Court finds written licence not required to maintain trademark control

April 08, 2020

This decision relates to a motion for a summary trial in respect of an action relating to various trademarks (the Marks). The Court was asked to consider three issues relating to whether the plaintiff is the owner and the person entitled to register the CORE CONSULTANTS REALTY trademark in association with commercial realty services in Canada; whether the defendants infringed the plaintiff's rights in a trademark registration for the CORE Logo; and whether the defendants should be enjoined from using the CORE CONSULTANTS REALTY trademark in association with commercial realty services in Canada. The motion was granted, and the defendants were permanently enjoined.

Beginning in 2015, the plaintiff began using a CORE Logo and CORE REALTY CONSULTANTS in association with his commercial realty brokerage business in Montréal. CORE REALTY CONSULTANTS was transitioned to CORE CONSULTANTS REALTY beginning in 2016. Applications to register the CORE Logo and CORE CONSULTANTS REALTY were filed by the plaintiff in 2018; the CORE Logo was registered but the defendants opposed CORE CONSULTANTS REALTY.

The plaintiff entered into a business relationship with the defendants. The parties discussed opening a brokerage business in Toronto in alliance with Mr. Bessner. An email in December 2015, set out proposed terms for structuring the business alliance, including a term that all partners would own an equal share of the intellectual property, but Mr. Bessner did not respond to this email. In early 2016, the business in Toronto began operating using the CORE Logo, CORE CONSULTANTS REALTY, the CORE website and other branding. The relationships ultimately fell apart, and the plaintiff asserted sole ownership of the CORE Logo and the CORE CONSULTANTS REALTY mark, asserting that the defendants used the Marks pursuant to a licence. The plaintiff terminated access to the website and email accounts, but the defendants continued to carry on business using the CORE CONSULTANTS REALTY mark.

The Court found that a summary trial was appropriate in the circumstances for a number of reasons, and provided a summary of the evidence at trial.

No ownership interest in Marks

The Court considered the evidence of the parties, and found that no ownership interest in the Marks had been granted or assigned by the plaintiff to the defendants. There was an agreement to use the CORE CONSULTANTS REALTY mark, but this use was subject to Mr. Bessner's approval. The Court found that CORE CONSULTANTS REALTY is a variation of the CORE REALTY CONSULTANTS mark, and there was no agreement that the mark would be jointly owned by the parties. The plaintiff took the steps to register domain names and implement changes to the CORE website.

The Court addressed and dismissed two arguments made by the defendants. In particular, the Court found that the use of the CORE CONSULTANTS REALTY mark by the defendants prior to the transition by the plaintiff to use of that mark was subject to Mr. Bessner's authorization, and partial payment for revisions to the website by the defendants for the purposes of the transition did not establish an ownership interest on the part of the defendants. The Court further found that the December email was a proposal only, and was not accepted by the parties. Promissory estoppel was not established by the defendants.

The defendants ' use of the Marks was pursuant to a licence

The Court found that the defendants used the Marks pursuant to a licence under section 50 of the *Trademarks Act.* The Court noted that a written licence is not required in order to maintain control over the Marks. While the plaintiff did not have control over the day-to-day operation of the defendants' business, control was maintained over the use of the Marks based on the evidence.

Infringement and passing off established

The Court found that the defendants did not establish that the registration of the Marks was invalid. The Court considered the concurrent use of the Marks by the plaintiffs and the defendants to be pursuant to licence, and therefore loss of distinctiveness was not shown. The plaintiff, however, did establish infringement of the CORE Logo, and passing off of CORE REALTY CONSULTANTS pursuant to section 7(b) of the *Trademarks Act*.

Conclusion

The Court granted permanent injunctive relief and awarded the plaintiff costs in the amount of $45,000, an amount agreed to by the parties.

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