., Marriott and Sheraton hotels) and hospitals, and are used regularly by untold numbers of the Canadian public who frequent these facilities every day.

[27] The Plaintiff's ECOLAB business and products have enjoyed great success in Canada with the Canadian revenue generated by the sale of ECOLAB cleaning and disinfecting products and services in Canada in association with the ECOLAB Trademark being significant, with sales totalling over $1 billion CAD alone in the revenue period between 2018 through 2023.

[28] The Plaintiff's licenses authorize its affiliate company Ecolab Canada to use, advertise and/or display the ECOLAB Trademark and ECOLAB trade name in Canada. The Plaintiff retains direct or indirect control over the character and quality of the goods and services set out in its trademark registration that are used, sold, distributed, advertised, promoted, marketed, or displayed in association with the ECOLAB Trademark in Canada, which has been the case over the entire revenue period discussed.

[29] The Plaintiff and its affiliated companies, including Ecolab Canada, have invested a substantial amount of time and effort developing the goodwill and renown of the ECOLAB Trademark in Canada over the last thirty-eight (38) years. The ECOLAB Trademark is prominently marked on all goods, on the packaging of all goods, and displayed in the performance and advertising of all services.

[30] Ecolab Canada and affiliated companies promote the ECOLAB goods directly to consumers through the website https://en-ca.ecolab.com [Ecolab Website and Ecolab Webpages]. The ECOLAB Trademark is prominently displayed on the Ecolab Website and Ecolab Webpages. The Ecolab Webpages display representative product packaging bearing the ECOLAB Trademark and use and display the ECOLAB Trademark in the performance and advertising of the services mentioned above. One of the examples provided in the Loubieh Affidavit is Ecolab's Science Certified Program, an all-in-one service providing Ecolab products, cleaning and disinfection consultation, and cleaning and disinfection training services to commercial, industrial, and individual consumers with an aim to tailor Ecolab's product and service offerings to the needs of a given consumer.

[31] Other than on its Ecolab Website, the ECOLAB Trademark is prominently displayed on distribution centers, trucks, and social media pages, as well as on marketing materials such as brochures and catalogues, which are provided to consumers in Canada. In its promotion and advertisement of the ECOLAB goods and services, Ecolab Canada distributes catalogues and brochures through third-party distributors and Ecolab sales personnel, advertises through the Ecolab Website and social media pages accessible in Canada (including X.com/Ecolab, www.Facebook.com/ecolab, www.Instagram.com/ecolab_inc) featuring the ECOLAB Trademark at the top of the webpage, in the name and profile picture of the social media account, or in the title or within the text of social media posts advertising the ECOLAB goods and services, and benefits from the promotional efforts of third-party distributors and Ecolab sales personnel in which the ECOLAB Trademark are featured.

[32] The Plaintiff's evidence comprises representative examples of various such catalogues and brochures bearing the ECOLAB Trademark, some of which advertise Ecolab's collaborations with hotels to deliver Ecolab cleaning and disinfecting products and associated Ecolab cleaning and disinfecting protocols at hotels and resorts (e.g., Wyndham) across Canada and for the food service industry, as well as proper use and benefits of dishwashing cleaning solutions, sanitizing solutions for Canadian consumers.

[33] The Plaintiff's evidence also comprises samples from each of Ecolab's websites and social media pages depicting numerous advertisements for the goods and services in association with which the ECOLAB Trademark is used. They include a webinar regarding the use of the Ecolab products and procedures for sanitation and food service posted on the Ecolab Facebook

page, advertising Ecolab's cleaning, sanitation and disinfecting consultation services, Ecolab's science certified program, Ecolab education and training services regarding cleaning and disinfection best practices in the food service industry on the Ecolab Facebook page, as well as advertising on a YouTube page educating consumers on how to properly clean and disinfect surfaces to avoid salmonella infection through the use of ECOLAB cleaning products and disinfectants.

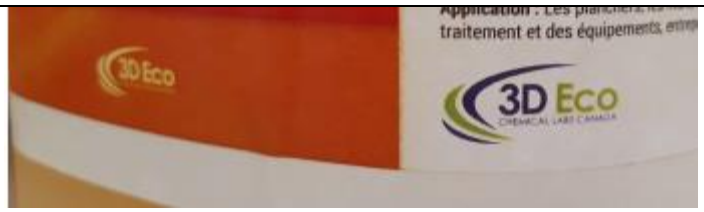
(b) *The Defendant, its tradenames, trademarks, website and social media*

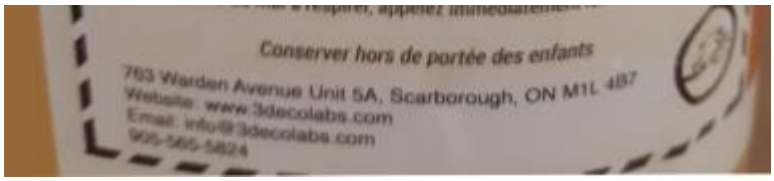
[34] The Defendant is an Ontario corporation incorporated pursuant to the laws of the province of Ontario on August 27, 2014, having a place of business in Scarborough, a district of Toronto, Ontario, and is in the business of offering a range of cleaning and disinfecting goods to businesses.

[35] The Plaintiff first learned of the Defendant's activities in the fall of 2018 and wrote to the Defendant through counsel to express its concerns in October 2018. After sending a demand letter in October 2018, the parties engaged in negotiations but were unable to resolve the dispute.

[36] On January 28, 2020, the Defendant registered the business name 3D ECO CHEMICALS LABS. Despite having been made aware of the Plaintiff's concerns As of at least November 25, 2021, the Defendant used the domain www.3decolab.com featuring the 3D ECO CHEMICAL LABS CANADA logo, the trade names 3D ECO LAB and 3DEcoLabs, and the trademark and tradename 3D ECO CHEMICAL LABS CANADA to promote and advertise its cleaners and disinfectants. The packaging of the Defendant's cleaning products bore the trademark 3D ECO.

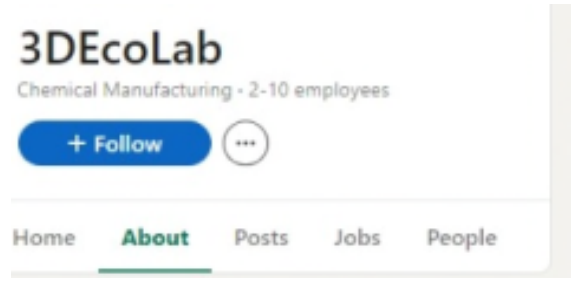
[37] As of at least June 2019, the Defendant's cleaning and disinfecting products bear the trademarks 3D ECO and/or 3D ECO CHEMICAL LABS CANADA logo as well as references to the website www.3decolabs.com and the email address info@3decolabs.com on the side of the packaging.

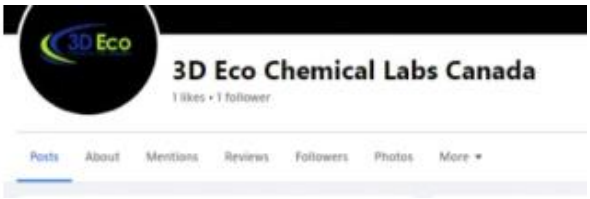




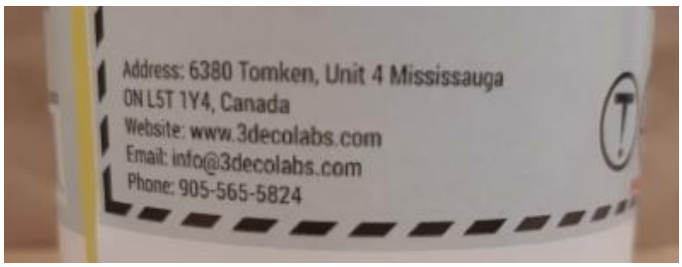
[38] On December 1, 2023, the Plaintiff filed a Statement of Claim with the Federal Court.

[39] The Defendant currently uses the trademarks and trade names 3D ECO LAB, 3D ECO LABS, 3DEcoLab logo, 3D ECO CHEMICAL LABS CANADA, 3D ECO CHEMICALS LABS CANADA and the 3D ECO CHEMICAL LABS CANADA logo, in association with the promotion, advertising and sale of its cleaning and disinfecting goods. The Defendant currently uses the domain name www.3decolabs.com to promote, advertise and sell its cleaning and disinfecting goods.





[40] As can be seen above, the Defendant's current cleaning and disinfecting products bear the trademarks 3D ECO CHEMICAL LABS CANADA logo, 3DECO and 3D ECO trademarks. They all also bear references to the website www.3decolabs.com and the email address info@3decolabs.com on the side of the packaging, as depicted hereinafter:



(c) *Trademark infringement under section 20 of the Act*

[41] Under section 19 of the Act, a trademark owner has the exclusive right to use its registered trademark throughout Canada in respect of the goods and services listed in the registration. That right is deemed infringed, according to section 20, by a person who sells, distributes, or advertises goods or services in association with a confusing trademark or trade name.

[42] Subsections 6(2) and 6(4) of the Act contemplate respectively confusion between two trademarks, and confusion between a trademark and a trade name, if the use of both in the same area would be likely to lead to the inference that the goods or services associated with the business carried on under the trademark, or the trade name as the case may be, and those associated with the trademark are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.

[43] Subsection 6(5) of the Act establishes a non-exhaustive list of factors to be considered in the context of "all the surrounding circumstances" when determining whether two trademarks are confusing: (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 goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks or trade names in appearance or sound or in the ideas suggested by them.

[44] These criteria are not exhaustive and different weight will be given to each one in a context-specific assessment (*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 (CanLII), [2006] 1 SCR 824 [*Veuve*] at para 21; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 (CanLII), [2006] 1 SCR 772 (SCC) at para 54).

[45] The test to be applied in assessing these factors, on a balance of probabilities, is one of first impression in the mind of a casual consumer somewhat in a hurry who has no more than an imperfect recollection of the prior trademark and who does not stop to consider the differences and similarities between the marks or names in issue. In this case, the test to determine if the Defendant's use of the alleged Infringing Marks is confusing with the Plaintiff's registered trademark ECOLAB is to consider whether, as a matter of first impression, "a casual consumer somewhat in a hurry" who sees the Defendant's trademarks and tradenames, having no more than an imperfect recollection of the Plaintiff's trademark, would be likely to think that the Defendant's goods or services are from the same source as the Plaintiff's (*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 (CanLII), [2011] 2 SCR 387 [*Masterpiece*] at paras 39-41; *Veuve* at paras 18-21).

[46] Bearing these legal principles in mind, I turn to consider each of the subsection 6(5) factors.

(i) Paragraph 6(5)(e) – Degree of Resemblance

[47] I start with the degree of resemblance between the marks factor at paragraph 6(5)(e), which the Supreme Court in *Masterpiece* at paragraph 49 stated will often have the greatest effect on the confusion analysis.

[48] This factor favours the Plaintiff with regards to the Defendant's 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks. The Plaintiff's ECOLAB Trademark and the Defendants' 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks share a high degree of resemblance in appearance, sound and in the ideas suggested by them due to the shared dominant element ECOLAB/ECO LAB. To the extent that the attention of a casual, hurried consumer would be drawn to the words ECO LABS/ECOLAB in the parties' marks, this would contribute significantly, in my view, to the resemblance of their marks in appearance, sound and in the ideas suggested.

[49] While there are small differences (e.g., the space between ECO and LAB, as well as an added S at the end of LABS in one case), I agree with the Plaintiff that the Defendant's 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks appropriate the Plaintiff's ECOLAB Trademark in its entirety and there is a meaningful degree of resemblance between the marks. The Plaintiff submits that the case at bar is similar to *Mondo Foods Co Ltd and Lidl Stiftung & Co Kg*, 2023 TMOB 100, where the Trademarks Opposition Board [Board] held that, since VEMONDO incorporated MONDO in its entirety, there was a meaningful degree of resemblance between the marks. I agree.

[50] In my view, the words ECOLAB and ECO LAB in both parties' trademarks when used in association with the parties' cleaning and disinfectant goods would bring to mind ecological products made in a laboratory (from the word eco- being a suffix meaning ecological and lab being a noun meaning laboratory – see online dictionary *Merriam-Webster Dictionary*: https://www.merriam-webster.com/dictionary/eco and https://www.merriam-webster.com/dictionary/lab). The ideas suggested from the dominant components of the parties' marks would be that the products are made in a laboratory in an ecological way (something that is designed to have little or no harmful effect on the environment, encompassing product sourcing, production, packaging and/or disposal). I agree with the Plaintiff that the word 3D has a laudatory connotation suggesting improvement from two-dimensional to three-dimensional and likely suggests that the 3D ECO LAB and 3D ECO LABS cleaning and disinfecting products are an improved version of, or a third "dimension" of such laboratory made ecological products. For those consumers of ECOLAB products having an imperfect recollection of the ECOLAB Trademark and who see the Defendant's 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks, they would likely think that they are an improved version or a third "dimension" of the Plaintiff's ECOLAB cleaning and disinfecting products. The addition of the descriptive word 3D, which means "three-dimensional", in the Defendant's 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks does not help to distinguish or to suggest another brand or source of the product.

[51] In my view, these small differences (e.g., the space between ECO and LAB, as well as an added S at the end of LABS in one case) and the addition of the descriptive and/or laudatory term 3D do not detract from the fact that the dominant element of the Defendant's 3D ECO

LAB, 3D ECO LABS and 3DEcoLab logo trademarks is ECO LAB and ECO LABS, which is very similar to the Plaintiff's registered ECOLAB trademark. The phrases 3D ECO LAB and 3D ECO LABS suggest that ECO LAB is the subject whereas 3D is merely a qualifier of that subject or an adjective. In my view, this is another reason the focus in Defendant's 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks is on the ECO LAB or ECO LABS component. Despite some mild differences, two marks can still have similarities stemming from the most striking element considering the frame to evaluate this issue is that of a casual consumer who will not spend time parsing out individual aspects of competing marks, especially where the confusion analysis should not rely upon detailed consideration or scrutiny (*Toys* "*R*" *Us (Canada) Ltd v Herbs* "*R*" *Us Wellness Society*, 2020 FC 682 [*Toys* "*R*" *Us*] at para 21; *Veuve* at para 20).

[52] However, this degree of resemblance factor does not, in my view, favours the Plaintiff with regards to the Defendant's other trademarks 3D ECO CHEMICAL LABS CANADA, 3D ECO CHEMICALS LABS CANADA and the 3D ECO CHEMICAL LABS CANADA logo. The differences between them are not minor and the respective marks do not share similarities stemming from the most striking elements. When considered as a whole, each of the Defendant's other above-referenced trademarks are lengthier marks with five (5) words having 11 syllables that are much longer than the Plaintiff's ECOLAB trademark having one word with only 3 syllables, giving a very different impression visually, in their sound and in the ideas suggested by them than the Plaintiff's punchier invented ECOLAB Trademark. Importantly, the words ECO and LABS in the Defendant's trademarks 3D ECO CHEMICAL LABS CANADA and 3D ECO CHEMICALS LABS CANADA are no longer placed one after the other but are split up with a

descriptive word (CHEMICAL or CHEMICALS) separating them and a descriptive word surrounding them at the beginning (3D) and at the end (CANADA) of the trademark. As such, the unitary ECO LABS component is no longer a part of the Defendant's other marks and not its most striking or dominant part. The words ECO and LABS are not given prominence as compared to the other words in the Defendant's trademarks 3D ECO CHEMICAL LABS CANADA and 3D ECO CHEMICALS LABS CANADA.

[53] As can be seen below, when considered as a whole, the 3D ECO CHEMICAL LABS CANADA logo features a larger, more prominent, and striking 3D ECO component and a much smaller CHEMICAL LABS CANADA component that is descriptive. The words ECO and LABS are split up not only in terms of words separating them, but in terms of their different size, font and positioning within the logo design. The 3D ECO component is striking; it is in the same large characters as and positioned next to the arcs design:

[54] The Plaintiff argued in its written representations that it is well recognized that marks with some differences can still result in a likelihood of confusion (*Veuve* at para 35; *Masterpiece* at para 62) and that the words CHEMICAL, CHEMICALS, and CANADA, are descriptive of the goods themselves and do not serve to differentiate them from the ECOLAB Trademark in a meaningful way. In my view, the above-mentioned numerous differences make it less likely that a casual consumer somewhat in a hurry who sees the Defendant's 3D ECO CHEMICAL LABS

CANADA, 3D ECO CHEMICALS LABS CANADA and the 3D ECO CHEMICAL LABS CANADA logo trademarks and tradenames, having no more than an imperfect recollection of the Plaintiff's ECOLAB Trademark, would be likely to think that the Defendant's goods or services are from the same source as the Plaintiff's.

[55] At the close of the hearing, I asked for additional written submissions highlighting key passages of any caselaw discussing the addition of descriptive words inserted into the middle of a competing mark. In additional submissions filed on January 14, 2025, the only case cited by the Plaintiff that may be helpful to the Plaintiff's position was *Endress+Hauser Group Services AG and Littelfuse, Inc*, 2022 TMOB 49 where the Board found the applied-for:

a design trademark and the Opponent's HEARTBEAT TECHNOLOGY trademark were confusing and reached its decision by finding that there was a high degree of resemblance for the following reasons:

> [44] I agree with the Opponent that there is a high degree of resemblance between the Mark and the Opponent's HEARTBEAT TECHNOLOGY trademark in appearance, when sounded, and in ideas suggested [para 70]. In this respect, the Mark fully incorporates both terms that comprise the Opponent's trademark, with the design element of the Mark at least being suggestive of heartbeats and the SENSOR portion of the Mark being descriptive of the relevant goods.

[56] The Board's finding of a high degree of resemblance in that case is understandable given the descriptive word SENSOR between the two words HEARTBEAT and TECHNOLOGY

forming the Opponent's registered trademark HEARTBEAT TECHNOLOGY, and the design element was suggestive of heartbeats. In this case, there are three words 3D, CHEMICAL and CANADA each located around the words ECO and LABS with the arc design element not being suggestive of the wares and the element incorporating LABS (CHEMICAL LABS CANADA) being suggestive of where the goods are manufactured.

[57] Similarly, this degree of resemblance factor does not, in my view, favour the Plaintiff with regards to the Defendant's other shorter 3DECO and 3D ECO trademarks, which are missing the LAB element of the Plaintiff's ECOLAB Trademark and are consequently different visually, in sound and in ideas suggested.

(ii) Paragraphs 6(5)(a) and (b) – Inherent Distinctiveness and the Extent Known, and Length of Time in Use

[58] These factors strongly favour the Plaintiff.

[59] As for the inherent distinctiveness factor, the Plaintiff's ECOLAB is an invented term. The Plaintiff's evidence is that it is the shortform for "Economics Laboratory", the previous trade name of the Plaintiff's predecessor in title. For those not aware of the prior trade name of the Plaintiff, ECOLAB would be an invented term stemming from the dictionary words ECO that have several meanings, including habitat or environment and ecological or environmental, and LAB, meaning laboratory (see online dictionary *Merriam-Webster Dictionary*: https://www.merriam-webster.com/dictionary/eco and https://www.merriam-webster.com/dictionary/lab). However, the inherent distinctiveness of a trademark must be

assessed in the context of goods and services to which it applies (*Mcdowell v The Body Shop International PLC*, 2017 FC 581 [*Mcdowell 2017*] at para 28). When used in association with cleaning and disinfectant products, ECOLAB may suggest such products being made in a laboratory in an ecological way The ECOLAB trademark is inherently distinctive in association with the cleaning and disinfecting goods and the above-mentioned services. Turning to the Defendant's trademarks, I take note of the Defendant's admission that the 3D ECO CHEMICAL LABS CANADA logo has a limited level of inherent distinctiveness as a design mark. As for the rest of the alleged Infringing Marks of the Defendant, they have an even more limited level of inherent distinctiveness as they comprise a combination of dictionary words.

[60] As for the extent to which the trademarks have become known, I am prepared to accept that the Plaintiff's ECOLAB Trademark has become known to a significant extent in Canada. The evidence is to the effect that the ECOLAB Trademark is prominently marked on all the Plaintiff's goods and its packaging offered for sale and sold in Canada to a wide range of consumers, including to commercial and industrial consumers, and individuals. Ecolab has invested a substantial amount of time and effort developing the goodwill and renown of the ECOLAB Trademark in Canada over 38 years in Canada. The Plaintiff's sales of ECOLAB branded cleaning and disinfecting products and services in Canada in association with the ECOLAB Trademark has been significant and from 2018 through 2023 alone have totaled over $1 billion CAD. By contrast, the evidence demonstrates that the Defendant's alleged Infringing Marks have been in use in Canada since 2018 and would be known to a certain limited extent, at least in the Toronto and Scarborough areas, but to a much lesser extent in Canada than the Plaintiff's well known ECOLAB Trademark.

[61] As for the length of time in use, the Plaintiff's ECOLAB Trademark has been used for over 38 years while the Defendant's alleged Infringing Marks have been known for less than 8 years, so a thirty-year difference.

(iii) Paragraphs 6(5)(c) and (d) – Nature of Goods, Services or Business, and Channels of Trade

[62] These factors strongly favour the Plaintiff. The parties' cleaning and disinfecting goods are identical. These goods are offered in the same channels of trade. Specifically, the Defendant advertises its cleaning and disinfecting goods, including soap and detergents, to hospitals and healthcare facilities, veterinary clinics, poultry farms, dairy farms, food processing plants, hotels and restaurants, which is identical to the Plaintiff, which sells its cleaning and disinfecting goods, including soap and detergents, to hospitals, gyms, dairy farms, food processing plants, hotels and restaurants.

(iv) Conclusion: Trademark Infringement

[63] Having considered and weighed the above factors, I am satisfied that the Plaintiff has established a likelihood of confusion between its ECOLAB Trademark and the Defendant's 3D ECO LAB, 3D ECO LABS and the 3DEcoLab logo trademarks. The Defendant's use of and activities surrounding the 3D ECO LAB, 3D ECO LABS and the 3DEcoLab logo trademarks and trade names constitute trademark infringement of the Plaintiff's registered ECOLAB Trademark, contrary to section 20 of the Act.

[64] On the other hand, with the most important factor of the degree of resemblance not favouring the Plaintiff and with the other factors favourable to the Plaintiff not outweighing the importance of the lack of resemblance, the Plaintiff has not established on a balance of probabilities that the Defendant's use of the 3D ECO CHEMICAL LABS CANADA, 3D ECO CHEMICALS LABS CANADA, 3D ECO CHEMICAL LABS CANADA logo, 3DECO and 3D ECO trademarks and trade names constitute trademark infringement of the Plaintiff's registered ECOLAB Trademark, contrary to section 20 of the Act. The Plaintiff has not filed any evidence (e.g. state of the register and state of the marketplace) demonstrating that its trademark rights in ECOLAB extend to uses by other traders of the words ECO or LAB alone or the words ECO and LAB that are separated from one another. The exclusive rights conferred by its registration TMA419,915 is to the exclusive use of the combined ECOLAB word mark in association with its registered goods and services. The Plaintiff's evidence of its successful enforcement efforts to protect its ECOLAB trademark corroborates this scope of protection. Indeed, these enforcement efforts are limited to oppositions taken against third-party applications for marks comprising both ECO and LAB together as part of the trademark (e.g., ECOLABORATION) and terms confusingly similar to marks comprising both ECO and LAB (e.g., COLAB, ECOLAV, EKOtab).

(d) *Passing off under subsection 7(b) of the Act*

[65] Subsection 7(b) of the Act is the codification of the common law tort of passing off, which prohibits a person from directing public attention to their services or business in such a way as to cause or be likely to cause confusion in Canada between its services or business and

that of another. Passing off can be found in respect of registered or unregistered trademarks and requires that a plaintiff establish three elements:

1) There must be goodwill in the Plaintiff's trademark(s);
2) That the Defendant deceives the public by misrepresentation; and,
3) That the Plaintiff has suffered actual or potential damage through the Defendant's actions.

(*Ciba-Geigy Canada Ltd v Apotex Inc*, 1992 CanLII 33 (SCC), [1992] 3 SCR 120 [*Ciba-Geigy*] at 132).

(i) Existence of goodwill

[66] In determining the existence of goodwill, courts are permitted to consider a variety of factors including inherent and acquired distinctiveness, length of use, surveys, volumes of sales, extent and duration of advertising and marketing, and intentional copying (*Sandhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2019 FCA 295 [*Sandhu Singh*] at para 48). The Federal Court of Appeal clarified that for the purposes of passing off, the factors should be considered in determining if a mark is distinctive and possesses reputation (*Sandhu Singh* at para 48).

[67] Having carefully reviewed the Plaintiff's evidence, I find that the Plaintiff has met the first element of the passing off test having established a goodwill and reputation in the ECOLAB Trademark through its long use over 38 years in Canada, through its extensive use and promotion in Canada across various industries and through its above-referenced significant sales of ECOLAB cleaning and disinfecting products and above-mentioned services in Canada in association with the ECOLAB Trademark evidenced between 2018 and 2024. Though ECO and LAB are common words in the English language, I have found that the combined word

ECOLAB is an invented word that possesses inherent distinctiveness in relation to the cleaning and disinfectant goods of which it relates (*Mcdowell 2017* at para 29). The Plaintiff has not only operated and advertised its business in Canada under the trade name ECOLAB and ECOLAB CANADA, but it has also used the ECOLAB Trademark, since 1986. The evidence further demonstrates sales of ECOLAB branded cleaning and disinfecting products and related services in Canada in association with the ECOLAB Trademark over the last 6 years of over $1 billion CAD. The Plaintiff presently enjoys substantial goodwill and reputation of its ECOLAB Trademark amongst Canadian consumers of cleaning and disinfecting products as well as its above-mentioned related services.

(ii) Misrepresentation

[68] The Plaintiff argues that the Defendant's use of the alleged Infringing Marks in association with the same cleaning and disinfecting goods and related services gives rise to a likelihood of confusion and constitutes misrepresentation. The second element of misrepresentation will be met if the Plaintiff establishes that the Defendant has used a trademark that is likely to be confused with the Plaintiff's distinctive mark (Ciba-Geigy at 136-137, 140; *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65 (CanLII), [2005] 3 SCR 302 at paras 66-68; *Sandhu Singh* at paras 20-21). For the same reasons given above in assessing confusion for infringement purposes, I find that the Plaintiff has established on a balance of probabilities, a likelihood of confusion between its ECOLAB Trademark and the Defendant's 3D ECO LAB, 3D ECO LABS and the 3DEcolab logo mark. However, the Plaintiff has not established on a balance of probabilities that the Defendant's use of the 3D ECO CHEMICAL LABS CANADA, 3D ECO CHEMICALS LABS CANADA, 3D ECO CHEMICAL LABS

CANADA logo, 3DECO and 3D ECO trademarks and trade names constitute trademark infringement of the Plaintiff's ECOLAB Trademark.

(iii) Actual or potential damage

[69] Finally, damages in a passing off action must be proven by the Plaintiff (*Blossman Gas, Inc v Alliance Autopropane Inc*, 2022 FC 1794 [*Blossman Gas*] at para 160, citing *Cheung v Target Event Production Ltd*, 2010 FCA 255 [*Cheung*] at para 24). The Plaintiff does not allege any loss of sales or profits arising from the Defendant's activities. Rather, the Plaintiff submits that it has suffered actual damage to its goodwill through its loss of control over its ECOLAB Trademark. This Court has previously held that the proof of a loss of control over a mark can be sufficient (*Cheung* at paras 26-28). The Plaintiff further argues that since the Defendant appears to be a direct competitor, one can infer a likelihood of loss of sales and business:

> […] The Federal Court of Appeal has also noted that a likelihood of loss of sales and business can be inferred from the use of confusing marks by direct competitors in the same channels: *Group III International Ltd v Travelway Group International Ltd*, 2017 FCA 215 at para 84 [*Group III (2017)*]. While the Court of Appeal later noted that its 2017 finding of passing off should not be followed as authority in future cases, this appears to have been directed at the existence of a registered trademark as a defence, and not at its discussion of the constituent elements of passing off: *Group III (2020)* at para 47.
>
> (*Blossman Gas* at para 160, citing *Group III International Ltd v Travelway Group International Ltd*, 2017 FCA 215 at para 84 and *Group III International Ltd v Travelway Group International Ltd*, 2020 FCA 210 at para 47)

[70] I find that those who are looking for the goods or services of ECOLAB with the characteristics of the Plaintiff will be directed or misdirected to the Defendant's similarly named

websites www.3decolabs.com, www.3decolab.com, social media accounts that feature the Plaintiff's ECOLAB Trademark, including but not limited to the Facebook account, https://www.facebook.com/3DEcoLabcom, the Instagram account, https://www.instagram.com/3decolabcom, and LinkedIn account, https://www.linkedin.com/company/3decolab, and business under 3D ECO LAB and 3D ECO LABS, thus leading to the Plaintiff's loss of control over the use and commercial impact of its ECOLAB Trademark. As the Plaintiff has no control over the quality of goods sold by the Defendant and the quality of the related services offered by the Defendant, the Defendant's offering of goods and services under confusing trademarks is sufficient to demonstrate potential damages resulting from a loss of control over the Plaintiff's goodwill.

[71] In light of the above, I am satisfied that the Plaintiff has established the existence of all three elements required to support its claim for the passing off test for the 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo. The Defendant has passed off its business and services as being that of, associated or connected with the Plaintiff's business or services, contrary to subsection 7(b) of the Act.

(e) *Depreciation of the value of the goodwill of the trademark under section 22 of the Act*

[72] I am satisfied that the Plaintiff has shown the Defendant's activities likely depreciate the value of the goodwill attached to the ECOLAB Trademark.

[73] Subsection 22(1) of the Act prohibits the use of a party's registered trademark by another party in a manner that is likely to have the effect of depreciating the value of the goodwill attached to that registered trademark.

[74] As established in *Veuve* at paragraph 46, a claim under subsection 22(1) of the Act has four required elements:

i. It must be shown that a claimant's registered trademark was used by a defendant in connection with wares or services – whether or not such wares or services are competitive with those of the claimant;

ii. It must be shown that the claimant's registered trademark is sufficiently well known to have significant goodwill attached to it;

iii. It must be shown that the trademark was used in a manner likely to have an effect on that goodwill (there must be a connection or "linkage"); and

iv. It must be shown that the likely effect would be to depreciate the value of its goodwill (i.e., damage).

(i) Use of the Plaintiff's registered ECOLAB Trademark

[75] The "use" required by subsection 22(1) need not be of the registered trademark exactly as it is registered (*Veuve* at para 48). Rather, the trademark used need only be "sufficiently similar to [the registered mark] to evoke in a relevant universe of consumers a mental association of the two marks" (*Veuve* at para 38).

[76] In *Venngo Inc v Concierge Connection Inc (Perkopolis)*, 2017 FCA 96 at paragraphs 13 and 80, the Federal Court of Appeal described subsection 22(1) as requiring the "use of the trade-mark or something so closely akin to it so as to be understood as the other party's mark" in a relevant universe of consumers.

[77] The Defendant, through its use of the 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks, has used the ECOLAB Trademark within the meaning of sections 22 and 4 of the Act in association with the operation of their business offering substantially the same type of cleaning and disinfecting goods and related services as those of the Plaintiff.

[78] The Defendant's 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo trademarks are "sufficiently similar" and "so closely akin" to the Plaintiff's ECOLAB Trademark within the meaning of the above-mentioned jurisprudence, considering the above-mentioned substantial overlap between the parties' goods, services and channels of trade.

(ii) The ECOLAB Trademark is sufficiently well known to have significant goodwill attached to it

[79] As discussed above, the Plaintiff has shown that its registered ECOLAB Trademark is sufficiently well known to have significant goodwill attaching to it in Canada. I have considered my findings in the factual section on the Plaintiff and my findings of substantial goodwill in my evaluation of the subsection 6(5) factors in the context of likely confusion under infringement and passing off, which can have a bearing on the depreciation of goodwill analysis, notwithstanding the differences in assessing goodwill under subsection 7(b) and section 22 of the Act (*Sandhu Singh* at paras 47-48).

(iii) Connection or "linkage" - The ECOLAB Trademark was used in a manner likely to have an effect on that goodwill

[80] In support of its argument that the third criteria is met, the Plaintiff relies on Justice McHaffie's reasons at paragraphs 58 and 59 in *Toys* "*R*" *Us*:

> *Linkage*
>
> [58] The requisite "connection or linkage" needed under section 22 is described as a linkage, connection, or mental association that is likely to have an effect on goodwill: *Veuve Clicquot* at paras 46, 56–57. Given this description, there appears to be a degree of overlap between the first and third elements of the section 22 analysis: *Veuve Clicquot* at paras 38, 46, 48–49, 56–57. This must be established on a balance of probabilities, in other words such a linkage must be "likely," which is a question of evidence rather than mere speculation*: Veuve Clicquot* at paras 46, 60.
>
> [59] In my view, the likelihood of a linkage or mental association between the HERBS R US trademark and the '641 Mark is established in this case, as is the likely effect of that linkage on goodwill. While the question of linkage is one of evidence, I do not believe that this requires specific consumer evidence or survey evidence establishing the likelihood of linkage. Rather, I conclude that I can infer the existence of such a linkage in the mind of a consumer from the marked similarities between the '641 Mark and the HERBS R US mark, combined with the evidence of the extensive use, sales, and advertising associated with the '641 Mark. While not necessary to my conclusion, and with the recognition that the observation is not coming from a "consumer," I note that the news article that drew an immediate connection between the HERBS R US trademark and Toys "R" Us—without showing even a hint of confusion that HERBS R US was actually being used by Toys "R" Us—supports the assessment that a linkage or mental association between the two would be made.

[81] Similarly, in my view, I can infer the existence of such a linkage in the mind of the average consumer of cleaning and disinfecting goods from the substantial similarities between the Defendant's 3D ECO LAB, 3D ECO LABS, and 3DEcoLab logo trademarks and the Plaintiff's ECOLAB Trademark, the identical goods with which they are used, the overlapping channels of trade, and combined with the substantial use, sales, and advertising associated with the ECOLAB Trademark. It is reasonable to infer that the Defendant's use of the 3D ECO LAB,

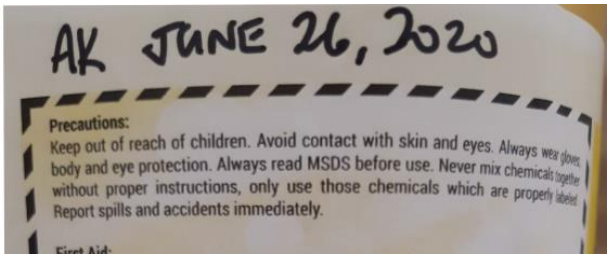
3D ECO LABS, and 3DEcoLab logo trademarks is likely to have an effect on the goodwill of the Plaintiff's ECOLAB Trademark by evoking in customers of the parties' goods and services a mental association between the parties' respective trademarks (i.e. a linkage).

(iv) Damage - The likely effect would be to depreciate the value of goodwill attached to the ECOLAB Trademark

[82] Finally, the Defendant's activities are likely to depreciate the value of the goodwill attaching to the ECOLAB Trademark. The Supreme Court in *Veuve* teaches at paragraph 63 what "to depreciate" means in section 22 and how it can come about:

> 63 The word **"depreciate"** is used in its ordinary dictionary meaning of **"lower the value of"** as well as to "disparage, belittle, underrate": *New Shorter Oxford English Dictionary* (5th ed. 2002), at p. 647. In other words, disparagement is a possible source of depreciation, but the **value can be lowered in other ways**, as by the **lesser distinctiveness** that results when **a mark is bandied about by different users**. […]
>
> 64 The U.S. law speaks of the reduction of the capacity of a "famous" mark to identify the goods of its owner, not loss of goodwill. Nevertheless, while U.S. cases must be read with its different wording in mind, they provide some useful elucidation of relevant concepts. For example, the notions of **the "blurring" of the brand image evoked by the trade-mark, or of its positive associations, or a "whittling away" of its power to distinguish** the products of the claimant and attract consumers, were noted by the U.S. 9th Circuit in 2002:
>
> > Dilution works its harm not by causing confusion in consumers' minds regarding the source of a good or service, but by creating an association in consumers' minds between a mark and a <u>different</u> good or service. [Emphasis added.]
> >
> > (*Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, at para. 16)
>
> [Emphasis added]

[83] The Plaintiff argues that the Defendant's activities are unauthorized, thus the Plaintiff has no control over the character and quality of the goods that are offered by the Defendant. The Defendant's use of the ECOLAB Trademark amounts to another trader "bandying the mark about" in a fashion that reduces the distinctiveness of the ECOLAB Trademark and "whittles away" the brand's power to distinguish the Plaintiff's goods and services. The Kunkel Affidavit attests to the Defendant's voicemail and website having not worked, some of its product labels being blurry because of poor resolution when the labels were printed, and some of its product sizes being indicated by a handwritten check mark on its labels.



[84] The Plaintiff argues that this is "utterly inconsistent" with the reputation of the ECOLAB brand and is likely to tarnish the goodwill associated with the ECOLAB Trademark. I agree and point to a similar circumstance and finding of Justice Boswell in *Diageo Canada Inc v Heaven Hill Distilleries, Inc*, 2017 FC 571 at paragraph 105:

> [105] Additionally, the requisite damages to found a claim in passing off can be established, as Diageo says, by showing "a loss of control over reputation, image or goodwill." The fact Heaven Hill **had an issue with the liquid inside some of its bottles of ADMIRAL NELSON'S rums changing colour** after it relaunched the brand in 2013, and in view of the evidence as to confusion in some consumers' minds as to the source of the ADMIRAL NELSON'S rum products, this is something which potentially could cause damage to the CAPTAIN MORGAN reputation, image, or goodwill.
>
> [Emphasis added]

[85] Through the Defendant's above-mentioned activities and use of the 3D ECO LAB, 3D ECO LABS, and 3DEcoLab logo trademarks in association with cleaning and disinfectant goods having such labels that give the impression of lower quality products, I agree that the Plaintiff has experienced a loss of control over how the ECOLAB Trademark is being used in association with its cleaning and disinfectant goods and its trademark's commercial impact in the Canadian marketplace.

(v) Conclusion

[86] In conclusion, the Defendant's activities constitute a depreciation of the value of the goodwill attaching to the Plaintiff's ECOLAB trademark, contrary to subsection 22(1) of the Act.

B. *Remedies*

[87] Section 53.2 of the Act provides that the Court may make any order that it considers appropriate in the circumstances, including an order providing for relief by way of injunction and

the recovery of damages or profits, for punitive damages, and for the destruction or other disposition of any offending goods, packaging, labels, and advertising material.

(1) Injunctive relief sought

[88] The Plaintiff seeks a permanent injunction enjoining the Defendant "by itself, and by its employees, partners, agents, officers, and directors, in such capacity," from continuing its activities that cause, or are likely to cause, confusion in Canada between its goods, services or business and those of the Plaintiff.

[89] While an injunction is an equitable, discretionary remedy (*Google Inc v Equustek Solutions Inc*, 2017 SCC 34 (CanLII), [2017] 1 SCR 824 at paras 22-23), it is the typical remedy in cases of trademark infringement, depreciation of goodwill and passing off cases, to save the plaintiff from the need to bring a new action if the defendant infringes again (*McDowell v A Drip of Honey*, 2024 FC 453 at para 77, citing *Lululemon Athletica Canada Inc v Campbell*, 2022 FC 194 at para 30).

[90] The Defendant has not responded to these proceedings taken by the Plaintiff. Its website and social media accounts appear to be still accessible. In the circumstances, it is appropriate to grant a permanent injunction as requested because there is sufficient risk of future harm to the Plaintiff.

(2) Delivery up

[91] The Plaintiff also seeks the delivery up to the Plaintiff, or the destruction under oath of all printed and electronic materials, and all copies thereof, including all business cards, advertising, promotional and labelled materials and signage, which is in the possession, power or control of the Defendant, or which may come into possession, power or control of the Defendant, that feature the Marks.

[92] I grant the delivery up or destruction order limiting it to those above-referenced materials that bear the tradenames or trademarks 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo, or a name or mark that contains ECOLAB, ECO LAB and ECO-LAB as a dominant part thereof, including the domain name www.3decolabs.com and the email address info@3decolabs.com. This is more in line with my findings above on the marks and tradenames that are likely confusing with the ECOLAB Trademark.

(3) Order Transfer of Domain Name

[93] At the hearing, counsel for the Plaintiff confirmed that the only domain name in issue is the www.3decolabs.com as the Defendant is not using and does not own the domain www.3decolab.com anymore. The Plaintiff did not advance any written representations supporting its requested remedy of the transfer of the domain name.

[94] As I held in *Telugu Association of North America, a Corporation of the State of Maryland, USA v Telugu Association of North America, a Canadian Federal Corporation* with

No. 1243934-4, 2024 FC 631 at paragraphs 62 and 63, the Act, the *Federal Courts Act*, RSC 1985, c F-7 and the jurisprudence of the Federal Court support the jurisdiction of this Court to order the transfer of a domain name that contains or comprises an infringing trademark to its trademark owner. In *Michaels v Michaels Stores Procurement Company, Inc*, 2016 FCA 88 [*Michaels*] at paragraphs 8 and 9, the Federal Court of Appeal held:

> [8] Further, the jurisdiction to order delivery up of the domain names in question (e.g. michaels.ca) is firmly rooted in statute. Section 53.2 of the Trade-marks Act gives the Court a wide discretion to grant the remedies it considers necessary to give effect to rights that have been infringed, such as those under ss. 20(1.1) of the Trade-marks Act. It provides that "if a Court is satisfied… that any act has been done contrary to this Act, the court may make any order that it considers appropriate in the circumstances...". A statutory basis for the order requiring delivery up of the domain name can also be found in subsection 20(2) of the Federal Courts Act (R.S.C. 1985, c. F-7), which gives the Court jurisdiction to order any appropriate remedy known to common law or equity: Merck v. Apotex, 2006 FCA 323 at para 123.
>
> [9] On the evidence before the judge, the domain name was the mechanism by which the respondent's mark was infringed, and was the instrument of confusion in the marketplace. […]

[95] In *Bean Box, Inc v Roasted Bean Box, Inc*, 2022 FC 499 at paragraphs 77 and 78, Justice Manson cited Michaels and section 53.2 of the Act, which confirm this Court's wide discretion to grant remedies it considers necessary to give effect to rights that have been infringed. The Court ordered the transfer of the top-level domain name www.roastedbeanbox.com and any other domain name or social media account owned and/or controlled by the respondent, be it directly or indirectly, that contains, is comprised of, or is confusing with the applicant's BEAN BOX trademarks.

[96] In conclusion, this Court can order the Defendant to transfer the www.3decolabs.com domain to the Plaintiff and terminate all social media accounts that feature the ECOLAB Trademark, including but not limited to:

- the Facebook account
- https://www.facebook.com/3DEcoLabcom
- the Instagram account
- https://www.instagram.com/3decolabcom
- and LinkedIn account, https://www.linkedin.com/company/3decolab

(4) Damages

[97] The Plaintiff seeks compensatory damages in the amount of $30,000 for trademark infringement, passing off, and depreciation of the value of the goodwill, without proof of actual damages citing *H-D U.S.A., LLC v Varzari*, 2021 FC 620 at paragraph 54:

> [54] Damages, as with all aspects of a trademark claim, must be proved by the claimant: *Patterned Concrete Industries, Inc v Horta*, 2014 FC 359 at para 4; *Biofert Manufacturing Inc v Agrisol Manufacturing Inc*, 2020 FC 379 at para 208. That said, and leaving aside whether the term "nominal" is the right one, this Court has recognized the appropriateness of awarding general damages for trademark violations where an absent or uncooperative respondent makes proof of actual damage difficult: *Pick* at para 51; *Teavana* at paras 39–41; *Kwan Lam v Chanel S de RL*, 2016 FCA 111 at para 17.

[98] In cases involving default judgment like this one, where the Plaintiff is denied discovery, and left without a practical method of accurately determining the true scope of the Defendant's infringements and profits, the Court can fix an amount of compensatory damages reflecting the violations of the Plaintiff's trademark rights (*Pick v 1180475 Alberta Ltd (Queen of Tarts),* 2011 FC 1008 at paras 48-53; *UBS Group AG v Yones*, 2022 FC 132 at para 53; *Sani Bleu Inc v 9269-6806 Québec Inc*, 2022 FC 1711 at para 49).

[99] The Plaintiff cites the Chief Justice's judgment in *Techno-Pieux Inc v Techno Piles Inc*, 2023 FC 581 [*Techno-Pieux*], where the Court summarized the principles of how to assess damages, in situations where the Plaintiff's trademark rights have been violated, but there is no evidence of damages or profits earned by the Defendant as a result of the Defendant's infringing activities:

> [172] In the absence of any evidence of lost sales or other actual damages suffered from the Defendants' infringement, the Court must rely on "the available evidence, reasonable inferences and a dose of common sense".
>
> [173] Put differently, the Plaintiff is "entitled to the Court's best estimate of [its] damages without necessarily being limited to nominal damages", whatever "nominal" may mean.
>
> [174] The point of departure is that the goodwill associated with registered trademarks will be reduced to some extent whenever those marks have been infringed by sales of goods or services over a sustained period of time.
>
> [175] The more significant the nature, scope, and duration of the infringing activity, the greater the damages that may be inferred. However, account must also be taken of other factors that may be relevant, including the extent of any quality differences between the infringing goods and services and those of the Plaintiff; the extent of likely confusion in the market; and any intent, willful blindness, recklessness or disregard for the Plaintiff's rights after having received notice of them.
>
> [Citations omitted]

[100] In *Techno-Pieux*, the Court granted the full $20,000 sought, which the Court considered to be conservative given, *inter alia*, the duration of the defendants' infringing activities that was approximately one year, the high level of the plaintiff's revenues during the relevant period (close to $300,000). In *1196278 Ontario Inc (Sassafraz) v 815470 Ontario Ltd (Sassafras Coastal Kitchen & Bar)*, 2022 FC 116, the plaintiff was awarded $15,000 for only 1.5 years of

illegal use after being made aware of illegal activities. In *Dermaspark Products Inc v Patel*, 2023 FC 388, the plaintiff was awarded $20,000 where the length of time of use of the infringing mark by the defendant's was 2 years. In the case before me, the Defendant's sales in Ontario between 2018 and 2024, the Plaintiff's high level of sales (over $1 billion) between 2018 and 2024, the longer duration of the Defendant's infringing activities (over 7 years), the fact that the Defendant was sent a demand letter in October 2018 expressing concerns regarding the Defendant's activities shortly after the Plaintiff learned of the Defendant's activities in the Fall of 2018, and the fact that the Defendant continued with its activities despite having been made aware of its concerns with its use of the marks and domain name bearing the 3D ECO LABS, merit the higher compensatory damages award sought by the Plaintiff. However, I award only $15,000 compensatory damages given the Defendant's ongoing use of its infringing domain name and social media sites used to advertise, promote and sell their cleaning and disinfecting products and given the Defendant's products only bear the infringing domain name www.3decolabs.com and the email address info@3decolabs.com.

C. *Costs*

[101] The Plaintiff seeks costs in the amount of $10,280.53 CAD, representing an award at the high end of Column V (Rule 400). The Plaintiff filed a Bill of Costs (Exhibit A of the Mudunkotuwa Affidavit) for a subtotal of $7,020 CAD in fees calculated at the high end of Column V and a subtotal of $3,260.53 CAD of disbursements, totalling $10,280.53 CAD in costs. This is a matter that could have been resolved early in the process had the Defendant been in any way responsive to the demands of the Plaintiff or the claim. Instead, the Plaintiff was required to start this proceeding and bring the motion for default to enforce its rights when the

Defendant should have been aware that its actions were unlawful. I exercise my discretion under Rule 400 in granting the costs requested by the Plaintiff on the high end of Column V for a total of $10,280.53 CAD, inclusive of disbursements.

V. Conclusion

[102] I therefore grant, in part, the Plaintiff's motion for default judgment. The requested injunction, delivery up and transfer of ownership of the domain name is issued, compensatory damages in the amount of $15,000 are granted to the Plaintiff, and costs in the amount of $10,280.53 CAD are awarded to the Plaintiff.

JUDGMENT in T-2555-23

THIS COURT'S JUDGMENT is that:

1. The Plaintiff's motion for default judgment is granted on a partial basis;

2. The Defendant has:

    a. Directed public attention to its goods, services and business in such a way as to cause, or be likely to cause, confusion in Canada between the Defendant's goods, services and business and the goods, services and business of the Plaintiff, contrary to subsection 7(b) of the *Trademarks Act*, RSC 1985, c T-13 [the Act];

    b. Infringed the Plaintiff's Canadian trademark registration No. TMA419,951 for the ECOLAB trademark, contrary to section 20 of the Act;

    c. Depreciated the value of the goodwill attaching to the Plaintiff's Canadian trademark registration No. TMA419,951 for the ECOLAB trademark, contrary to section 22 of the Act.

3. The Defendant, by itself, and by its employees, partners, agents, officers, and directors, in such capacity, are enjoined permanently from, directly or indirectly:

    a. Directing public attention to the Defendant's goods, services and business in such a way as to cause, or be likely to cause, confusion in Canada between the Defendant's goods, services and business and the goods, services and business of the Plaintiff;

b. Infringing and depreciating the value of the goodwill attaching to Canadian trademark registration No. TMA419,951 for the ECOLAB trademark; and

c. Using, in association with the operation of the business and in the advertising, performance, and sale of its goods or services, the trade names and trademarks 3D ECO LAB, 3D ECO LABS and 3DEcoLab logo, or any trade name or mark that uses or contains ECOLAB, ECO LAB, and ECO-LAB, or any mark that puts undue emphasis on the elements ECO and LAB, or any trade name or mark that is confusingly similar to the Plaintiff's ECOLAB trademark, including without limitation by adopting, using, promoting, applying to register or registering the marks ECOLAB, ECO LAB and ECO-LAB or a name or mark that contains ECOLAB, ECO LAB and ECO-LAB as a dominant part of the word mark, design mark, trademark, brand indicia, logo, trade name, corporate name, business name, trading style, domain name, uniform resource locator (URL), social media account name, social media usernames, social media handles;

4. The Defendant shall:

a. Deliver up to the Plaintiff, or to destroy under oath, all printed and electronic materials, and all copies thereof, including all business cards, advertising, promotional and labelled materials and signage, which is in the possession, power or control of the Defendant, or which may come into possession, power or control of the Defendant, that bear the

tradenames or trademarks 3D ECO LAB, 3D ECO LABS and 3DEcolab logo, or a name or mark that contains ECOLAB, ECO LAB and ECO-LAB as a dominant part thereof, including the domain name www.3decolabs.com and the email address info@3decolabs.com;

b. Transfer ownership of the domain name www.3decolabs.com to the Plaintiff, as well as any other domain names in the Defendant's possession, power or control that violate the rights of the Plaintiff under this judgment; and

c. Terminate all social media accounts that feature the ECOLAB trademark, including but not limited to the Facebook account, https://www.facebook.com/3DEcoLabcom, the Instagram account, https://www.instagram.com/3decolabcom, and LinkedIn account, https://www.linkedin.com/company/3decolab, as well as any other social media accounts that violate the rights of the Plaintiff under this judgment.

5. If the Defendant fails to transfer the domain name www.3decolabs.com within 30 days of this Judgment, the domain name registrar GoDaddy LLC shall transfer the domain name www.3decolabs.com to the Plaintiff;

6. The Defendant shall pay to the Plaintiff forthwith compensatory damages in the amount of $15,000 CAD.

7. The Plaintiff is awarded costs in the amount of $10,280.53, for the action, including this motion, payable forthwith by the Defendant.

8. The compensatory damages payable under this judgment shall bear pre-judgment interest at a rate of 3% per year from December 1, 2023, to the date of this Judgment.

9. All amounts payable under this Judgment shall bear post-judgment interest at a rate of 5% per year from the date of this Judgment.

"Ekaterina Tsimberis"
Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-2555-23
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JUDGMENT AND REASONS:	TSIMBERIS J.
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APPEARANCES:

NATHAN PICHÉ	FOR THE PLAINTIFF

SOLICITORS OF RECORD:

GOWLING WLG (CANADA) LLP OTTAWA, ONT	FOR THE PLAINTIFF