

Federal Court



Cour fédérale

**Date: 20141126**

**Docket: T-1127-10**

**Citation: 2014 FC 1139**

**Ottawa, Ontario, November 26, 2014**

**PRESENT: The Honourable Madam Justice McVeigh**

**BETWEEN:**

**SADHU SINGH HAMDARD TRUST**

**Plaintiff**

**and**

**NAVSUN HOLDINGS LTD, MASTER WEB  
INC, AND 6178235 CANADA INC**

**Defendants**

**JUDGMENT AND REASONS**

I. Overview

[1] This matter is a dispute over an unregistered trademark that is used by both a subscription daily newspaper published in Jalandhar, India and by a free weekly newspaper published in Toronto and Vancouver. The names of these Punjabi language newspapers are the Ajit Daily

(also referred to as the Ajit Jalandhar and the Ajit) which started publication in India in 1955, and the Ajit Weekly which began publishing in Canada in 1993.

[2] The registration of the trademark and the use of the mark resulted in litigation in the United States, the United Kingdom and Canada over the years. The United States (U.S.) trademark infringement action (Civil No: 04 CV 3503 (CLP)) was decided in favour of Navsun Holdings Inc. and 6178235 (“the Bains Defendants”).

[3] The copyright portion of the U.S. action Civil No: 04 CV 3503 (CLP) alleging use of the masthead in Canada and the United States, was resolved by a partial settlement agreement entered into by the parties on September 15, 2009 and approved by the United States District Court for the Eastern District of New York.

## II. Issues

[4] The issues are as follows:

- A. *Does the Partial Settlement Agreement in the United States District Court for the Eastern District of New York Dispose of the Copyright Issues Before Me?*
- B. *Are the Bains Defendants Liable for Passing Off Pursuant to Sections 7(b) and 7(c) of the Trade-Marks Act?*
- C. *Is Master Web Infringing any Copyrights or Trademark by Being the Printer?*
- D. *Counterclaim: Is the Plaintiff Liable for Making False and Misleading Statements About the Ajit Weekly?*

### III. Summary Trial

*Should this Matter Proceed by Way of Summary Judgment or Summary Trial?*

[5] The Plaintiff brings this motion requesting that this matter proceed by way of summary judgment or summary trial. Or in the alternative that the Re-Amended Statement of Claim be treated as a Notice of Application and that the Application be heard and decided on the evidence filed in respect of this motion. The Bains Defendants agree that this matter should proceed by way of summary judgment or summary trial.

[6] The *Federal Courts Rules*, SOR/98-106, Rule 213 and Rule 216 provide for a summary trial. This matter is complex but can be determined on affidavit evidence filed and cross-examined by both parties as required by Rule 216(1).

[7] Both parties agree that the matter may proceed in a summary way and I find that it is appropriate for it to proceed as a summary trial on the material filed by the parties (*Louis Vuitton Malletier SA v Singga Enterprises (Canada) Inc*, 2011 FC 776, [2013] 1 FCR 413).

### IV. Factual Context

[8] The Plaintiff (“Hamdard Trust”) is owner and publisher of the Indian Punjabi-language newspaper called “the Ajit Daily”. The Hamdard Trust is a public charitable trust established under Indian law located in Jalandhar, Punjab, India. The Ajit Daily has been published in India

since 1955 and is a subscription newspaper that is very popular for the Punjabi population in India. An online version has been available since 2003 at the website [www.ajitjalandhar.com](http://www.ajitjalandhar.com).

[9] The Bains Defendants are the owner and publisher of the Canadian Punjabi-language newspaper called “the Ajit Weekly” with offices located in Mississauga, Ontario. The Ajit Weekly is a free newspaper published in Canada since 1993, distributed through free boxes with an online version available since 1998.

[10] The Defendant Master Web Inc. (“Master Web”) located in Mississauga, Ontario, prints the paper version of the Ajit Weekly in the Toronto area since 1998.

[11] The Hamdard Trust brought this action alleging violations of the *Trade-marks Act*, RSC 1985, c T-13 and violations of the *Copyright Act*, RSC 1985, c C-42.

[12] The Bains Defendants defend the action and counter-claim alleging violations of the *Trade-marks Act*.

[13] The Defendant Master Web defends the action, but makes no counterclaim. Master Web contends that the claims against it should be dismissed because it is only hired to print the Ajit Weekly in Toronto.

[14] In the Re-Amended Statement of Claim dated July 2011, the Plaintiff seeks \$100,000,000.00 for copyright infringement, \$100,000,000.00 pursuant to the *Trade-marks Act*,

\$250,000,000.00 for punitive damages, pre- and post- judgment interest, GST, HST and solicitor-client costs as well as a long list of other relief.

[15] In the Amended Notice of Motion dated November 18, 2013, the Plaintiff seeks a long list of relief including, but not all: a declaration that the Bains Defendants' marks are confusing wares, a permanent injunction, destruction of all infringing items, \$5,000,000.00 in general damages under the *Trade-marks Act*, \$3,000,000.00 under the *Copyright Act* for infringement damages and \$10,000,000.00 in punitive damages. The Plaintiff seeks pre- and post-judgment interest, GST and HST.

[16] I have prepared a timeline from the evidence filed and it is attached as Appendix A.

[17] The Ajit Daily was first published as the "Ajit Patrika" in India in 1955 and the name was changed to the "Ajit" in 1959. The name "Ajit", which means "unconquerable" or "invincible" in Punjabi, has been used continuously by the newspaper since then (Affidavit of Dr. Barjinder Singh Hamdard at para 14, Motion Record of the Plaintiff, Tab C ("Hamdard Affidavit")). The Bains Defendants say this is a popular name used by many businesses in India and that at least one other newspaper uses it - a Hindi newspaper called Ajeet Patrika (Bains Affidavit at paras 15-16; Cross Examination of Dr. Hamdard, Defendants' Motion Record, Tab I, pp 1054-1055 ("Hamdard Cross")).

[18] The Plaintiff contends the Ajit Daily is the largest newspaper published in Punjabi in the world. The content of the Ajit Daily is typical of a daily newspaper including national and

international news, sports, editorials, and classifieds. The paper is known for its political independence and credibility (Hamdard Affidavit at paras 16, 19 & 21). The Plaintiff's evidence is that most literate Punjabis in the world are familiar with the Ajit Daily (Affidavit of Satpaul Singh Johal at para 2, Motion Record of the Plaintiff, Tab 6 ("Johal Affidavit")). The newspaper is delivered to subscribers' homes and sold by hawkers and bookshops in India (Hamdard Cross at pp 1041-1043).

[19] The current Ajit Daily logo



is used on the front page and in many other places in the Ajit newspaper since 1984. The Plaintiff says that an employee of the Plaintiff designed the Ajit logo and the Plaintiff says this is a stylized logo as opposed to a font.

[20] The Ajit Daily's circulation outside India is limited due to time constraints of delivering a daily paper. The newspaper bearing the Ajit logo is mailed to subscribers internationally, including Canada. (Johal Affidavit at paras 2 & 7-9). In 2010, there were only 7 subscribers in Canada (Hamdard Affidavit at paras 28 & 31).

[21] Still, the Plaintiff argues that the Ajit Daily trademark is well-known to Punjabi people around the world (Hamdard Affidavit at para 26). The Plaintiff has discussed expanding its activities to reach the Punjabi community settled abroad (Hamdard Affidavit at para 47). Further,

the Ajit Daily publishes 50-70 classified advertisements respecting Canada and Canadians such as ads seeking spouses, which is common in Punjabi culture. These types of advertisements were published in the Ajit Daily before the Bains Defendants established the Ajit Weekly in Canada (Johal Affidavit at paras 15-16).

[22] In the past, the Ajit Weekly published advertisements for fetal gender selection, a serious social issue in the Punjabi community, and for sorcery. The Plaintiff previously successfully sued the Bains Defendants for copyright infringement for plagiarizing articles from the Ajit Daily.

[23] The Ajit Weekly was first published in Canada in 1993 by Dr. Darshan Singh Bains and his family (Affidavit of Kanwar (Sunny) Bains at para 10, Defendants' Motion Record, Tab A ("Bains Affidavit")). The Ajit Weekly logo was first published in different colours each week. The logo included the name "Ajit" in Punjabi characters and printed below were the English words "The Ajit (Weekly Newspaper)". Under this was a design featuring two Canadian flags flanking the Sikh Khanda symbol.



[24] Beginning in 2000, the logo underwent several changes to colouring, shadowing and wording (Bains Affidavit at paras 22-25).

[25] In 1993, approximately 6000 copies of the Ajit Weekly were printed and distributed. Currently, 13,000 copies are distributed in Toronto each week and 11,000 in Vancouver. It is a free newspaper available in grocery stores, restaurants, temples and newspaper stands (Bains Affidavit at paras 20-23). By contrast, the Ajit Daily is not available for free and is not available at grocery stores in Canada or elsewhere (Hamdard Cross at 1049).

[26] In 2004, the Plaintiff commenced an action against the Bains Defendants in the United States alleging violations of U.S. trademark and copyright laws. The trademark claims were dismissed by summary judgment (Bains Affidavit at paras 41-44). The Plaintiff and the Bains Defendants entered into a partial settlement agreement in the United States respecting the Plaintiff's copyright claim. The United States District Court for the Eastern District of New York issued an order on October 6, 2009 dismissing the Plaintiff's copyright claim subject to the partial settlement agreement (Johal Affidavit at para 10). The Bains Defendants contend they made changes to the Ajit Weekly logo as required by the partial settlement agreement. The current logo is



and is green.

[27] The Bains Defendants registered a logo as its own trademark in Canada in 2005. The registered trademark is similar to the one used by the Ajit Daily since 1984. In 2010, the Plaintiff applied to have the registration expunged (T-273-10). The Bains Defendants cancelled the



registration, rendering the Plaintiff's application moot, but filed five further trademark applications. When these applications were opposed by the Plaintiff, the Bains Defendants abandoned the applications for registration (Johal Affidavit at paras 3-4).

[28] In 2005, the Plaintiff successfully expunged the registration of the Bains Defendants' Ajit Weekly's logo as a trademark in the United Kingdom. This decision was upheld on appeal later the same year (Motion Record of the Plaintiff, Tabs M & N).

[29] The Plaintiff claims it did not know that the defendant Master Web was printing the Ajit Weekly until sometime after March 10, 2011 when they hired a private investigator to confirm. Master Web was added as a defendant in July 2011.

#### V. Evidence

[30] The Hamdard Trust evidence consisted of an affidavit of Satpaul Singh Johal who is a correspondent employed by the Sadhu Singh Hamdard Trust. This affidavit attached the following affidavits, some used in a previous expungement application:

- Affidavit of Dr. Barjinder Singh Hamdard sworn March 23, 2010;
- Affidavits of Satpaul Singh Johal sworn March 19 and 25, 2010 and February 21, 2014;
- Affidavit of Satpaul Singh Johal sworn March 25, 2010;
- Affidavit of Gurdial Singh Kanwal sworn March 16, 2010;
- Affidavit of Narinderjit Kaur Kanwal sworn March 18, 2010;
- Affidavit of Satinderpal Singh Chahal sworn March 18, 2010;

- Affidavit of Gurbinder Singh Sandal sworn March 20, 2010;
- Affidavit of Narinder Pal Singh;
- Affidavit of Harjeet Singh.

[31] The Bains Defendants' cross examined the following affidavits:

- Dr. Barjinder Singh Hamdard;
- Narinderjit Kaur Kanwal;
- Satinderpal Singh Chahal;
- Satpaul Singh Johal.

[32] Below is a summary of evidence from the Plaintiff's affidavits:

(1) Dr. Barjinder Singh Hamdard - sworn March 23, 2010

[33] Dr. Barjinder Singh Hamdard is the Editor-in-Chief of Ajit Publications and managing editor since 1984. Dr. Hamdard was previously elected a Member of Parliament in 1998. Dr. Hamdard is also an author of several books, editor of magazines and recipient of awards and honours for his work.

[34] Dr. Hamdard goes over the history of the Ajit Daily, the creation of the Hamdard Trust as well as outlines the many accomplishments and honours of the founder, Dr. Sadhu Singh Hamdard. Dr. Hamdard describes the contents of the Ajit Daily newspaper, the circulation numbers and the circulation worldwide. He stated that the newspaper and the Sunday newsmagazine have few foreign subscribers but still there have been some subscribers in Canada

since at least 1968 and that Canadians contribute letters to the editor. Dr. Hamdard also describes the physical appearance of the masthead. Dr. Hamdard explains his view of how the Defendants came to use the word “Ajit” for the Canadian newspaper and that it was for the purpose of benefiting from the popularity of the Ajit.

- (2) Satpaul Singh Johal three affidavits - sworn March 19 and 25, 2010, and February 21, 2014

[35] Mr. Satpaul Singh Johal is a Canadian correspondent for the Ajit Daily published by the Sadhu Singh Hamdard Trust. Mr. Johal describes the respected reputation of the Ajit Daily and the authorship of the Ajit logo. Mr. Johal writes that the Ajit logo is an original design and not a printing font and then describes the unique features of the logo. The subscription price is listed in Indian rupees and Canadian dollars as is the price of Canadian advertising sales. The affidavit describes the number of internet readers and some of the foetal gender selection advertising that has appeared in the Ajit Weekly newspaper. Mr. Johal writes that even after the change in the lettering of the Ajit Weekly logo in 2010, confused readers still contact him to confirm that there are no ties between the two newspapers.

[36] Mr. Johal writes that the Ajit Weekly publishes advertising for sorcery and wizardry, which offends Sikh practitioners. Further, that the Ajit Weekly printed his articles without permission which he wrote for the Ajit Daily.

[37] The March 25, 2014 affidavit describes the different website traffic for each of the Ajit Daily and the Ajit Weekly.

(3) Gurdial Singh Kanwal - sworn March 16, 2010

[38] Mr. Gurdial Singh Kanwal is an author of Punjabi books and publisher of his own Punjabi language newspaper in Toronto. He says that he always knew of the Ajit Daily and assumed that the Ajit Weekly was a product of the other. He says that when he introduced a mutual friend to Darshan Singh Bains, Dr. Bains said he was a friend of Dr. Hamdard. Later, Mr. Kanwal said that he learned the newspapers were not affiliated.

(4) Narinderjit Kaur Kanwal - sworn March 18, 2010

[39] Mrs. Narinderjit Kaur Kanwal, wife of Mr. Kanwal says that she used to read the Ajit Daily in India. When she saw the Ajit Weekly in Mississauga and Brampton, she thought it was published by the Ajit Daily and found it confusing that the contents of each newspaper were different.

(5) Satinderpal Singh Chahal - sworn March 18, 2010

[40] Mr. Satinderpal Singh Chahal is the owner/operator of a courier company in Ontario. He states that he knew of the Ajit Daily and its reputation while he was growing up in India and when he came to Canada in 2002 he thought the Ajit Weekly was associated with the Ajit Daily. As a Sikh, he says he is offended by the advertisements for mystical practises in the Ajit Weekly.

(6) Gurvinder Singh Sandal - sworn March 20, 2010

[41] Mr. Gurvinder Singh Sandal is a Punjabi folk singer and writes in his affidavit that prior to his immigration to Canada, he knew of the Ajit Daily and when he investigated, found out that it was not affiliated with the Ajit Weekly. Mr. Sandal writes that the advertising in the Ajit Weekly is offensive to him.

(7) Narinder Pal Singh - sworn February 20, 2014

[42] Mr. Narinder Pal Singh is the circulation manager of the Ajit Daily in Jalandhar, India. He transcribed the names and addresses of the Ajit Daily's Canadian subscribers and provided a spreadsheet of the information.

(8) Defendants' evidence was an affidavit of Kanwar (Sunny) Bains. That evidence is summarized below:

[43] Kanwar (Sunny) Bains is a shareholder and director of Navsun Holdings. Mr. Sunny Bains is the son of the founder of the Ajit Weekly. Mr. Bains describes the background of the Ajit Weekly starting with how the word was chosen, its meaning and the look of the masthead as it evolved. Mr. Bains describes the meaning and selection of the word Ajit, its history and other uses of the word of which he knows. Mr. Bains describes the evolution of the design marks of the Ajit Weekly and provides pictures of the different marks that the Ajit Weekly used over the years. Mr. Bains also provides pictures of the current variation of the Ajit Weekly design mark following the copyright partial settlement agreement in the United States action.

[44] Mr. Bains describes the distribution and circulation of the Ajit Weekly in Toronto and Vancouver and the Canadian companies that advertise in the newspaper.

[45] Mr. Bains also describes at length the Ajit Weekly website, the Ajit Broadcasting Corporation and the display of the marks online. Finally, Mr. Bains writes of the United States Litigation and the copyright settlement.

[46] Mr. Bains also defends running the advertisements of mystics and gurus as freedom of expression and tolerance of different beliefs. The gender-selection services are also ones that are in demand among the Punjabi population in Canada however Mr. Bains writes that the Ajit Weekly decided to stop advertising gender-selection herbal products.

(9) Cross Examination of Kanwar (Sunny) Bains - January 29, 2014

[47] Mr. Bains confirmed that the words "Ajit Weekly" only appear in English on the masthead and the word "Ajit" alone is written in Punjabi. Mr. Bains says that use of the name "Ajit" was jointly decided among his family and he cannot recall if one person specifically suggested it. Mr. Bains said that he checked to see if the mark was being used in Canada at the time he started the newspaper. Mr. Bains also says that his company cancelled the trade mark registration for the word "Ajit" and subsequently stopped using it after 2009. Mr. Bains said the logo on the Ajit Weekly had different colours every week including red.

[48] Mr. Bains describes the printing of the word "Ajit" on the masthead of the Ajit Weekly as a font that is simply typed out in Punjabi characters and that the two newspapers use different font for the masthead. He likens the use of the typed font "Ajit" as if an English word was typed in Arial or Times Roman. Mr. Bains said that he has never been contacted by any of his readers to see if there was a connection between the two newspapers.

(10) Cross Examination of Dr. Barjinder Singh Hamdard

[49] Dr. Hamdard first listed multiple Punjabi language newspapers in Jalandhar, Punjab, India and listed the Punjabi Tribune, Jagbani, Punjabi Jagran, the Mawan, the Akali Patrika, and Desh Sewak. He also stated that there are many other Punjabi and Hindi newspapers in Punjab and listed four Hindi newspapers. Dr. Hamdard listed the qualities of what makes a significant newspaper and then listed the contents of the Ajit Daily newspaper in Jalandhar. Dr. Hamdard said that there are different editions of the newspaper for other areas in India and within each newspaper there is an international section that is the same in all regions covering international news but that there is no specific edition published only for international distribution.

[50] Dr. Hamdard describes the process for distribution of the Ajit Daily with some being sent by post outside of the Punjab but within Punjab the newspaper is distributed by agents to bookshops, and delivered to homes. Dr. Hamdard said that the Ajit Daily is mailed to Canada via subscription and that he has plans to expand to Canada. He said that the Ajit Daily is not a grocery shop paper and is not available for free, unlike the Punjabi language newspapers that are available in Canada. Dr. Hamdard denied that there was any other Punjabi language newspaper in India called the Ajeet Patrika.

[51] Dr. Hamdard said that he knew Dr. Darshan Singh Bains when they were both in Jalandhar however they were not friends. Dr. Hamdard confirmed that he first learned of the Ajit Weekly in 1995 during a visit to Canada and that the first time the Trust challenged the use of "Ajit" by the Ajit Weekly was when it opposed a trademark application in Canada in 2005. Dr.

Hamdard explained that he took many steps to complain about the Ajit Weekly in Canada including issuing statements and personally persuading them to stop using the name.

(11) Cross Examination of Satpal Singh Johal

[52] Mr. Johal confirmed that he was a correspondent for the Ajit Daily before and after he moved to Canada in 2009 and is now also a correspondent for other Canadian Punjabi language newspapers. However, Mr. Johal said that some other newspapers took his articles that he wrote for the Ajit Daily and printed them without paying him. He said that he really had to complain loudly to have the re-printing stop.

[53] Mr. Johal explains that the Trust has eight correspondents in Canada and that when he first began reporting in Canada, confused Punjabis had to confirm with him which Ajit newspaper he was working for. Mr. Johal also confirmed that he commissioned the affidavits of Gurdial Singh Kanwal, Narinderjit Kaur Kanwal, and Satinderpal Singh Chahal and that he knew them personally. Mr. Johal said that when Punjabi people are looking for a spouse, that they may place an advertisement in the Ajit Daily and may also place an advertisement in a local paper. Mr. Johal confirmed that the Ajit Daily is only available by subscription and online in Canada.

(12) Cross Examination of Gurvinder Singh Sandal

[54] Mr. Sandal said that he was confused about whether the Ajit Weekly was related to the Ajit Daily however admitted that there was nothing within the Ajit Weekly that would suggest it was published in Jalandhar. Mr. Sandal said he confirmed with an Ajit Daily correspondent that



the two papers were not related and he was asked to swear his affidavit by the Ajit Daily correspondent.

(13) Cross Examination of Satinderpal Singh Chahal

[55] Mr. Chahal said that when he moved to Canada he found the Ajit Weekly was free and was surprised because he assumed that the Ajit Daily in India was for a charge and that with everything being more expensive in Canada, that the same newspaper would be free. Mr. Chahal said that he contacted the Ajit Daily in India and confirmed that the two newspapers were not affiliated. He said that he still picked up the Ajit Weekly from time to time to see whether advertising he found offensive was still there. Mr. Chahal confirmed that "Ajit" is also a popular name for people in India. Mr. Chahal said that he was surprised that two newspapers with the same name have different approaches toward society in relation to the advertisements for mystics and gurus and that the Ajit Daily would never have such advertisements.

(14) Cross Examination of Gurdial Singh Kanwal

[56] Mr. Kanwal is a reporter for the Ajit Daily and had a subscription for the newspaper to be sent by mail to Canada in the early 1970s. Mr. Kanwal started his own newspaper in Vancouver and published articles from the Ajit Daily. He said that because he was friends with the Plaintiff there was no need for an agreement to publish. Mr. Kanwal moved to Toronto and then restarted his newspaper there. He said that he often used the material from the Ajit Daily to re-print in his paper particularly the editorial section. Mr. Kanwal says he learned of the litigation between the parties when he visited India and from Satpal Johal.

(15) Cross Examination of Narinderjit Kaur Kanwal

[57] Mrs. Kanwal says that she saw copies of the Ajit Weekly in Punjabi stores in Canada and it also surprised her that it was a free newspaper because in India there is a cost. She said that the appearance of the newspaper was the same as the one in India and the contents were the same however the advertisements were different. Mrs. Kanwal said she has never seen a copy of the Ajit Daily in Canada.

(16) Affidavit of Paul Morabito for the defendant Master Web

[58] Mr. Paul Morabito is the president of the other defendant, Master Web which is a corporation registered in Ontario and operates as a commercial printer for newspapers and other materials. Master Web was hired by the Bains Defendants to print the Ajit Weekly in Toronto since 1998. Mr. Morabito writes that the Bains Defendants provide a printer-ready, pdf file of the Ajit Weekly, that Master Web retrieves and prints. Mr. Morabito says that Master Web does not have the authority to and has never contributed or altered the contents of the Ajit Weekly newspaper.

[59] Once the Ajit Weekly newspaper is printed, Master Web leaves the completed product at a pre-arranged dock on Master Web's premises where the other defendant arranges to retrieve and distribute it themselves. Mr. Morabito says that Master Web has never distributed the Ajit Weekly newspaper. Further, Mr. Morabito writes that Master Web did not have any role in the change of the Ajit Weekly logo and Master Web did not have anything to do with the design, content or format of the logo. Mr. Morabito also says that Master Web was not aware of any

alleged trademark or copyright infringement before September 2011 when this action was commenced against them.

[60] Mr. Morabito was not cross examined on his affidavit.

VI. What do we have and what do we not have?

[61] Neither party has a registered trademark or registered copyright in Canada.

[62] There is the common Punjabi word “Ajit” used in both newspapers’ names and written in Punjabi font but in different colors.

[63] There is a partial settlement agreement by order of United States District Court for the Eastern District of New York between the Hamdard Trust and the Bains Defendants governing the use of the mark “Ajit” by the parties in Canada and the United States. The same partial settlement agreement contains a licensing agreement which allowed for use of the mark



until December 31, 2009 and use thereafter by agreement between the parties as to colour and shape. Any disputes regarding copyright in Canada and the United States are to go back to the United States District Court as per the partial settlement agreement. The Defendants have used the agreed on logo ever since

# ਅਜੀਤ

[64] Both newspapers are available online.

[65] There is no survey evidence provided by either party.

[66] The Ajit Weekly is distributed for free in Toronto and Vancouver, Canada on a weekly basis with a subscription base of 13,000 in Toronto and 11,000 in Vancouver.

[67] The Ajit Daily has a base of only seven Canadian subscriptions in 2010, but the newspaper is known by Punjabi speaking immigrants as being a daily newspaper that is held in high regard by the Punjabi community.

[68] There is no evidence on the legal interpretation of the United States court approved partial settlement agreement.

VII. Analysis

A. *Does the Partial Settlement Agreement in the United States District Court for the Eastern District of New York dispose of the Copyright Issues Before me?*

(1) Agreement

[69] The Plaintiff started a copyright and trademark infringement action in the United States District Court for the Eastern District of New York on August 12, 2004. The Bains Defendants had summary judgment granted in their favour on the trademark portion of the action on April 5, 2007. The parties settled the copyright portion in a “partial settlement agreement” ordered by the United States Magistrate Judge Cheryl Pollak on October 1, 2009. The agreement is called “partial” because it addressed only the copyright portion of the action as the trademark and New York statutory claims had already been dismissed by summary judgment by that court.

[70] The New York Court approved the partial settlement agreement and retained jurisdiction if there were disputes. The partial settlement agreement states that the parties retain and reserve other rights to “all other claims and causes of action.” This statement is confusing in the context of the rest of the agreement which later states that the parties agree that the partial settlement agreement “...does not preclude the Trust [the Plaintiff] from enforcing its copyright in any future litigation, in any jurisdiction, except as to the activities describes in Section C [the limited license as described above] of this Partial Settlement Agreement”.

[71] The United States trademark and copyright actions and decisions are not binding or persuasive with regards to copyright or trademark law in Canada. But what is before this Court is

an international agreement that purports to deal with the mark in question. Licensing agreements are common in the modern global marketing world we live in and often set out the parties' agreement of use of a mark in one or more countries.

[72] Paragraph 3 of the partial settlement agreement reads: "... the court shall retain jurisdiction for purposes of enforcing the Parties' Partial Settlement Agreement."

[73] The "Whereas" clauses on page 1 and 2 of the partial settlement agreement set out that the contract is dealing with the United States and Canadian newspapers, radio and other enterprises and ownership groups.

[74] The partial settlement agreement states that it covers the use of the mark in Canada and the United States and that the parties agreed to a licensing agreement from the date of the agreement until December 31, 2009. After which the parties agreed on a slight font change and agreed that the color green would be used by the Defendants. Paragraph D(1) of the agreement states: "On or before January 1, 2010, Defendants shall cease all use of the Ajit Logo, and shall instead use the logo attached hereto as Exhibit C". This is the mark in Exhibit C of the agreement

The image shows the word "अजित" (Ajit) written in a bold, black, stylized Devanagari font. The characters are thick and blocky, with a slightly irregular, hand-drawn appearance. The word is centered horizontally on the page.

I note that there was an email exchange between the parties reminding the Defendants that they had to change their newspaper box stickers; the Defendants complied and changed the newspaper box stickers to match the mark in the United States Court agreement.

[75] Later in the partial settlement agreement, it allows for the Defendants to change their logo on a yearly basis and sets out the terms to do so. The Defendants have not done so. The Defendants provided evidence of emails from Plaintiff's counsel on the instructions of the Plaintiff that confirm that the mark was approved by the Plaintiff. In addition, the Defendants filed actual copies of the Ajit Weekly showing that they use the agreed upon masthead from that date until the present



(2) Copyright

[76] The partial settlement agreement at E(4) says the parties are not precluded from enforcing copyright in future litigation except the activities under the licensing portion of the agreement. Then in the next section, the partial settlement agreement confirms that the United States Court will retain jurisdiction over the interpretation and implementation of the agreement or any claims or actions arising from it and shall “be commenced and maintained only in this court.” At section H, it states that this agreement can be used as a complete defense.

[77] Finally, the parties agreed that the partial settlement agreement is governed in accordance with the laws of the State of New York. I was not given any expert evidence as to the interpretation of this New York settlement agreement.

[78] I dismiss the copyright claim against the Bains Defendants. I have insufficient evidence on construing the United States agreement and no expert evidence on the United States' law regarding this partial settlement agreement approved by the New York Court.

[79] Even without expert evidence, it is clear that the partial settlement agreement permitted the use of the current form of the masthead now used by the Defendants. The masthead currently used is exactly as shown in the partial settlement agreement at Exhibit C and as evidenced by the email exchange regarding colour of the logo. Any disputes between the parties regarding copyright should go back to the United States as the parties agreed to that court retaining jurisdiction over any disputes regarding the copyright of the mark.

B. *Are the Bains Defendants Liable for Passing Off Pursuant to Sections 7(b) and 7(c) of the Trade-marks Act?*

(1) Section 7(b) *Trade-marks Act* - Unfair Competition

[80] The Plaintiff claims the Defendants are passing off contrary to section 7(b) of the *Trade-marks Act*. This Court has statutory jurisdiction under section 7(b) whether or not the trademark is registered. To be successful under this section, the plaintiff must prove the following elements derived from the common law test of passing off: a) the existence of goodwill; b) the likelihood of deception of the public due to the misrepresentation; 3) potential or actual damages suffered (*Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 at para 33). These same principles have been found to apply to the statutory action of passing off (*PharmaCommunications Holdings Inc v Avencia International Inc*, 2009 FCA 144, 392 NR 197 at paras 9-10; *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65, [2005] 3 SCR 302 at para 66).



(a) *The existence of goodwill*

[81] As described in *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 SCR 824 (*Veuve Clicquot*), goodwill is not defined in the *Trade-marks Act* but commercially, it describes the "...positive association that attracts customers towards its owner's wares or services rather than those of its competitors" (*Veuve Clicquot* at para 50). The existence of commercial goodwill is tested by looking if the party has established that its goods are known in the market by reason of their distinguishing feature. The goodwill must have been created through the exclusive use of the name or mark with its business, wares or services. The relevant market where a plaintiff proves reputation is the defendant's market (*H-D USA v Berrada*, 2014 FC 207 at para 125 (*H-D USA*)). So I must ask myself if the people that subscribe (seven subscribers) to the *Ajit Daily* in Canada are likely to suffer a misrepresentation because of the *Ajit Weekly's* reputation in the same market. The onus is on the Plaintiff to establish their reputation in this market so as to be protected against passing off in that same market (*H-D USA* at para 126).

[82] In *Orkin Exterminating Co Inc v Pestco of Canada Ltd*, [1985] OJ No 2526 (QL) at para 37, 19 DLR (4th) 90, the Ontario Court of Appeal wrote that the plaintiff does not need to be in direct competition with the defendant in that market but that:

If the plaintiff's trade name has a reputation in the defendant's jurisdiction such that the public associates it with services provided by the plaintiff then the defendant's use of it means that the plaintiff has lost control over the impact of its trade name in the defendant's jurisdiction.

Morden, JA explained the practical consequence of this would be that the plaintiff may lose current or prospective customers in that market.

[83] The Plaintiff alleged that the mark is “famous” amongst the Punjabi speaking public. At the hearing, the Plaintiff argued that there is “no dispute - it is a famous institution”. The Plaintiff submitted that the evidence of large circulation in the Punjab and the paper’s availability on the internet shows that everyone knows of the paper. The Plaintiff’s evidence is that every Punjabi family worldwide knows the Ajit Daily and in fact even the Defendants’ family read the Ajit Daily in India.

[84] The Plaintiff’s evidence falls short of demonstrating reputation in the Defendants’ geographic region. There is no survey or other independent reputable evidence before me to find that the Ajit Daily has commercial goodwill in Canada or is famous in Canada as the only evidence presented to me is of seven subscribers in Canada in 2010. There is one statement made in an affidavit in support of the Plaintiff that the reader “...read it on line” but I give that little weight because it is far from a quantitative analysis such as expert survey evidence may provide.

[85] I do not find that the Ajit Daily is famous in Canada at the level that the Supreme Court of Canada was referring to in *Veuve Clicquot* or *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, 268 DLR (4th) 424.

[86] I do not find that the Plaintiff meets the onus of proving the existence of goodwill in the Defendants’ geographical region.

(b) *Deception Due to Misrepresentation*

[87] A plaintiff must prove that the defendant used a mark, innocently or intentionally, which is likely to be confused with the plaintiff's distinctive mark. If confusion is proven, then the misrepresentation to the public is proved (*Walt Disney Productions v Triple Five Corp*, [1992] AJ No 571 (QL), 43 CPR (3d) 321 at 331 (Alta QB) and *Mattel Inc* at para 90 (SCC)).

[88] Subsections 6(5)(a)-(e) of the *Trade-marks Act* (attached as Appendix B), provides the factors the court must consider to determine if there is confusion due to misrepresentation.

- (i) The inherent distinctiveness of the trademarks and the extent they have become known

[89] The Defendants have used this mark with slight variations since 1993 when they began publishing in Canada. The Defendants applied to register the trademark in Canada but later cancelled the application when the Plaintiff opposed.

[90] The mark is a common Punjabi word and also a common first name. The word "ajit" is used in business names in the Punjab and the rest of the world by the Punjabi community. There is no originality that attaches to this mark as it is simply a word written in a Punjabi font. There was evidence it is "Nanak heavy" font. There was evidence that prior to the 2009 partial settlement agreement that changed the Defendants' mark slightly, there were some distinguishing features in the font but that an ordinary consumer would not be able to see the difference and certainly not in a hurry. Both parties agreed that the Defendants would solely use the colour

green instead of changing the colour each week. Currently, the Ajit Daily masthead is red and the Ajit Weekly is green and a different font, as agreed on by the parties. In addition, the Ajit Weekly has English on the masthead and many of the advertisements are in English for the Canadian market even though the newspaper is in Punjabi.

[91] The Defendants provided some evidence that the name “Ajeet” is used in another newspaper published in India.

(ii) Length of time the trademarks have been in use

[92] The Ajit Daily newspaper has been published as the Ajit Patrika since 1955 and as the Ajit Daily since 1959. The Ajit Daily published online beginning in 2003. There was no evidence filed to support that there were any Ajit Daily newspapers sold or known in Canada. The Plaintiff has simply alleged that all Punjabi people know of the Ajit Daily when they come to Canada.

[93] The Ajit Weekly has been published since 1993 in Canada and online since 1998.

[94] The Plaintiff argued that the trademark registration by the Defendants was found to be invalid in the United Kingdom in February 2005. The Plaintiff argues that the decision of the UK Trademarks Registry Office has the force of a court of record. I do not agree that the UK decision is binding or persuasive on my decision.

(iii) The nature of the wares, services or business

[95] Both are Punjabi language newspapers. The Ajit Daily is published daily in Jalandhar, India. The Ajit Daily has an excellent reputation and is trusted in the Punjabi-speaking community around the world. However the Ajit Daily does not publish an international edition for Canada. In cross examination, Dr. Hamdard, the Editor in Chief of the Ajit Daily said that his paper was a “professional paper and not a grocery store newspaper”. The Ajit Weekly is published each week in Toronto and Vancouver, Canada. I find that the nature of the wares is primarily the same with the only difference being that the Indian newspaper is published daily and the Canadian newspaper is published weekly. But for the geographical locations of the publications, there may be potential for confusion.

(iv) The nature of the trade - channels of trade

[96] The Ajit Daily is available in Canada by subscription and online at [www.ajitjalandhar.com](http://www.ajitjalandhar.com). The Ajit Weekly is available free in newspaper boxes at grocery stores, temples and restaurants in Toronto and Vancouver, Canada as well as online at [www.ajitweekly.com](http://www.ajitweekly.com).

[97] The method of distribution is not the same channel of trade excepting the online versions.

[98] The Ajit Daily is only available outside of India by subscription. In 1990 there were 21 to 43 subscribers in Canada and in 1991 there were 19 to 23. By 2010 there were only seven

subscribers in Canada. The Ajit Daily paper is sold in India by home delivery subscription, hawkers and bookshops.

- (v) The degree of resemblance between the trademarks in the appearance or sound or in the ideas suggested by them

[99] The degree of resemblance currently is very similar even though the mastheads of the papers have changed slightly over the years. By agreement, the Ajit Weekly changed the color of the masthead and mark to green with the Ajit Weekly's mark being red. The word "ajit" is frequently used in Punjabi business names as it means "invincible" or "unconquerable". Ajit is also used as a first name for a person. Consequently, it is a very common word in the Punjabi language so small differences are more discernable as people are used to looking for different clues to distinguish the use of the word "ajit". But the possibility for confusion is still high because of the high degree of resemblance.

[100] The Ajit Weekly has some English within the newspaper and on the masthead.

[101] The Ajit Daily is almost exclusively in Punjabi with no English in the mark. It is identified online as being daily and published out of Jalandhar.

[102] Finally, the Plaintiff provided evidence that in 2010, 3.4 % of traffic to the [ajitjalandhar.com](http://ajitjalandhar.com) webpage came from web searches. Search of the word "ajit" alone accounts for 0.25% of the traffic from search engines to [ajitjalandhar.com](http://ajitjalandhar.com). Of traffic to [ajitweekly.com](http://ajitweekly.com),

3.32% comes from searches of the word “ajit” alone. The top search queries for ajitjalandhar.com are “ajit jalinder” (28.38%) and “ajit jalandhar” (11.48%).

(vi) Other Surrounding Circumstances

[103] When considering all of the surrounding circumstances, and the section 6(5) factors above, I find that the Ajit Weekly would not be confused with the Ajit Daily newspaper. The Ajit Weekly is cost-free and distributed in Vancouver and Toronto while the Ajit Daily has a cost and is distributed in India with only a very small number of subscribers in Canada. The common Punjabi word “ajit” appears on both newspapers in a Punjabi font, in different colours and may be indistinguishable on the face of it, however the marks have co-existed for many years. Both newspapers have their own distinct channel of trade - in one case being available for free in Canada and in the other instance available by subscription only. Further, there is no evidence of magnitude of online readership.

[104] The parties have co-existed since 1993 with neither party currently having a registered trademark or copyright in Canada. The public does not seem to be confused since the only evidence submitted by the Plaintiff were affidavits from individuals who were interested parties that I give little weight.

[105] The evidence from Satpaul Singh Johal was that if there was a Canadian Punjabi looking for a spouse, that they would place advertisements in both the Ajit Daily and the local newspapers, which in this case is the Ajit Weekly. It appears to me that the general population of Punjabis in Canada that are the target group of the Ajit Daily newspaper has distinguished the

papers and they are not confused as they know to place advertisements in both papers which have different markets and readers.

(c) *Damage to the Plaintiff*

[106] The Plaintiff must prove that the use of the mark has caused them actual or potential loss of business, control over reputation, image or goodwill (*Toys "R" Us (Canada) Ltd v Manjel*, [2003] FCJ No 398 at para 68, 2003 FCT 283).

[107] The Plaintiff argues that sorcery and gender selection advertisements in the Ajit Weekly cause a loss to the Ajit Daily's reputation because such activities are offensive against their Sikh religion. Again, the Plaintiff did not provide evidence supporting the allegation that those advertisements in the Ajit Weekly caused Ajit Daily's subscribers to discontinue service or those online readers stopped viewing the paper. There was also no evidence that the Plaintiff's ability to obtain advertisers was affected because of the Defendants' advertisements for sorcery and gender selection.

[108] In the Court's view, the Plaintiff has not proved that the Ajit Weekly has caused them damage.

[109] Following this analysis, I find that the Plaintiff has not proved a violation of subsections 7(b) or 7(c) on a balance of probabilities and the claim fails.



C. *Whether Master Web infringed any copyrights or trademark by being the printer?*

[110] I concluded in my analysis above that the Plaintiff does not enjoy sufficient goodwill in Canada to prove the first part of the test for passing off under section 7(b) of the *Trade-marks Act*. Secondly, Master Web is not making a misrepresentation to the public that would satisfy the second branch of the test. Master Web does not make any representations to the public in relation to the newspaper logos that would cause confusion to the public. In fact, Master Web had no knowledge of the logo dispute between the Plaintiff and the Bains Defendants. The Plaintiff did not provide any evidence of confusion to the public that would support passing off. Finally, the Plaintiff did not provide evidence and has failed to prove damage suffered due to actual or potential loss of business from the services provided by Master Web. The Plaintiff's passing-off claim against the defendant Master Web fails. Similarly, the copyright claim is dismissed against the defendant Master Web as Master Web had no knowledge of any allegedly infringing activity and the copyright settlement is a complete defense to the claim.

[111] Master Web is hired to print the Toronto edition of the *Ajit Weekly* and does not print the Vancouver edition. Master Web has no control over the content of the *Ajit Weekly*, is not making public misrepresentations by printing the *Ajit Weekly* mark and has no corporate connection to the Bains Defendants. The material printed is not so blatantly offensive or clearly misrepresenting such that Master Web is wilfully blind to continue printing. Master Web only provides commercial printing services and the Plaintiff simply attempts to cast their net too wide.

[112] I dismiss the claim against the defendant Master Web.

D. *Counterclaim: Is the Plaintiff liable for Making False and Misleading Statements about the Ajit Weekly?*

[113] The Defendants led insufficient evidence regarding false and misleading statements being made by the Plaintiff about the Ajit Weekly. They are what I could class as derogatory remarks but no more than the normal statements that are made by parties while in the midst of long standing litigation.

[114] I dismiss the counterclaim.

[115] The Plaintiff seeks injunctive relief but I will not grant the injunction as I do not find infringement and further, the Plaintiff has not met the test for passing off.

VIII. Costs

[116] The Plaintiff seeks solicitor/client costs. The Bains Defendants did not seek costs.

[117] Master Web seeks costs for this action on substantial indemnity basis.

[118] In the normal course I would grant costs to follow the successful party but as the Plaintiff was not successful in their action and the Bains Defendants were not successful in their counterclaim, I find it appropriate to order no costs against either of these parties.

[119] The defendant Master Web will have costs payable to them by the Plaintiff in the amount of \$500.00 payable forthwith.

**JUDGMENT**

**THIS COURT'S JUDGMENT is that:**

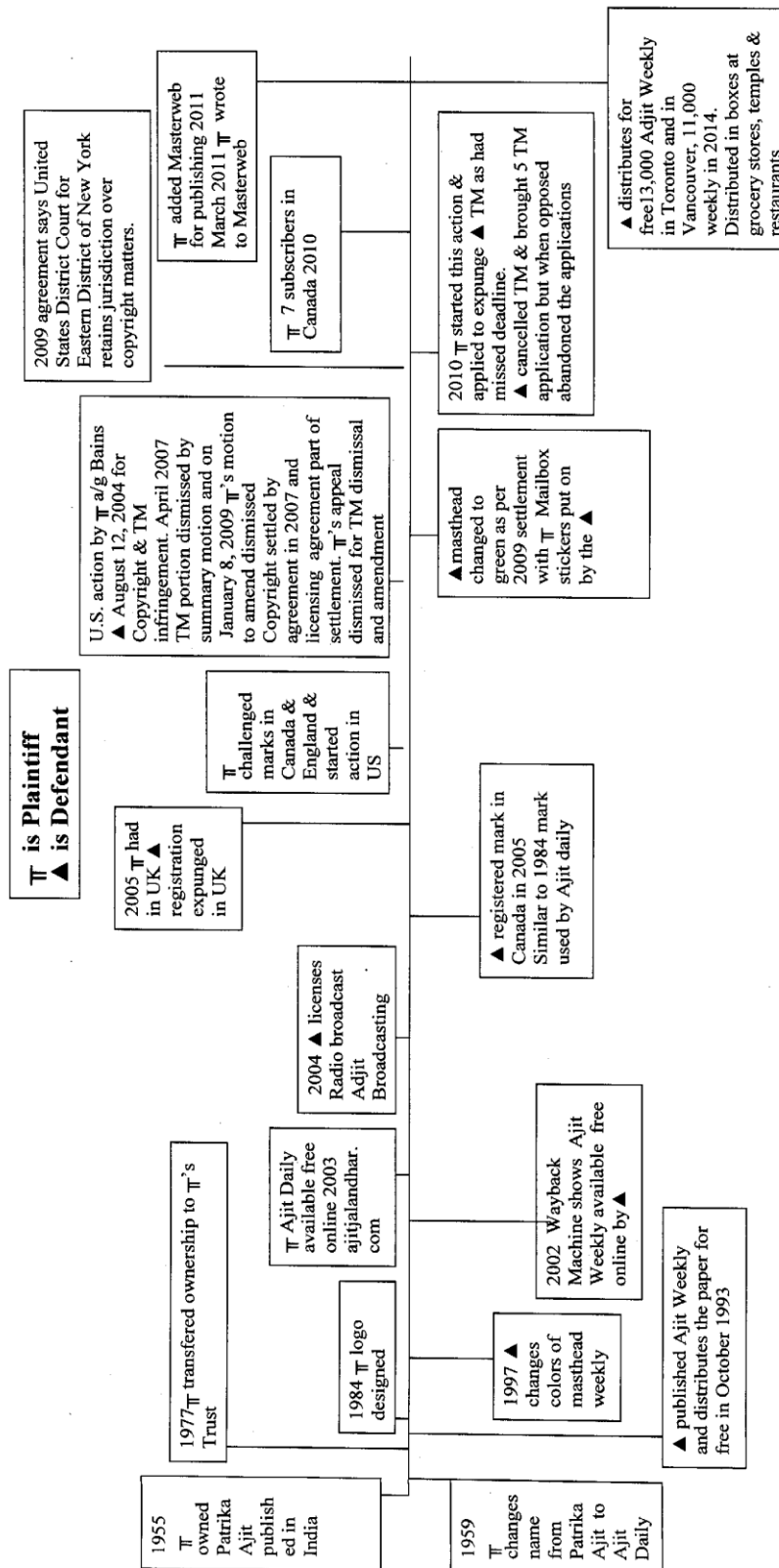
1. The Plaintiff's claim is dismissed;
2. The Defendants' counterclaim is dismissed;
3. The defendant Master Web will have costs payable to them by the Plaintiff in the amount of \$500.00 payable forthwith.

"Glennys L. McVeigh"

---

Judge

APPENDIX A



## APPENDIX B

### *Trade-marks Act, RSC, 1985, c T-13*

When mark or name confusing

What to be considered

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

(b) the length of time the trade-marks or trade-names have been in use;

(c) the nature of the wares, services or business;

(d) the nature of the trade; and

(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

Quand une marque ou un nom crée de la confusion

Éléments d'appréciation

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;

c) le genre de marchandises, services ou entreprises;

d) la nature du commerce;

e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1127-10

**STYLE OF CAUSE:** SADHU SINGH HAMDARD TRUST v NAVSUN HOLDINGS LTD ET AL

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** APRIL 29, 2014

**JUDGMENT AND REASONS:** MCVEIGH J.

**DATED:** NOVEMBER 26, 2014

**APPEARANCES:**

Mr. David Allsebrook FOR THE PLAINTIFF

Ms. Tamara Ramsey FOR THE DEFENDANTS,  
Ms. Gargi Chopra NAVSUN HOLDINGS LTD AND 6178235 CANADA INC.

Mr. Adam Grant FOR THE DEFENDANT,  
MASTER WEB INC.

**SOLICITORS OF RECORD:**

LUDLOWLAW FOR THE PLAINTIFF  
Toronto, Ontario

CHITIZ PATHAK LLP FOR THE DEFENDANTS,  
Toronto, Ontario NAVSUN HOLDINGS LTD AND 6178235 CANADA INC.

MCCAGUE BORLACK LLP FOR THE DEFENDANT,  
Toronto, Ontario MASTER WEB INC.