

**Date: 20071019**

**Docket: T-1667-07**

**Citation: 2007 FC 1077**

**Ottawa, Ontario, October 19, 2007**

**PRESENT: The Honourable Mr. Justice Kelen**

**BETWEEN:**

**NADA FASHION DESIGNS INC.**

**Plaintiff**

**and**

**DESIGNS BY NADA,  
NADA ABDEL-SHAHID aka NADA ABDEL  
aka NADA YOUSIF, and KNICKOY ROBINSON**

**Defendants**

**REASONS FOR ORDER AND ORDER**

[1] This is a motion by the plaintiff, Nada Fashion Designs Inc., for an interlocutory injunction enjoining the defendants from using the plaintiff's trade-mark and trade-name NADA, or anything confusingly similar thereto, in association with clothing, bags, and wearable accessories. The plaintiff filed a Statement of Claim in this matter on September 14, 2007.

[2] Both the motion and the underlying action are brought on the basis of passing off – *i.e.*, the plaintiff alleges that the defendants threaten to direct public attention to their wares, services, and

business in such a way that it is likely to cause confusion between the respective wares, services, and businesses of the parties.

## **FACTS**

### **The plaintiff**

[3] The plaintiff, Nada Fashion Designs Inc., is in the business of designing, manufacturing, selling, and displaying clothing, hand bags, and related items. The plaintiff is the successor in title to the sole proprietorship NADA, registered April 20, 2001.

[4] The plaintiff and its successor in title have used the word NADA as a trade-name since its registration in 2001. In addition, the plaintiff has also used the word NADA as a trade-mark in association with clothing, hand bags, and related items since as early as March 2002.

[5] The plaintiff recently filed Canadian Trade-mark Application No. 1,363,611 for NADA, on the basis of first use as a trade-mark since at least as early as March 2002, in association with clothing and related wares and services.

[6] Since March 2002, the plaintiff claims to have garnered extensive media exposure in association with the trade-name and trade-mark NADA, including coverage by numerous Canadian publications and television programs. As well, the plaintiff claims to be currently involved in “sensitive business negotiations” with two leading Canadian department stores, both of which have allegedly expressed interest in selling the plaintiff’s wares in their stores and retail outlets.

[7] The plaintiff is scheduled to participate in a large fashion event in Toronto, between October 22, 2007 and October 27, 2007. The event, L'Oréal Fashion Week, is a twice-annual event that includes fashion shows and other displays of clothing and related products by various designers in association with their respective trade-marks and trade-names. The plaintiff states that this will be its fourth appearance at L'Oréal Fashion Week.

[8] In August 2007, the plaintiff learned that the defendant, Nada Abdel-Shahid, had also registered as a participant at L'Oréal Fashion Week, and that she would be displaying clothing and accessories in association with the trade-mark BY NADA. After objections from the plaintiff, the defendant proposed to appear at the event using the alternate trade-mark, NADA YOUSIF. The plaintiff alleges that both of these trade-marks are confusingly similar to the plaintiff's own trade-mark, NADA.

### **The defendants**

[9] The defendant, Nada Abdel-Shahid, is a fashion designer in Toronto. The defendant operates a sole proprietorship under the trade-name "Designs By Nada," and claims to have used the trade-mark BY NADA since at least September 1, 2002, in association with various clothing-related wares.

[10] The defendant, Knickoy Robinson, is the boyfriend and business partner of the defendant, Nada Abdel-Shahid.

[11] The defendants have filed a number of trade-mark applications in relation to the defendant business, “Designs By Nada.” These applications include:

1. “BY NADA” as shown in Application No. 1,362,137;
2. “NADA & Design” as shown in Application No. 1,320,647; and
3. “Swirls and the letter BNB and swirls with full name” as shown in Application No. 1,318,289.

All of these proposed trade-marks are alleged by the plaintiff to be confusingly similar to its own trade-mark and trade-name, NADA.

[12] The defendants claim to have used all of the above trade-marks since at least September 2002. However, the plaintiff alleges that there is no evidence of actual use, apart from the recent use of the trade-mark NADA YOUSIF on the website of L’Oréal Fashion Week, and the limited use of the trade-mark BY NADA in the domain name and e-mail address registered to the defendants.

[13] The defendants have also been accepted to participate in the upcoming L’Oréal Fashion Week, scheduled in Toronto for October 22-27, 2007. According to the plaintiff, the defendants have not previously participated in any L’Oréal Fashion Week events.

[14] Soon after receiving notice of her selection, the defendant, Nada Abdel-Shahid, received a letter from the plaintiff demanding that she cease and desist using the trade-mark BY NADA. At this time, the defendants proposed to appear at L’Oréal Fashion Week using only the trade-mark NADA YOUSIF instead of the trade-mark BY NADA. This proposal was rejected by the plaintiff.

[15] At the hearing, the defendants undertook to use only the trade-mark NADA YOUSIF at the L'Oréal Fashion Week.

[16] The defendants claim that the plaintiff's motion is "over-kill," as they believe that they have been reasonable in trying to come to an agreement regarding their participation at the upcoming L'Oréal Fashion Week. The defendants further claim that there is no likelihood of confusion between the marks, and no evidence of any misrepresentation on their part. Accordingly, the defendants are of the position that the plaintiff has not satisfied the test for an interlocutory injunction, and that this motion should be dismissed.

### **ISSUE**

[17] At the hearing before the Court in Toronto on October 14, 2007, the plaintiff states that it restricts this motion to the following issue:

Whether an interlocutory injunction should be granted against the defendants enjoining them from using NADA YOUSIF as a trade-mark or trade-name, in association with clothing, bags, wearable accessories, fashion design services, and related wares and services at the L'Oréal Fashion Week in Toronto from October 22-27, 2007.

## **ANALYSIS**

### **Issue: Should an interlocutory injunction be granted against the defendants?**

[18] In *RJR-MacDonald Inc. v. Canada (Attorney General)*, [1994] 1 S.C.R. 311, the Supreme Court of Canada stated that an applicant must establish three principles in order to be granted an interlocutory injunction. According to the Court, an applicant must demonstrate:

1. the existence of a serious issue to be tried;
2. the existence of irreparable harm if the injunction is not granted; and
3. that the balance of convenience favours the granting of the injunction.

All three elements must be considered in turn.

### **Serious issue to be tried**

[19] The defendants argue that because the remedy requested is essentially the same injunctive relief that it would obtain at trial – the applicable standard is not a “serious issue to be tried,” but rather whether the issue will likely succeed at trial (see *RJR-MacDonald*, above at paragraph 51). I agree with respect to the restricted issue before the Court.

### **“Serious issue” and subsection 7(b)**

[20] Subsection 7(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 states that:

7. No person shall

[...]

(b) direct public attention to his wares, services or business in such a way as to cause or be likely to cause confusion in

7. Nul ne peut :

[...]

b) appeler l’attention du public sur ses marchandises, ses services ou son entreprise de manière à causer ou à

Canada, at the time he commenced so to direct attention to them, between his wares, services or business and the wares, services or business of another...

vraisemblablement causer de la confusion au Canada, lorsqu'il a commencé à y appeler ainsi l'attention, entre ses marchandises, ses services ou son entreprise et ceux d'un autre...

[21] This statement is effectively a statutory codification of the common law tort of passing off. Federal Court jurisprudence suggests that in determining whether a plaintiff has established a case under subsection 7(b), the Court may apply either the common law test, as enunciated by the Supreme Court of Canada in *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 S.C.R. 120 and applied by Mr. Justice Rouleau in *Prince Edward Island Mutual Insurance v. Insurance Co. of Prince Edward Island* (1999), 159 F.T.R. 112, or a statutory test developed by Mr. Justice O'Keefe in *Top Notch Construction Ltd. v. Top-Notch Oilfield Services Ltd.*, 2001 FCT 642, 207 F.T.R. 260. For the purposes of determining whether the plaintiff has established a "serious issue to be tried," I opt to apply the common law test as enunciated by the Supreme Court in *Ciba-Geigy*.

[22] In *Ciba-Geigy*, above, the Supreme Court established that there are three necessary components to a claim for passing off:

1. the existence of goodwill;
2. deception of the public due to a misrepresentation; and
3. actual or potential damage to the plaintiff.

[23] In relation to the first component, I believe that the plaintiff has clearly established the existence of goodwill in relation to her trade-mark, NADA. Significant evidence has been tendered specifically addressing the issue of good will. This evidence includes sales receipts and invoices,

use and distribution of advertising and promotional materials, and national media exposure in print, television, and on the Internet. Such evidence establishes goodwill both within a national context and, in particular, in association with L'Oréal Fashion Week.

[24] In relation to the second element, the Supreme Court reiterated in *Ciba-Geigy*, above, that a misrepresentation need not be intentional or malicious in order for it to deceive the public. As Justice Gonthier made clear at paragraphs 35-36:

¶ 35 In *Consumers Distributing Co. v. Seiko Time Canada Ltd.*, [1984] 1 S.C.R. 583, this Court noted at p. 601 that the requirements of a passing-off action have evolved somewhat in the last hundred years:

... attention should be drawn to the fact that the passing off rule is founded upon the tort of deceit, and while the original requirement of an intent to deceive died out in the mid-1800's, there remains the requirement, at the very least, that confusion in the minds of the public be a likely consequence by reason of the sale, or proffering for sale, by the defendant of a product not that of the plaintiff's making, under the guise or implication that it was the plaintiff's product or the equivalent.

¶ 36 A manufacturer must therefore avoid creating confusion in the public mind, whether deliberately or not, by a get-up identical to that of a product which has acquired a secondary meaning by reason of its get-up....

[Emphasis in original.]

[25] Accordingly, the question must be whether the defendants deceived the public in a way that would be likely to cause confusion between their goods and those of the plaintiff. In relation to the defendant's trade-mark, NADA YOUSIF, I do not believe this will be the case. While the Court notes that Nada Yousif is not the defendant's legal name, the Court is satisfied a serious consumer



or major retailer attending L'Oréal Fashion Week would not likely confuse the wares represented by the trade-mark NADA YOUSIF with those of the plaintiff's company. As the defendants' evidence showed, other designers presenting at L'Oréal Fashion Week also share the same first name. As such, the plaintiff has not established that there exists a serious issue to be tried in relation to the trade-mark NADA YOUSIF.

[26] However, I do believe that confusion is likely to result should the defendants be allowed to appear at L'Oréal Fashion Week using the trade-mark BY NADA. Without the additional term "YOUSIF" being present to clearly signal that the trade-mark represents an individual's name, a comparison of the trade-marks NADA and BY NADA would make it difficult for an average person familiar with the plaintiff's trade-mark, but with imperfect recollection, to be able to properly distinguish it from the defendants' mark.

[27] Accordingly, I conclude that there is no serious issue to be tried in relation to the trade-mark NADA YOUSIF.

### **Irreparable harm**

[28] A plaintiff seeking an interlocutory injunction must show that they would suffer irreparable harm if the injunction is not granted. Establishing irreparable harm is a difficult task, as it involves establishing that the harm caused could not later be compensated through damages.

[29] The jurisprudence is clear that irreparable harm must go beyond the task of establishing a loss of goodwill. As stated by the Federal Court of Appeal in *Centre Ice Ltd. v. National Hockey League* (1994), 166 N.R. 44 at page 47 per Heald J.A., loss of goodwill does not establish irreparable harm:

This view of the matter runs contrary to this court's jurisprudence to the effect that confusion does not, *per se*, result in a loss of goodwill and a loss of goodwill does not, *per se*, establish irreparable harm not compensable in damages. The loss of goodwill and the resulting irreparable harm cannot be inferred, it must be established by "clear evidence".... Loss of goodwill, of reputation, of distinctiveness, if established after a full hearing at trial may well constitute irreparable harm and lead to the issuance of a permanent injunction. However, as this court's jurisprudence has shown, in the absence of clear evidence that irreparable harm would result at this juncture, an interlocutory injunction should not be issued. [Emphasis added.]

The applicant must adduce "clear and non-speculative" evidence that irreparable harm will follow the sale of the defendants' NADA YOUSIF clothing and accessories at the L'Oréal Fashion Week.

[30] In the case at bar, the plaintiff has not provided the "clear evidence" necessary to establish the requirement of irreparable harm. The plaintiff claims that irreparable harm flows naturally from the particular significance that a brand has to a fashion designer. The plaintiff further submits that once a brand has developed a reputation through extensive use and advertising, it gains an intimate and priceless nature, which represents the character, quality, feel, personality, and philosophy behind the designer and the clothing that he or she designs. While this may in fact be the case, I am not satisfied that the plaintiff has established that it will be irreparably harmed should the defendants be allowed to participate in L'Oréal Fashion Week using the trade-mark NADA YOUSIF.

[31] The plaintiff claims that should the defendants be allowed to use the trade-mark, NADA YOUSIF at L'Oréal Fashion Week, it will severely compromise the plaintiff's "sensitive business negotiations" with two Canadian major retailers. In support of this claim, the plaintiff simply states that it is "known in the industry" that when a designer becomes tainted in the mind of a large retailer, it becomes very difficult, if not impossible, for that designer to regain the interest of the retailer. However, no clear evidence is provided to support this statement. Accordingly, without clear evidence establishing its probability, such a claim simply is not enough to prove that the plaintiff would suffer irreparable harm if an injunction is not granted. Accordingly, the Court concludes that the plaintiff has not established the very high threshold of irreparable harm.

### **Balance of Convenience**

[32] In assessing the balance of convenience, one must determine "which of the two parties will suffer the greater harm from the granting or refusal of an interlocutory injunction, pending a decision on the merits": *Manitoba (Attorney General) v. Metropolitan Stores (MTS) Ltd.*, [1987] 1 S.C.R. 110 at 129, Beetz J.

[33] In light of my conclusion regarding irreparable harm, it is clear that the balance of convenience in this matter favours the defendants.

### **Conclusion**

[34] The plaintiffs have not proven that there exists a serious issue to be tried in relation to use of the defendants' trade-mark NADA YOUSIF. Further, the plaintiff has failed to provide clear

evidence establishing that irreparable harm would result should the defendants be allowed to participate in L'Oréal Fashion Week under the trade-mark NADA YOUSIF. Accordingly, the plaintiff's motion for an interlocutory injunction must be dismissed.

### **Costs**

[35] I invited the parties to make submission on costs. According to Tariff B of the *Federal Courts Rules*, 1998, counsel fees for the preparation of this contested motion and appearing on the motion would be \$1,620.00. At first, I was inclined to have each party bear their own costs. Upon further consideration and upon recognizing the effort by the defendants to have this dispute settled in a reasonable fashion by the defendants, agreeing to limit their trade-mark to NADIA YOUSIF, it is my opinion is that the defendants' ought to be awarded their legal costs on a reduced scale, namely \$1,000.00 plus disbursements.

**ORDER**

**THIS COURT ORDERS that:**

This motion for an interlocutory injunction preventing the defendants from using their trademark NADA YOUSIF at the L'Oréal Fashion Week in Toronto next week is dismissed with costs to the defendants in the amount of \$1,000 plus disbursements.

“Michael A. Kelen”

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Judge

**FEDERAL COURT**

**NAMES OF COUNSEL AND SOLICITORS OF RECORD**

**DOCKET:** T-1667-07

**STYLE OF CAUSE:** NADA FASHION DESIGNS INC. v.  
DESIGNS BY NADA ET. AL.

**PLACE OF HEARING:** Toronto, Ontario

**DATE OF HEARING:** October 15, 2007

**REASONS FOR ORDER  
AND ORDER:** Kelen J.

**DATED:** October 19, 2007

**APPEARANCES:**

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