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TRADEMARKS

Related subjects: Copyright; Federal Court Jurisdiction

Trademarks — Action under *Trademarks Act*, R.S.C., 1985, c. T-13 (Act), ss. 7(b), (c), (d) relating to unregistered trademark, WANAKOME, to related challenge to copyright registration for artistic work used as wanakome logo — Plaintiff is corporation incorporated under *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, which listed Kemel Hadad as its sole Director — Plaintiff is named applicant on Canadian trademark application no. 1,919,381 (Application) filed in respect of trademark WANAKOME for use in association with specific goods such as bags, clothing, jackets, etc., based on claim of proposed use — WANAKOME mark not registered in Canada, application under opposition by defendants — Defendants Eric Martin, Kara Martin are spouses, both of whom reside in United States — Defendant, Eric Martin is owner of defendant company, Park Enterprises Worldwide Inc. (Park), California-based company — His wife Kara Martin was, at all material times, involved in all aspects of Park's business operations — Park's commercial activities included, *inter alia*, sale, distribution of various lines of clothing at wholesale level, including clothing bearing WANAKOME trademark — Park is registered owner of Canadian copyright registration number 1170106, registered on May 27, 2020, for artistic work titled "wanakome mountain" — For over two years, Hadad, his company Double J Fashion Group 2013 (Double J) were in business relationship with Park, which involved conception of WANAKOME brand, incorporation of Wanakome Inc., manufacture, production, distribution, sale of clothing bearing WANAKOME trademark; in some cases, Wanakome Logo — Relationship ultimately soured in May 2020 — At heart of litigation was dispute over who has rights to WANAKOME trademark, copyright in Wanakome Logo. — WANAKOME trademark was conceived in March 2018 — While there was dispute as to whether Hadad was involved in its conception, evidence was consistent that name "wanakome" was largely inspired by memorable trip Martins took abroad — On September 5, 2018, Hadad incorporated Wanakome Inc., naming himself as sole Director — Application for WANAKOME trademark was filed in Canada on September 11, 2018, owner of mark on application identified as Wanakome Inc. — On May 27, 2020, Park obtained copyright registration for Wanakome Logo; on November 8, 2021, filed statement of opposition, opposing plaintiff's application — Later, Eric Martin became associated with sale of hooded sweatshirts under brand, Local Interstellar Outfitters (LIO) — "Wanakome" was used in social media posts promoting LIO brand — Issues herein were whether Court could determine whether plaintiff is owner of all rights, title, interest in and to unregistered WANAKOME trademark, that use of trademark is use by Wanakome Inc., not by defendants; whether defendants' actions were contrary to Act, ss. 7(b), 7(c), and/or 7(d); whether Eric, Kara Martin had any personal liability; whether "wanakome mountain" copyright registration was invalid; whether it should be expunged pursuant to *Copyright Act*, R.S.C., 1985, c. C-42, s. 57(4); what remedies, if any, were available — Plaintiff sought declaration that it was owner of WANAKOME trademark — Asserted that all rights, title, interest to WANAKOME trademark was always for benefit of Wanakome Inc. — Defendants asserted that they conceived of WANAKOME trademark, were equal partners with Hadad, Double J in joint venture relating to brand; that despite Wanakome Inc.'s incorporation, they continued to operate as 50:50 partners involved in joint venture relating to WANAKOME brand; thus remained joint owners of WANAKOME trademark — In matter involving ownership of trademark, preliminary questions of Federal Court's jurisdiction to address commercial, contractual relationship between parties raised, addressed — "Use" is at heart of trademark rights, particularly for unregistered marks;

it is only through “use” that rights are obtained — Raised question of whether Wanakome Inc. was responsible for use of WANAKOME trademark, which was issue that was relevant for Act, s. 7 allegations — There was insufficient evidence to be able to conclude that use by defendants of WANAKOME trademark was under control of Wanakome Inc. (Act, s. 50) or of Hadad operating as Director or Officer of Wanakome Inc. — In this case, there was no formal agreement between Hadad/Double J, defendants that related expressly to plaintiff, ownership of WANAKOME trademark — There remained live dispute between Hadad, Martins as to their respective interests in plaintiff that extended beyond Court’s jurisdiction — While certain agreements between parties suggested that parties intended that corporation would own WANAKOME trademark, was not possible to conclude that plaintiff with Hadad as sole Director was that corporation so that it could be declared that it had all rights, title, interest to WANAKOME trademark; nor that all use of trademark WANAKOME could be attributed to plaintiff, as corporation solely controlled by Hadad — Regarding defendants’ actions, plaintiff’s allegations under Act, ss. 7(b), (c), (d) either could not succeed or would result in negligible damage — Plaintiff limited its allegations to activities relating to LIO brand, asserting that LIO’s products were deliberate copy of WANAKOME hoodies — Concern existed regarding naming of defendants for such allegations given that connection between LIO, Park not established — In general, evidence adduced not establishing unfair competition under any of Act, ss. 7(b), (c) or (d) or, if it did, would be insufficient to support award of damages — Legal requirements of Act, ss. 7(b) (tort of passing off); 7(c) (substitution); 7(d) (misrepresentation) examined — With respect to personal liability, such liability will only attach when actions of director or officer are such that director’s own behavior is tortious or exhibits separate identity or interest from that of corporation such as to make acts or conduct complained of those of individual — Degree, kind of participation of individual defendant must be considered — Constitutes question of fact to be determined on circumstances of case — Plaintiff’s submissions as to personal liability were brief; pointed to Eric Martin’s involvement with LIO, with respect to Kara Martin’s offers for online sale of Wanakome samples — However, allegations insufficient to establish personal liability — Regarding defendants’ copyright registration, Kara Martin listed as author, Park as owner — Plaintiff’s allegations that Wanakome Logo jointly created by clothing designer plaintiff contacted not supported — Rather, evidence was consistent that Kara Martin was responsible for design, creation of Wanakome Logo; that creation was made as part of collaboration between defendants, Hadad/Double J — Evidence showing Martins having understanding that they were equal party to partnership — Thus, there was no basis to expunge defendants’ copyright registration — Therefore, plaintiff not entitled to any of remedies claimed — Action dismissed.

WANAKOME INC. V. MARTIN, T-609-20, 2024 FC 688, Furlanetto J., reasons for judgment dated May 6, 2024, 50 pp.)