

Federal Court



Cour fédérale

Date: 20170627

Docket: T-740-14

Citation: 2017 FC 624

Ottawa, Ontario, June 27, 2017

PRESENT: The Honourable Mr. Justice Boswell

BETWEEN:

DIAGEO CANADA INC.

**Plaintiff/
Defendant by Counterclaim**

and

**HEAVEN HILL DISTILLERIES, INC. and
DIAMOND ESTATES WINES & SPIRITS
LTD. d.b.a. KRISCOTT DISTRIBUTORS**

**Defendants/
Plaintiffs by Counterclaim**

AMENDED JUDGMENT

[1] The Defendant/Plaintiff by Counterclaim, Diamond Estates Wines & Spirits Ltd., with the consent and agreement of both of the other parties to this proceeding, has requested in its letter of June 22, 2017, that the June 12, 2017 Judgment issued in this proceeding (citation 2017 FC 571) be amended so that the Judgment not be unintentionally interpreted in a manner requiring Diamond Estates to participate in any appeal or motion by Heaven Hills in order to

take the benefit of a resultant decision. Specifically, Diamond Estates requests that paragraph 4 of the Judgment be amended as follows:

“Diamond Estates shall be bound by the three foregoing declarations unless they are reversed, set aside or otherwise modified.”

Diamond Estates also requests that paragraphs 5-8 of the Judgment be amended to remove any reference to Diamond Estates, and to add a new paragraph 9 which reads as follows:

“Paragraphs 5, 6, 7 and 8 shall also apply to Diamond Estates unless they are reversed, set aside or otherwise modified.”

[2] Accordingly, it is hereby ordered pursuant to Rule 397 of the *Federal Courts Rules* that the Judgment issued with respect to this proceeding on June 12, 2017, is amended to now read as follows:

JUDGMENT

THIS COURT’S JUDGMENT is that:

1. Heaven Hill’s sale, distribution, and advertising in Canada of the ADMIRAL NELSON’S rum products infringe and depreciate the goodwill attaching to Diageo’s Trade-mark Registration Nos.: TMA298,005; TMA409,540; TMA445,025; TMA676,015; TMA676,119; TMA846,828; TMA846,829; TMA848,087; and TMA863,667.
2. Heaven Hill has directed public attention to its wares and business so as to cause confusion in Canada between its wares and business and the wares and business of Diageo in Canada.

3. Heaven Hill has passed off the ADMIRAL NELSON'S bottles as being those of CAPTAIN MORGAN.
4. Diamond Estates shall be bound by the three foregoing declarations unless they are reversed, set aside or otherwise modified.
5. Heaven Hill, its respective officers, directors, shareholders, employees, licensees, representatives, agents, and any person under its authority or control, and any company, partnership, business entity or person with which it is associated or affiliated, is restrained, prohibited and enjoined from, directly or indirectly:
 - a. selling, distributing, importing into Canada, exporting from Canada, offering for sale or advertising in Canada, alcoholic beverages in association with the ADMIRAL NELSON'S character or any other character which causes or is likely to cause confusion with, or which is likely to have the effect of depreciating the value of the goodwill attaching to, Diageo's Trade-mark Registration Nos.: TMA298,005; TMA409,540; TMA445,025; TMA676,015; TMA676,119; TMA846,828; TMA846,829; TMA848,087; and TMA863,667;
 - b. selling, distributing, importing into Canada, exporting from Canada, offering for sale or advertising in Canada, alcoholic beverages in association with the ADMIRAL NELSON'S bottles or any other bottle that is likely to cause confusion with the CAPTAIN MORGAN bottles, individually or collectively;

- c. directing public attention to its wares, services or business in such a way as to cause or be likely to cause confusion in Canada between its wares, services or business and the wares, services or business of Diageo; and
 - d. passing off the ADMIRAL NELSON'S rum products as and for those of Diageo's CAPTAIN MORGAN rum products.
6. Heaven Hill shall forthwith and, in any event, within 30 days of the date of this judgment, deliver-up to a representative of Diageo, or at Diageo's election a statement of destruction under oath of, all ADMIRAL NELSON'S bottles in its possession or control in Canada which would offend the foregoing injunction, and all material of any nature, including all packages, labels, and advertising material, in its possession or control in Canada, the use of which would offend such injunction.
7. Heaven Hill shall submit to an accounting and pay to Diageo such damages as may be determined upon hearing of the Quantification Issues as stated and defined in the Court's Bifurcation Order dated July 16, 2015.
8. Heaven Hill shall pay to Diageo pre-judgment and post-judgment interest on any damages as assessed in accordance with the Bifurcation Order dated July 16, 2015, pursuant to sections 36 and 37 of the *Federal Courts Act*.
9. Paragraphs 5, 6, 7 and 8 shall also apply to Diamond Estates unless they are reversed, set aside or otherwise modified.

10. Diageo shall have its costs of this action, including its disbursements and any applicable taxes, in such amounts as may be agreed to by Heaven Hill and Diageo. If they are unable to agree as to the amount of such costs and disbursements and any applicable taxes thereon within 20 days of the date of this judgment, either party shall thereafter be at liberty to apply for an assessment of costs in accordance with the *Federal Courts Rules*.

"Keith M. Boswell"

Judge