

Federal Court



Cour fédérale

Date: 20240517

Docket: T-2085-16

Citation: 2024 FC 751

Ottawa, Ontario, May 17, 2024

**PRESENT:** The Honourable Justice Fuhrer

**BETWEEN:**

**ENIGMATUS, S.R.O.**

**Plaintiff/  
Defendant by Counterclaim**

**and**

**PLAYTIKA LTD., CAESARS NTERACTIVE  
ENTERTAINMENT LLC, AND PLAYTIKA (CANADA) INC.**

**Defendants**

**and**

**PLAYTIKA LTD.**

**Plaintiff by Counterclaim**

**JUDGMENT AND REASONS**

**(Public Version with Redaction of Confidential Version Issued May 17, 2024)**

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## I. Overview

[1] The Defendants, Playtika Ltd., Caesars Interactive Entertainment LLC and Playtika (Canada) Inc., bring this motion for summary trial in the context of the expungement and passing off action started by the Plaintiff, Enigmatus, s.r.o., in 2016.

[2] At the heart of the Plaintiff’s action are the questions of whether the registered trademark SLOTOMANIA, owned by the Defendant, Playtika Ltd., is confusing with the Plaintiff’s unregistered trademark SLOTOPOLY, and what consequences flow from the highly fact-dependent circumstances of this action.

[3] For the reasons that follow, I determine that this matter is apt for disposition by way of summary trial. Further, I grant the Defendants’ motion in its entirety. The Plaintiff’s claim for expungement and passing off will be dismissed for failure to establish confusion and invalidity. As a result, the registration for SLOTOMANIA will be maintained, thus providing a complete defence to the Plaintiff’s passing off claim. The Defendants’ counterclaim also will be dismissed.

[4] Under the heading “Background,” I next provide several salient factual findings regarding the parties, their trademarks, and other related events, followed by summaries of the

action's procedural history and the parties' evidence on this motion. A statement of the applicable issues then will precede and inform the analysis.

[5] See Annex "A" to these reasons for relevant legislative provisions.

## II. Background

### (1) The Parties

[6] The Plaintiff, Enigmatus, s.r.o. [Plaintiff or Enigmatus], is a corporation of the Czech Republic and an online and mobile game developer. The Plaintiff was incorporated in 2009. Its business grew from the business activities of a group of companies with common ownership, Interactive One s.r.o [Interactive One], I3 CZ s.r.o. [I3 CZ], and Crystal Dynamic Ltd. [Crystal Dynamic] [collectively, for convenience of reference only, the Enigmatus Related Companies]. Until Crystal Dynamic ceased operations in 2019, Interactive One and I3 CZ used Crystal Dynamic to enter into contracts outside the Czech Republic. All four companies have or had overlapping shareholders.

[7] The Defendant, Playtika Ltd. is an Israeli company and, similarly, a developer of online and mobile games. Playtika (Canada) Inc. is a Canadian corporation headquartered in Montréal, Québec. Playtika Ltd. and Playtika (Canada) Inc. are indirect subsidiaries of Playtika Holding Corp.; all three companies are part of the Playtika group of companies. According to Playtika Ltd., Playtika (Canada) Inc. has not carried on any business related to the SLOTOMANIA game.

Unless referred to by its full name, Playtika Ltd. thus will be referred to as “Playtika” from this point onward in these reasons.

[8] The Defendant, Caesars Interactive Entertainment LLC [Caesars], is a subsidiary of Caesars Growth Partners, LLC, which is a joint venture between Caesars Acquisition Company and Caesars Entertainment Corporation. Playtika formerly was a subsidiary of Caesars. Prior to the commencement of the claim, Caesars sold its interest in Playtika. Both before and after the sale, Playtika and Caesars have been parties to cross-marketing agreements.

(2) The Parties’ Trademarks

[9] The parties’ respective trademarks have coexisted in the competitive market for online casino and slot-themed games for at least 12 years, without any demonstrated instances of actual confusion.

[10] The word mark SLOTOMANIA [SLOTOMANIA Mark] is registered under registration No. TMA836,402 dated November 14, 2012 in the name of Playtika Ltd. [SLOTOMANIA Registration]. The SLOTOMANIA Mark was applied for on May 12, 2011 under application No. 1,527,704 for use in association with online computer and video game related goods and services.

[11] Playtika also has obtained more recently registration No. TMA1,113,375 for the SLOTOMANIA Logo (colour), shown below, dated November 5, 2021 for use in association

with online computer and video game related goods and services [SLOTOMANIA Logo]. The latter is not part of the Plaintiff's expungement claim.



[12] From this point forward, I will refer to the SLOTOMANIA Mark and the SLOTOMANIA Logo collectively as the SLOTOMANIA Marks. See Annex "B" to these reasons for the particulars of Playtika's trademark registrations for the SLOTOMANIA Marks.

[13] Enigmatus asserts rights in the unregistered word mark SLOTOPOLY and design mark SLOTOPOLY & Design shown below [collectively, the SLOTOPOLY Marks], that it acquired from the Enigmatus Related Companies.



[14] Interactive One's Managing Director, Václav Dejčmar, acquired the domain slotopoly.com in 1999 and transferred it to Enigmatus on January 11, 2010 via a Transfer Agreement between these companies, which also encompassed "product names, logos including their graphic design."

[15] Enigmatus has applied to register the SLOTOPOLY Marks in Canada under application Nos. 2,217,410 and 2,217,409, both filed on October 20, 2022, for the word mark and the design

mark respectively. Enigmatus previously applied to register the word mark SLOTOPOLY in Canada under application No. 1,710,683 filed on January 14, 2015. Opposed by Hasbro, Inc. and Playtika, Enigmatus abandoned the latter application during the opposition proceedings. I note that Enigmatus launched this action approximately one month after Playtika opposed application No. 1,710,683.

(3) Other Related Events

[16] Enigmatus previously has attempted to register the SLOTOPOLY Marks, as well as Playtika's SLOTOMANIA Mark.

[17] Enigmatus registered SLOTOPOLY with the United States Patent and Trademark Office [USPTO] on January 8, 2013 under registration number 4273348 for entertainment services, namely, providing online computer and electronic games, which may be played on cellular, handheld and wireless devices. The registration is the subject of a Petition for Cancellation filed by Hasbro, Inc., which alleges confusion with Hasbro's well-known trademark MONOPOLY.

[18] Playtika sent a demand letter dated November 25, 2013 to Enigmatus requesting that Enigmatus immediately cease all use of SLOTOPOLY, agree in writing that it will not use, register, or attempt to register the mark in the future, and cancel its federal registration for SLOTOPOLY in the United States.

[19] By letter dated July 1, 2014, Enigmatus disagreed with Playtika's position and indicated that it is prepared to defend its trademark rights.

[20] In a letter dated November 28, 2014, Enigmatus wrote to Playtika seeking to work “together ... to resolve these matters to our mutual business satisfaction.” Mr. Jan Kopinec, principal of Enigmatus, affirmed that he received no response to this letter, nor to his follow up letter dated January 12, 2015. The Defendants did not dispute this.

[21] On August 28, 2014, Enigmatus applied to register the SLOTOMANIA Mark in its own name in the European Union, which was refused on January 20, 2015. Enigmatus also applied to register the SLOTOMANIA Mark on July 8, 2014 in the United Kingdom, which was opposed by Playtika and refused on April 7, 2015.

[22] In addition, Enigmatus or its principal, Mr. Kopinec, obtained two domain names in 2014 containing “slotomania,” namely [www.slotomania.name](http://www.slotomania.name) and [www.slotomania.land](http://www.slotomania.land). About a year later, these domain names redirected to [slotopoly.com](http://slotopoly.com).

#### (4) Procedural History

[23] Below is a brief summary of the procedural history of this action, which is described more extensively in the Defendants’ Affidavit of Anna Antonetti, dated December 16, 2022.

[24] The Plaintiff commenced this proceeding by way of Statement of Claim filed on December 2, 2016 and served on December 16, 2016. The pleadings stage was completed substantially by September 2017, with some amendments being made in October 2019 and, again, in late 2022 and early 2023.



[25] The discovery process in this matter was protracted, spanning about five years from the initial exchange of affidavits of documents in 2017. In an order dated April 11, 2022, further to a notice of status review dated March 17, 2022, Justice Ayles referred to the Plaintiff's repeated delays in advancing the proceeding.

[26] To date, the Plaintiff has posted security for costs totalling \$164,000.

[27] I also note that the Defendants, in the normal course, made a Request to Admit to which the Plaintiff responded with an identically worded response to each of the 119 requests as follows: "The Plaintiff refuses to admit the truth of this fact at this date on the basis that it is not in full context, the pleadings are subject to amendment, and the evidence for the summary trial has not been delivered."

[28] Having reviewed the facts put to the Plaintiff, I find the response to the Defendants' Request to Admit was essentially unresponsive and in many instances unwarranted. Many, although not all, of the facts the Defendants sought to have admitted are verifiable in public records, such as a date of incorporation, a date of filing of an application or a date of registration. The Plaintiff's conduct in this regard does not aid the work of the Court and is strongly discouraged.

[29] While I acknowledge the professional responsibility of counsel to advocate resolutely on behalf of their clients, this should not devolve into pointless procedural wrangling at every opportunity.

[30] As a further example, the Defendants corresponded with the Court in advance of the hearing of the motion to address the issue of maintaining, during the hearing, confidentiality of documents and information previously designated and filed with the Court as Confidential or Highly Confidential pursuant to the November 8, 2019 Confidentiality Order. There ensued a direction from the Court about the appropriate approach to the issue and a comprehensive response from the Defendants. Although the Plaintiff seemingly consented to the Defendants' initial approach, it then took no position on the response and failed to elucidate on the rationale for this position to the satisfaction of the Court at the hearing. As a consequence, instead of the issue having been disposed of summarily in advance of the hearing, it occupied the opening of the three-day motion until, after hearing from the parties, the Court finalized and delivered the June 27, 2023 Confidentiality Order from the bench.

(5) Parties' Evidence

[31] Below is a brief summary of each side's evidence on this motion.

(a) *Defendants' Fact and Expert Affidavits*

[32] Itai Sela Saldinger is the Director of Intellectual Property of Playtika. He provides evidence about Playtika's business, the SLOTOMANIA game, including its marketing, and Playtika's relevant trademarks. Most of the uses of SLOTOMANIA evidenced by exhibits to the Saldinger affidavit show the SLOTOMANIA Logo, in addition to the SLOTOMANIA Mark (i.e. the word mark). In addition, Mr. Saldinger alleges bad faith conduct by the Plaintiff throughout the course of this litigation. Mr. Saldinger was cross-examined.

[33] Dr. Shana Poplack provides an expert opinion as a sociolinguistic expert on the degree of resemblance between the trademarks SLOTOPOLY and SLOTOMANIA, as concerns appearance, sound and ideas. Dr. Poplack was cross-examined.

[34] Jessica San Agustin is a private investigator and was retained by Defendants' counsel to access various pages on online and mobile platforms related to online and mobile games, to investigate the accessibility and availability of those games through those platforms and to obtain screenshots of the pages that she accessed. She was cross-examined.

[35] Elizabeth Dingman is a reference librarian employed by Defendants' counsel. She provides evidence regarding the dictionary definitions from various reference sources for the words mania, matey, bots, mafia, slot, and slot machine. She was not cross-examined.

[36] Mary P. Noonan is a trademark searcher employed by Defendants' counsel. She provides evidence of a search of the Canadian trademarks register for all active trademark applications, registrations, or section 9 marks that include the word SLOT. She was not cross-examined.

[37] Anna Antonetti is a legal assistant employed by Defendants' counsel. She provides a timeline of events and steps in this action. She was not cross-examined.

(b) *Plaintiff's Fact and Expert Affidavits*

[38] Jan Kopinec is the Head of Executive of Enigmatus. He provides evidence regarding Enigmatus and its related companies, the SLOTOPOLY game and its various forms, the

conception and marketing of the game, and the financial impact of the Defendants' alleged trademark passing-off and infringement activities. Mr. Kopinec was cross-examined.

[39] Isaac Pflaum is an expert in technical software product and data analysis. He provides an analysis of data logs of the slotopoly.com domain and whether the Slotopoly application was developed, tested, distributed, and promoted in a manner consistent with the generally accepted practices between 2000 and 2010. Mr. Pflaum was cross-examined.

[40] Jessie Stricchiola is an expert in the fields of digital marketing and online advertising, search engine optimization, paid search advertising, web analytics, and website design and development. She provides evidence regarding Internet domain ownership and the nature of the relationship between Enigmatus and the Enigmatus Related Companies, in addition to Slotland. Ms. Stricchiola was not cross-examined.

[41] Stefan Dollinger is a Professor of English Linguistics at the University of British Columbia. He was asked to provide an expert opinion as to the degree of resemblance between the trademarks SLOTOPOLY and SLOTOMANIA as to appearance, sound, and ideas suggested, and to comment on whether he agrees with the findings, opinions and conclusions in the Poplack affidavit. Professor Dollinger was cross-examined.

[42] Václav Dejčmar is the Managing Director of Interactive One, a company related to Enigmatus. He provides information regarding his involvement in Enigmatus and his company's

relationship with Enigmatus, including the transfer of Interactive One's slotopoly.com domain to Enigmatus. Mr. Dejčmar was cross-examined.

[43] Jiří Kocik is a lawyer in Czech Republic who drafted the Transfer Agreement between Interactive One and Enigmatus regarding the transfer of the slotopoly.com domain. He was not cross-examined.

### III. Issues

[44] Against the above backdrop, I find that this motion and the summary trial raise the following issues for the Court's determination:

*(1) What is the applicable test for determining whether a summary trial is appropriate for resolving this dispute?*

*(2) Have the Defendants engaged in passing off within the meaning of paragraph 7(b) of the Trademarks Act, RSC 1985, c T-13?*

This question raises the following more granular issues:

- Does Enigmatus own valid and enforceable trademark rights, including reputation, in the SLOTOPOLY Marks?
- Has there been a misrepresentation or likelihood of confusion resulting from the use of the SLOTOMANIA Mark?
- Has Enigmatus suffered any damage or likely damage from the use of the SLOTOMANIA Mark?

*(3) Should the SLOTOMANIA Registration be expunged pursuant to section 57 of the Trademarks Act for invalidity under section 18?*

*(4) Is Enigmatus entitled to relief?*

*(5) Has Enigmatus infringed, engaged in passing off in respect of, and depreciated the goodwill attaching to, the SLOTOMANIA Mark within the meaning of sections 19 and 20, subsection 22(1), and paragraph 7(b) of the Trademarks Act?*

IV. Analysis

A. *What is the applicable test for determining whether a summary trial is appropriate for resolving this dispute?*

[45] Rules 213 and 216-219 of the *Federal Courts Rules*, SOR/98-106 [*Rules*] apply to motions for summary trial. In particular, “[i]f the Court is satisfied that there is sufficient evidence for adjudication, regardless of the amounts involved, the complexities of the issues and the existence of conflicting evidence, the Court may grant judgment, either generally or on an issue, unless it would be unjust to do so”: *ViiV Healthcare Company v Gilead Sciences Canada, Inc*, 2020 FC 486 [*ViiV FC*] at para 12, aff’d 2021 FCA 122 [*ViiV FCA*], citing subrule 216(6).

[46] This Court previously has held that a “summary trial is appropriate where the issues are well defined, the facts necessary to resolve the issues are already in evidence, credibility issues can be resolved, and the questions of law can be dealt with as they could be after a full trial” [citations omitted]: *Eli Lilly v Apotex*, 2022 FC 1398 [*Eli Lilly*] para 5. Further, the party seeking summary trial, here Playtika, has the burden of showing that summary trial is “appropriate,” in the sense of whether it should proceed: *ViiV FC*, above at para 19.

[47] The Defendants argue that the record is complete on their motion for summary trial, resulting in efficiency by avoiding a full trial. Noting that the determination of the suitability for summary trial should be made in the context of the motion for summary trial itself, I agree: *ViiV Healthcare Company v Gilead Sciences Canada, Inc*, 2020 FC 11 at para 20, aff’d *ViiV FCA*, above. I find it hard to imagine what other evidence the parties would assemble, apart from live

testimony, were the Defendants' motion unsuccessful in this regard: *Collins v Canada*, 2014 FC 307 at para 31. Further, in my view, there are no serious questions of credibility here that require resolution based on live testimony: *Deegan v Canada (Attorney General)*, 2019 FC 960 [*Deegan*] at para 211, aff'd 2022 FCA 158.

[48] In other words, I am not persuaded that, in the case before me, "the added expense and delay of fact finding at trial is necessary to a fair process and just adjudication": *Hryniak v Mauldin*, 2014 SCC 7 [*Hryniak*] at para 33. Indeed, the parties spent most of their time addressing the merits of the questions in issue in the summary trial, as opposed to whether the summary trial should proceed at all. More to the point, the Plaintiff did not dispute that the matter could be resolved through a summary trial. That said, the lack of opposition to the motion in itself does not end the Court's enquiry about the appropriateness of a summary trial.

[49] The Defendants further argue, and I agree, that the summary trial motion is about the legal conclusions that the Court can draw from the facts established by the evidence: *Deegan*, above at para 211. I add that the question of fairness "is not [about] whether the procedure is as exhaustive as a trial, but whether it gives the judge confidence that she can find the necessary facts and apply the relevant legal principles so as to resolve the dispute": *Hryniak*, above at para 50. Although the *Hryniak* case arose from a summary judgment motion, in my view the above principles are equally applicable to a motion for summary trial. I am satisfied that I can find the necessary facts in the record before me and apply the relevant legal principles to resolve the dispute.

[50] Having determined that the summary trial of this action should proceed, I turn next to the question of the applicable burden of proof. Proceeding with a summary trial, where the moving party is a defendant, adds a procedural layer of complexity to the burden of proof, in my view. The defendant moving party typically leads with their evidence and arguments, instead of the plaintiff, as would be the case at trial.

[51] That said, I am satisfied that the burdens for determining the merits of the summary trial reflect those of the underlying action: *Steelhead LNG (ASLNG) Ltd v ARC Resources Ltd*, 2022 FC 998 [*Steelhead*] at para 32, aff'd 2024 FCA 67, citing *Janssen Inc v Pharmascience Inc*, 2022 FC 62 [*Pharmascience*] at paras 46-62, aff'd 2024 FCA 10; *Janssen Inc v Apotex Inc*, 2022 FC 107 [*Apotex*] at paras 50-52, aff'd 2024 FC 9.

[52] In my view, this makes sense especially where the entirety of the underlying action is before the Court, as here, in the summary trial. This is to be contrasted with the situation in *Eli Lilly*, above at para 7, for example, where the defendants (moving parties) raised a narrower issue in their notice of motion and the trial judge, Justice St-Louis, thus was of the view that she was limited on the summary trial to the specific issue raised in the notice of motion.

[53] Later, in *Gentec v Nuheara IP Pty Ltd*, 2022 FC 1715 [*Gentec*], the same trial judge (as in *Eli Lilly*) noted that “[t]he parties each raised on the Motion what they raised in the underlying litigation,” with the result that “[t]he party making an assertion must prove it by relevant evidence and the application of appropriate law”: *Gentec*, above at para 38. Although this principle is attributed to *ViiV FC*, it stems in turn from *Teva Canada Limited v Wyeth and Pfizer*



*Canada Inc*, 2011 FC 1169 [*Teva*] at para 36, rev'd on other grounds 2012 FCA 141, where former Justice Hughes states in the same paragraph that “[o]nce the matter is before the Court for determination by summary trial, the usual burden in a civil trial applies.”

[54] To the extent that Justice Manson’s earlier decision in *ViiV FC* has been interpreted as holding generally that “the burden of proof ...pertains to what is raised in the motion for summary trial, not to what is raised in the underlying action” (see *Mud Engineering Inc v Secure Energy (Drilling Services) Inc*, 2022 FC 943 [*Mud Engineering*] at paras 6, 17-18), I disagree for the reasons articulated by Justice Manson in *Steelhead, Pharmascience* and *Apotex*.

[55] Given that the “competing” lines of cases, *ViiV FC* and *Mud Engineering* on the one hand, and *Steelhead, Pharmascience* and *Apotex* on the other, involve appeals that were dismissed (with the exception of *Mud Engineering* which was not appealed), in my view it lies with the Federal Court of Appeal to resolve the matter in a future appeal. Further, this is consistent with the Plaintiff’s position on this issue in oral submissions: “we await clarification from the Federal Court of Appeal on the correct approach.”

[56] In the meantime, I note that there is common ground in *Mud Engineering* (at para 17) and *Steelhead* (at para 34) that, on a motion for summary trial, both parties are required to put their best foot forward. In other words, they must prove their asserted positions “by relevant evidence and the application of appropriate law”: *Teva*, above at para 36. In the end, it falls to the Court to determine the legal consequences that flow from the established facts: *Deegan*, above at para 211.

[57] With the foregoing in mind, and agreeing with the Defendants, I conclude that Enigmatus bears the burden of establishing passing off, as well as the invalidity of the SLOMANIA Registration. In other words, Enigmatus must prove the essential elements of its action, while the Defendants have the burden of proving any affirmative defences.

[58] Although neither party disputes that a valid and subsisting trademark registration is a complete defence to an action for passing off, they both addressed the Plaintiff's passing off claim before dealing with the issue of the validity of the SLOMANIA Registration. I thus will address the passing off claim first, followed by the expungement claim. My findings on the passing off claim will have a bearing on the Defendants' counterclaim.

B. *Have the Defendants engaged in passing off within the meaning of paragraph 7(b) of the Trademarks Act, RSC 1985, c T-13?*

[59] Stated simply, I am not persuaded Enigmatus has shown that Playtika has engaged in passing off. As explained below, I find that Enigmatus has not established sufficient goodwill or reputation in its SLOPOLY Marks. Regardless, I further find that Enigmatus has not demonstrated that SLOMANIA is likely to be confused with SLOPOLY.

[60] I add that, in my view, the action against Caesars is without foundation. While Caesars was the parent company of Playtika at one time, I find that it was not involved in the present dispute. Neither was Playtika (Canada) Inc. for that matter.

[61] After a discussion of the applicable principles, I consider the threshold question of enforceable rights (i.e. Enigmatus' alleged ownership of SLOTOPOLY), followed by an analysis of the asserted goodwill or reputation in SLOTOPOLY and then a confusion analysis. In light of my findings on these two elements of passing off, I decline to consider the issue of likely damage.

(1) Applicable Principles

[62] In paragraphs 47-51 of *Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2021 FC 602 [*Hamdard Trust*], I summarized the general principles applicable to a claim for passing off under paragraph 7(b) of the *Trademarks Act*.

[63] The three essential elements of a passing off claim are (1) the existence of goodwill or reputation attached to a plaintiff's goods or services, (2) a misrepresentation to the public by the defendant resulting in deception, and (3) damage or likely damage suffered by the plaintiff: *Hamdard Trust*, above at para 48, citing *Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 at 132. I deal with each element in turn below.

[64] A fundamental or minimum threshold to establishing goodwill or reputation is the existence of enforceable trademark rights: *Hamdard Trust*, above at para 49.

[65] Further, the determination of the issue of deception to the public involves a consideration of the likelihood of confusion under section 6 of the *Trademarks Act*: *Hamdard Trust*, above at para 51.

[66] According to paragraph 7(b) of the *Trademarks Act*, the relevant date for assessing whether passing off has occurred is the time when Playtika began to direct attention to its goods, services or business in a manner likely to cause confusion in Canada. The date of first use of the SLOTOMANIA Mark in Canada claimed in the SLOTOMANIA Registration (for the goods (1) and the services) and established at trial, is December 16, 2010. I thus will use this date in connection with the passing off analysis.

(2) Ownership Threshold

[67] I find that, on a balance of probabilities, Enigmatus has established the requisite ownership of the SLOTOPOLY Marks, at least as of December 16, 2010.

[68] I agree with the Defendants that no trademark rights flow to Enigmatus based on use of the slotopoly.com domain in itself, that is, as a domain name as opposed to a trademark. I am not persuaded, however, that the Transfer Agreement, when considered against the backdrop of the Plaintiff's evidence in this regard, is insufficient to show ownership of the SLOTOPOLY Marks.

[69] Although the Transfer Agreement dated January 11, 2010 from Interactive One to Enigmatus was first disclosed to the Defendants only in March 2023, after they brought this motion for summary trial, I note that the Defendants did not cross-examine Jiří Kocik, the lawyer who prepared the Transfer Agreement, and who provided a sworn affidavit and an invoice for his services. The invoice is dated February 1, 2010.

[70] The Defendants take issue with the contract dated August 5, 2004 between Crystal Dynamic and a licensee that describes Crystal Dynamic as the “owner of all rights, title, and interests” of the Slotopoly Application(s) (as the term “Application(s)” was defined in the contract). At the hearing of this motion, the Defendants argued that there was no agreement or contract between Crystal Dynamic and Interactive One assigning the rights to Slotopoly back to Interactive One, thus resulting in doubt about Interactive One’s ownership of the SLOTOPOLY Marks as of the date of the Transfer Agreement.

[71] I note, however, that Mr. Dejčmar affirmed that Crystal Dynamic was a company incorporated in Saint Christopher and Nevis for the purpose of contracting with companies in commonwealth jurisdictions, and that he and a Mr. Votava each own 50% of the company.

[72] Further, Mr. Dejčmar affirmed his intention that all rights, goodwill, and reputation of the SLOTOPOLY Marks remain with Interactive One before the Transfer Agreement. He also confirmed that I3 CZ and Crystal Dynamic have always cooperated with and operated under Interactive One’s control.

[73] In addition, Mr. Kopinec confirmed that prior to the Transfer Agreement, Crystal Dynamic and I3 CZ had a licence to use the slotopoly.com domain and the SLOTOPOLY Marks, but the ownership had never been transferred to Crystal Dynamic or I3 CZ. Mr. Dejčmar deposed to this in his affidavit. During the hearing, Enigmatus pointed out that Mr. Kopinec and Mr. Dejčmar were not cross-examined on the existence of a licence between Interactive One and I3 CZ and/or Crystal Dynamic.

[74] Although the 2004 contract on its face contradicts the assertion of a licensing arrangement between Interactive Once and Crystal Dynamic at that time, the Defendants have not pointed to any documents or testimony where Mr. Kopinec or Mr. Dejčmar admit that Interactive One was not the owner of the rights in SLOTOPOLY at the time of the Transfer Agreement in January 2010.

[75] In the circumstances, I find that there essentially was no material break in ownership or the chain of title from Interactive One to Enigmatus. In reaching this conclusion, I take into account the intention of these companies to work in an interrelated manner, as well as an implied licence, as described below, from Interactive One to Crystal Dynamic and I3 CZ to use the SLOTOPOLY Marks as affiliated companies (i.e. the Enigmatus Related Companies).

[76] Although there is no evidence of written licensing arrangements between Interactive One and Crystal Dynamic and/or I3 CZ, I note that a licence to use a trademark can be inferred: *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2019 FC 1042 at para 50. The Plaintiff here has provided evidence to substantiate a licence relationship, including the names of the asserted licensees, Interactive One, I3 CZ, and Crystal Dynamic, their shareholders, affidavit evidence and testimony from Mr. Dejčmar, the part-owner of all three of these companies, and detailed information regarding the companies' involvement and activities with the SLOTOPOLY Marks.

[77] The Defendants take issue with Mr. Kopinec's statement in his affidavit that "for corporate and VAT tax planning and organizational reasons, Interactive One remains the

technical legal owner of the Slotopoly.com domain,” even though Enigmatus has been managing the slotopoly.com website since the incorporation of Enigmatus.

[78] Mr. Kopinec was asked on cross-examination “What does that mean that Interactive One is the technical legal owner?” and Mr. Kopinec replied “I think it means about what implies this contract. That simply the account, per the domain was hosted, was the account of Interactive One.” Mr. Kopinec responded that Enigmatus became the registrant for slotopoly.com on December 18, 2013, but Interactive One remains the host of the domain. He further clarified that Interactive One has no ownership of slotopoly.com but, in Europe, because Interactive One is the host, it could be considered property of Interactive One that is bound by contract with Enigmatus.

[79] I am persuaded by the Plaintiff’s submissions during the hearing of this matter, namely that the Transfer Agreement contemplates continuing cooperation between Enigmatus and Interactive One, and that there is no inconsistency between the testimonies of Mr. Kopinec and Mr. Dejčmar in this regard.

[80] For example, the Transfer Agreement states that it involves the sale and transfer from Interactive One to Enigmatus, the Slotopoly domain, product names, logos including their graphic design, marketing campaign designs, software licences, customer databases, usage statistics, and all other related intellectual property rights.

[81] It also stipulates that although Interactive One and Enigmatus will continue to cooperate in the operation and development of the Slotopoly products, Enigmatus has the exclusive right to operate the Slotopoly products and to develop them.

[82] The Transfer Agreement further indicates that the cooperation means assistance in the transfer of technical know-how, processing of customer databases, evaluation of marketing campaigns already conducted, management of Internet domains, and possibly other activities as agreed to by the parties.

[83] In my view, the above provisions are indicative that Enigmatus has the right to exercise the control over the character or quality of the SLOTOPOLY products, while the cooperative efforts do not go to control but rather are more advisory in nature. In the circumstances, I am satisfied that there is sufficient evidence to determine, on a balance of probabilities, that the Plaintiff has established the requisite ownership and control in respect of the SLOTOPOLY Marks.

(3) Goodwill/Reputation

[84] Notwithstanding crossing the ownership threshold, I find that Enigmatus has not established sufficient goodwill or reputation in its SLOTOPOLY Marks in Canada to succeed in its passing off claim.



[85] Enigmatus alleges that, prior to its incorporation in 2009, the reputation and goodwill in the SLOTOPOLY Marks arose from the adoption and use of the slotopoly.com domain and the launch and running of the SLOTOPOLY mobile app. I deal with each in turn below.

(a) *Slotopoly.com Domain*

[86] Contrary to the Plaintiff's submissions, use of a domain name *per se*, in my view, is not in itself trademark use, even if it resolves to a website that promotes goods and services.

[87] This Court's decision in *Salam Toronto Publications v Salam Toronto Inc*, 2009 FC 24 [*Salam*] is of no assistance to the Plaintiff. There, the issue facing the Court was whether the defendant's use of the plaintiff's registered trademark SALAM TORONTO in trade names, including domain names, and on the defendant's website, could infringe the plaintiff's registered trademark.

[88] Subsection 6(4) of the *Trademarks Act*, whether prior to June 17, 2019 when the action presently before me was commenced or after, contemplates confusion between a trademark and a trade name if the use of both "in the same area would be likely to lead to the inference that the goods or services associated with the business carried on under the trade name and those associated with the trademark are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class."

[89] In other words, the context for the analysis in paragraph 40 of *Salam* was whether a third party's use of a plaintiff's trademark in the manner described (i.e. as or in a trade name) could

constitute infringement of the registered trademark under subsection 6(4) of the *Trademarks Act*. This is something different than whether a plaintiff's use of its own domain name as such constitutes trademark use, within the meaning of sections 2 (i.e. the definition of a "trademark," which was not considered in *Salam*) and 4, or only trade name use. This distinction was drawn readily in subsequent opposition decisions that considered *Salam*. See, for example, 9333-4266 *Québec inc v Clearurance, Inc*, 2020 TMOB 138 at paras 44-45, and *Opus Corporation v HomeOpus Inc*, 2017 TMOB 57 at paras 37-38, 42-43.

[90] Here, Enigmatus submits that evidence of a user landing on a static webpage displaying the trademark SLOTOPOLY establishes use of the trademark SLOTOPOLY via the domain name slotopoly.com. I disagree.

[91] According to Mr. Kopinec, the slotopoly.com domain was used from 1999 until 2012 to provide cached static content from the SLOTLAND platform to slotopoly.com customers. The platform is accessible via the slotland.com website, which is owned and operated by Slotland Entertainment SA, and involves a mix of play-for-fun games and real money gambling. Slotland Entertainment is unrelated to either the Plaintiff or one of the Enigmatus Related Companies. Users who wanted to play the SLOTLAND games were directed or redirected to the slotland.com website.

[92] More to the point, I find that during that time, from 1999 until 2010 when SLOTOMANIA games became available online (i.e. December 16, 2010), and through to April 25, 2014, there were no SLOTOPOLY branded games available for a user to play at

www.slotopoly.com (although such games were available via mobile and Facebook apps).

Instead, SLOTLAND branded games, that is the product of another company, could be accessed via the slotopoly.com domain name through direction or redirection to www.slotland.com.

[93] Even if the static webpage displaying SLOTOPOLY could be viewed as advertising of some sort for electronic games, advertising generally is not considered use of a trademark with goods, while advertising alone is not considered sufficient use of a trademark with services. Some aspect of services must be performed or delivered (or available for performance or delivery) in Canada: *Miller Thomson LLP v Hilton Worldwide Holding LLP*, 2020 FCA 134 at para 7; *AT&T Intellectual Property II, LP v Lecours, Hebert Avocats Inc*, 2017 FC 734 at para 13.

[94] Further, I agree with the Defendants that the slotopoly.com registration or user logs analyzed by the Plaintiff's expert affiant, Isaac Pflaum, at best show that some Canadians may have reached the SLOTLAND platform from slotopoly.com. I accept that, once there, the users would have registered for SLOTLAND branded gaming services through a registration page on www.slotland.com. Mr. Pflaum's analysis identified only 408 users who originated from Canada of 3,785 total worldwide users data from 1999-2010 that Mr. Pflaum asserts he validated.

[95] I add that the Defendants do not take issue with the authenticity of the registration or user logs, unlike the installation logs for the SLOTOPOLY mobile app which will be discussed in greater detail below. I note that the registration or user logs are attached as an exhibit to Mr. Kopinec's affidavit and can be compared to the corresponding exhibit to Mr. Pflaum's affidavit.

In the circumstances, I accept that Mr. Kopinec's affidavit sufficiently, albeit imperfectly, authenticates the registration or user logs.

[96] I also agree with the Defendants that both the Canadian and worldwide slotopoly.com user figures are *de minimis* when compared to the 100,000 Canadian users alone of the SLOMANIA game on Facebook between December 16, 2010 and May 2011. In my view, the Plaintiff's reference to seven subscribers of the *Daily Ajit* newspaper, as described in *Hamdard Trust*, above at paras 7, 57-59, as constituting a sufficient number to ground reputation in Canada, is misplaced or a misreading of the decision.

[97] In *Hamdard Trust*, it was established that the *Daily Ajit* newspaper was well known if not famous in India, and there were other measures of reputation in Canada not dependent on seven subscribers. See, for example, the discussion at paragraphs 60-64 of *Hamdard Trust*.

[98] I emphasize that the assessment of reputation in Canada is a holistic exercise. Based on the evidence of reputation before the Court here, which falls far short of that in *Hamdard Trust*, I am satisfied that 408 users in Canada over a period of a decade is *de minimis* and is not sufficient to establish reputation.

[99] In sum, although Enigmatus eventually offered similar games (i.e. free-to-play, with monetization opportunities such as through the purchase of additional spins) in association with the SLOPOLY Marks at the slotopoly.com domain in 2014, until then the direction or redirection to slotland.com from 1999 until 2012 involved not only a company unrelated to

Enigmatus but also differently branded services (that included both play-for-free and play-for-money games) under SLOTLAND. Simply put, the use of the slotopoly.com domain during this period did not constitute trademark use, nor did the display alone of SLOTOPOLY on the webpage operated by Enigmatus and the Enigmatus Related Companies.

[100] I conclude that there was no trademark use within the meaning of section 4 of the *Trademarks Act* involving the SLOTOPOLY Marks in connection with the domain name until at least April 25, 2014, based on the evidence before the Court.

(b) *SLOTOPOLY Mobile App*

[101] Unlike the slotopoly.com domain, I find that the evidenced SLOTOPOLY mobile app involves use of SLOTOPOLY by the owner at the time, Interactive One.

[102] The Defendants question use of the trademark SLOTOPOLY by Interactive One because of a letter that Václav Dejčmar sent to Slotland Entertainment describing the limitations with the first version of the mobile gaming platform, and because of a reference to “Slotland password” on one of the mobile phone screens attached to the Kopinec affidavit as an exhibit.

[103] Mr. Kopinec provided evidence that the SLOTOPOLY mobile app was monetized through the availability of additional spins for purchase (Playtika’s evidence points to the same method of monetization of its SLOTOMANIA game), in addition to requiring the consumer to pay to download the software. I am not persuaded, however, on a balance of probabilities, that the SLOTOPOLY mobile app was connected to Slotland to such an extent that the

SLOTOPOLY mobile app was a real money gambling operation. Further, there is no evidence that the SLOTOPOLY mobile app offered real world cash prizes, or that Slotland somehow controlled the SLOTOPOLY mobile app. The Defendants' arguments to the contrary are speculative in my view.

[104] In any event, development of the SLOTOPOLY mobile app ended in 2007 (because of technology limitations related to the Java-based development program and J2ME enabled mobile phones), but revenues continued to accrue until 2010. Downloaded games remained available for play as long as the user had the same phone.

[105] According to Mr. Kopinec, total revenue generated from the SLOTOPOLY mobile app worldwide has not exceeded \$10,000USD, but the number of free charge downloads was a much higher multiple, estimated between 50,000 to 100,000 worldwide, with 100 to 200 units in Canada. He further estimates the number of sales of the SLOTOPOLY mobile app were on average about 50 items per month on a worldwide scale from approximately 2004 until 2010, with the Canadian market share being about five percent.

[106] While Mr. Pflaum's evidence confirms the Canadian unit figures described by Mr. Kopinec, the Defendants take issue with the authenticity of the installation logs reviewed by Mr. Pflaum regarding the mobile app.

[107] During the hearing, Enigmatus argued that authenticity is not at issue because the various logs are business records within the meaning of subsection 30(1) of the *Canada Evidence Act*,

RSC, 1985, c C-5. As Playtika pointed out, however, and I agree, a prerequisite to admitting a document is its authentication by the party tendering it into evidence, that is, some evidence that the document is what it purports to be: *Oswald v Start Up SRL*, 2020 BCSC 205 [*Oswald*] at paras 13-15.

[108] Here, Mr. Pflaum purports to tender the installation logs into evidence. It is evident to this Court, however, that he is not the original source of the logs or the data on which he opines. Rather, the party tendering Mr. Pflaum's expert opinion and the evidence on which he relies is Enigmatus, which itself has not provided any evidence authenticating these logs or the data, as contrasted with the registration or user logs discussed above.

[109] I refer in this regard to subsection 30(3) of the *Canada Evidence Act*, which stipulates certain preconditions if the business records in question are not original. For example, if a party seeks to tender a copy of a business record into evidence, the party must provide an accompanying affidavit, certificate, or other statement describing why it is not possible or reasonably practicable to produce the record, as well as another affidavit, certificate or other statement that sets out the source from which the copy was made, attests to the copy's authenticity and is made by the person who made the copy.

[110] Further, and more fundamentally, to fall within the statutory business records exception to hearsay, it must be shown that the records were "made in the usual and ordinary course of business": subsection 30(1) of the *Canada Evidence Act*. This is not an onerous requirement but it was not done in the case of the installation logs. There is no evidence that Mr. Pflaum was in a

position to substantiate that the records or data he reviewed were so made, and Mr. Kopinec's evidence does not aver to them, in the sense of confirming that they were made in the usual and ordinary course of business.

[111] The Defendants clarify that they are not attempting to disqualify Mr. Pflaum as a witness or expert, but they contend that some of records/data he examined are not properly in evidence and, therefore, this goes to the weight to be attributed to the evidence. Having regard to rule 81 and related jurisprudence, I agree. See, for example, *Split Lake Cree First Nation v Sinclair*, 2007 FC 1107 [*Split Lake*] at para 26 and *Ottawa Athletic Club Inc (Ottawa Athletic Club) v Athletic Club Group Inc*, 2014 FC 672 at para 119.

[112] In particular, the Defendants contest the following exhibits to Mr. Pflaum's affidavit:

| <b>Contested Exhibit</b> | <b>Description</b>   |
|--------------------------|--|
| Exhibit 4                | Partial mobile logs  |
| Exhibit 26               | Handango Inc. Sales Royalty CSV for USER726216   |
| Exhibit 28               | Slotopoly Affiliate Agreement between Crystal Dynamic and Aralt Multimedia   |
| Exhibit 29               | Slotopoly Affiliate Agreement between Crystal Dynamic Ltd and Wapzy International AS   |
| Exhibit 30               | PinPoint distribution Fuelsupply Fuel Developer Program Web Pages  |
| Exhibit 31               | Email from K. Adams to SP developer re content issue for Slotopoly   |
| Exhibit 32               | Email from J. Tharp to SP developer re Crystal Dynamic Revolution  |
| Exhibit 33               | Email from J. Tharp to SP developer re Fuel Supply-Power   |
| Exhibit 34               | KAPOW invoices   |
| Exhibit 36               | KAPOW SMS marketing service – this exhibit is a document titled “2008-12-12 10_30.pdf” dated December 12, 2008 indicating the number of credits contained in a specified account at that time connected with the email address spdev@runbox.com discussed further below. |
| Exhibit 37               | KAPOW SMS marketing service – this exhibit is a document titled “2008-12-19 10_30.pdf” dated December 19, 2008, and indicates the number of credits contained in the same account at that time   |



[113] There is no indication in the Pflaum affidavit whether any of these exhibits are originals or copies. Assuming the latter, I find that none of them complies with subsection 30(3) of the *Canada Evidence Act*, and further, at best, they represent evidence based on information and belief: *Split Lake*, above at para 20. There is no evidence before me showing that Mr. Pflaum is an employee or officer of Enigmatus or the Enigmatus Related Companies, nor does he attest in his affidavit to the authenticity of the contested exhibits. As well, the exhibits at issue are not addressed in the Kopinec or Dejčmar Affidavits.

[114] In addition, Exhibits 31, 32, 33, 36 and 37 comprise emails to or from the email address spdev@runbox.com. There is no explanation in the exhibits or in Mr. Pflaum's affidavit regarding who runs this email account. The absence of additional information makes it difficult for the Court to assess their relevance and necessity.

[115] More importantly, however, subrule 81(1) of the *Rules* provides in effect that, in the context of a motion for summary judgment or trial, affidavit evidence must be confined to the affiant's personal knowledge. The exception to affidavits based on personal knowledge, that is motions, in turn carves out summary judgment or summary trial motions (i.e. "except on motions, other than motions for summary judgment or summary trial").

[116] In the circumstances, I find that Exhibits 4, 26, 28, 29, 30, 31, 32, 33, 34, 36, 37 to the Pflaum Affidavit are inadmissible hearsay: *August Image LLC v AirG Inc*, 2022 FC 470 at para 51. Alternatively, I assign them little to no weight for the reasons expressed above.

[117] Although I find that the Plaintiff's evidence establishes use of SLOTOPOLY in connection with the SLOTOPOLY mobile app, I determine that the attendant reputation also is *de minimis*.

[118] The installation logs analyzed by Mr. Pflaum, which comprise the impugned Exhibit 4, which I found inadmissible or having little to no weight, indicate 136 Canadian installations of the App in 2006 and slightly fewer installations in 2007. Putting aside these minimal figures (I add that, proportionally, worldwide installation figures also are minimal), Mr. Pflaum's remaining evidence involves primarily text marketing campaigns regarding the SLOTOPOLY mobile app to 270 phone numbers with a "Canada" country code. In my view, this is not enough to show consumer awareness of the SLOTOPOLY Marks and, hence, any goodwill or protectable reputation, absent evidence from or about recipients and their perception or likely perception of the marketing ads/texts. In other words, there is no evidence that any recipient saw, let alone formed an awareness of the SLOTOPOLY Marks based on the text marketing campaigns.

[119] As a consequence, I find that the extent and length of the text marketing campaigns, both in Canada and internationally, are irrelevant in the face of evidence that text messages were sent to 8,783 phone numbers across 20 countries, representing about 70% of the total worldwide texts. In other words, this evidence, coupled with a lack of evidence about consumer awareness of the SLOTOPOLY Marks, is not enough to demonstrate foreign goodwill or reputation that could have spilled into Canada (of the sort contemplated in *Orkin Exterminating Co Inc v Pestco Co*, 1985 CanLII 157 (ONCA), for example), nor am I prepared to infer that it did in the

circumstances. I thus conclude that any market penetration that occurred, if at all, at best was to a *de minimis* extent.

[120] While I am sympathetic to the challenges of producing evidence from a bygone era of mobile gaming and marketing, the Court is unable to draw more favourable inferences about the goodwill or reputation attached to the SLOTOPOLY Marks from the evidence on record, having regard to the deficiencies outlined above.

[121] Finally, Mr. Pflaum's observations about the email and online marketing campaigns are too general and, therefore, even less persuasive, in my view, to permit the Court to draw any factual conclusions or inferences about market penetration and resultant goodwill or reputation in the SLOTOPOLY Marks.

(4) Misrepresentation/likelihood of confusion

[122] The above goodwill/reputation analysis is sufficient, in my view, to dispose of the action because of the Plaintiff's failure to satisfy the first of three essential elements of a passing off claim described in paragraph 63 of these reasons. I turn next, however, to a consideration of the Plaintiff's asserted likelihood of confusion between the SLOTOPOLY and SLOTOMANIA Marks, because it is necessary to deal with the Defendants' counterclaim. I start with a preliminary issue regarding the admissibility of the parties' linguistic expert evidence (i.e. the Poplack and Dollinger affidavits), followed by a confusion analysis with reference to the factors described in subsection 6(5) of the *Trademarks Act*.

(a) *Preliminary issue: linguistic expert evidence*

[123] The Plaintiff submitted at the summary trial, and I agree for the reasons below, that the evidence of both linguistic experts should be found inadmissible on the basis their evidence is unnecessary.

[124] Admissible expert evidence satisfies the following four criteria: (a) relevance; (b) necessity to assist the trier of fact; (c) the absence of any exclusionary rule; and (d) a properly qualified expert: *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*] at para 75, citing *R v Mohan*, 1994 CanLII 80 (SCC). Expert evidence should not be permitted where it is “not ‘likely to be outside the experience and knowledge of a judge,’” and where it is unnecessary, irrelevant and distracting evidence that may extend and complicate proceedings: *Masterpiece*, above at paras 75-76.

[125] As former Justice Rothstein observed, “it will be positively unhelpful if the expert engages in an analysis that distracts from the hypothetical question of likelihood of confusion at the centre of the analysis” *Masterpiece*, above at para 80. Noting that the evidence of one of the experts “consisted in part of a discussion of morphology, semantics, rules of grammar and conventions of expression,” Justice Rothstein found that experts, as well as courts, should not “tease out and analyze each portion of a mark alone,” but rather they should focus on the mark as a whole as encountered by the consumer and as a matter of first impression: *Masterpiece*, above at paras 81, 83.

[126] I find that these principles foreshadow a significant shortcoming in the linguistic expert evidence tendered by the parties. Specifically, neither Dr. Poplack nor Professor Dollinger played the SLOTOPOLY or SLOTOMANIA games in preparing their opinions. That is, they did not base their opinions of the parties' trademarks on a consideration of the context or manner in which the marks would be encountered by the consumer. In my view, both expert opinions are thus incomplete in that they miss the crucial element of "a casual consumer somewhat in a hurry" when they first encounter or see the SLOTOPOLY Marks and the SLOTOMANIA Mark online or on their mobile device: *Tokai of Canada Ltd v Kingsford Products Company, LLC*, 2021 FC 782 at para 31. Further, the experts here do precisely what the Supreme Court cautions against in *Masterpiece*—they tease out and analyze separately each portion of the marks.

[127] Although Dr. Poplack cites *Masterpiece* near the beginning of her opinion, she speaks to what the "average English speaker" or the "average Canadian" would think. Professor Dollinger similarly speaks to what the "average speaker" would think of the marks. Neither expert conducts their analysis from the perspective of whether, as a matter of first impression, a casual consumer somewhat in a hurry would be likely to think that the Defendants' goods or services would be from the same source as those of the Plaintiff. Instead, both experts conduct complex analyses using distracting theories that, in my view, do not reflect the likely perceptions of the casual hurried consumer.

[128] In addition, I note that Dr. Poplack's reply affidavit states at para 11: "...speakers' opinions, beliefs and speculations about language[...] can only be obtained by querying speakers directly, something that neither Professor Dollinger nor I was mandated to do." In other words,

there is no direct evidence about how the average hurried consumer would react to either SLOTOPOLOY or SLOTOMANIA and the Court is left to apply its own common sense when considering whether these trademarks are likely to be confused in terms of resemblance, that is in appearance, sound or in the ideas suggested, pursuant to paragraph 6(5)(e) of the *Trademarks Act*, as discussed in greater detail below.

[129] In sum, I find that the evidence of both linguistic experts is unnecessary and distracts from the primary focus of the test for confusion (set out below)—the first impression of a casual consumer somewhat in a hurry. I therefore find the affidavits of Dr. Poplack and Professor Dollinger are inadmissible and, thus, they will not be considered further, including the related cross-examination transcripts tendered in evidence, in the confusion analysis to which I proceed next.

(b) *Subsections 6(2) and 6(5) of the Trademarks Act*

[130] As I explain, I am not persuaded that SLOTOPOLY and SLOTOMANIA are likely to be confused.

[131] According to subsection 6(2), the overarching consideration for the Court in determining the issue of confusion is whether “the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.” Although this subsection was amended in 2019 to add “or appear in the same class of the Nice Classification” at the end, this addition is not relevant, in

my view, because of the applicable relevant date, December 16, 2010, that is the date when Playtika started to direct public attention to its goods, services or business, further to paragraph 7(b) of the *Trademarks Act*.

[132] Subsection 6(5) of the *Trademarks Act* guides the confusion analysis with reference to the following five non-exhaustive factors to consider, in the context of “all the surrounding circumstances”: (a) the inherent distinctiveness of the trademarks or tradenames and the extent to which they have become known; (b) the length of time the trademarks or tradenames have been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks or tradenames in appearance or sound or in the ideas suggested by them.

[133] As I allude to above, the test to be applied in assessing these factors, on a balance of probabilities, is one of first impression in the mind of a casual consumer somewhat in a hurry who has no more than an imperfect recollection of the prior trademark and who does not stop to consider the differences and similarities between the marks in issue. As the Supreme Court further guides, the confusion analysis exercise is fact and context specific in each situation:

*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20.

[134] With these principles in mind, I consider next the subsection 6(5) factors.

(c) *Paragraph 6(5)(e) – Degree of Resemblance*

[135] Although SLOTOPOLY and SLOTOMANIA resemble each other somewhat by reason of the identical first element SLOT, I find that this is not the dominant feature of each mark. Instead, OPOLY is the dominant element of SLOTOPOLY, while MANIA is the dominant element of SLOTOMANIA, thus reducing significantly, in my view, the degree of resemblance between these marks, as explained in more detail below.

[136] As noted by both parties, it is generally appropriate to begin the analysis with the degree of resemblance under paragraph 6(5)(e). If the marks do not resemble one another, it is unlikely that even a strong finding on other factors would lead to a determination of likelihood of confusion. In other words, other factors are only significant if the marks are identical or very similar: *Masterpiece*, above at para 49; *1196278 Ontario Inc (Sassafras) v 815470 Ontario Ltd (Sassafras Coastal Kitchen & Bar)*, 2022 FC 116 at para 30.

[137] Further, *Masterpiece* teaches (at para 62) that resemblance is the “quality of being either like or similar,” with the result that marks having some differences still may point to likely confusion notwithstanding that they are not identical.

[138] The proper approach thus is to consider the trademarks as a whole to determine whether the SLOTOMANIA Mark so resembles Enigmatus’ asserted SLOTOPOLY Marks, as actually used given that they are unregistered, such that the SLOTOMANIA Mark likely would cause confusion for a hurried consumer with an imperfect recollection of the SLOTOPOLY Marks:



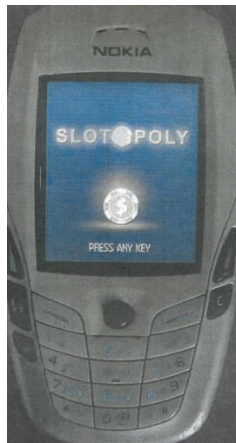
*Masterpiece*, above at para 61. In so doing, it is preferable to consider whether there are aspects of the trademarks that are particularly striking or are the most distinctive or “dominant” elements (whether the first or other elements of the marks in issue), and whether those striking or dominant elements resemble one another: *Masterpiece*, above at paras 64, 83-84. Further, when consumers encounter marks containing a common word or element (here, SLOT), they will look for other cues to distinguish between products and companies: *Micro Focus (IP) Limited v Information Builders Inc*, 2014 FC 632 at para 7.

[139] Taking these principles into account, I continue with this analysis on the basis that, as discussed above, the linguistic expert evidence, namely the Poplack and Dollinger affidavits, and hence the related cross-examination transcripts, are inadmissible.

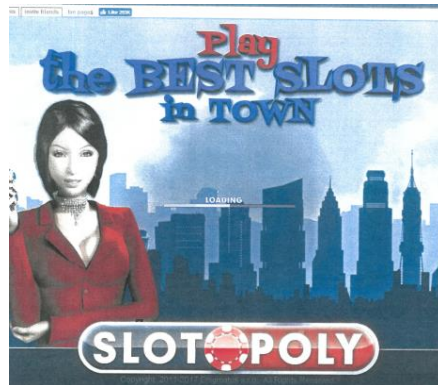
[140] As is evident on the face of the marks themselves, they begin with the same element, SLOT. In considering how the marks as a whole would be sounded, on which I expand below, I find that the prefix in SLOTOPOLY is SLOT, while the prefix in SLOTOMANIA is SLOTO. I base the latter view in part on Exhibit 5 to the Saldinger affidavit which includes a reference to a video entitled “Slotoball” and on Exhibits 6A and 6B which display the mark “SlotoStore” either in one line or with the word “Sloto” over the word “Store.” In both cases, the words Slotoball and SlotoStore are in the same script or style as in the word SLOTOMANIA in the SLOTOMANIA Logo. I add that Exhibit 6B also displays SlotoCLUB, while paragraph 65 of the Saldinger affidavit mentions the additional SLOTO-formative trademarks SLOTOMATEY, SLOTOBOTS and SLOTOMAFIA. The latter three marks also are mentioned in the November

25, 2013 demand or cease and desist letter (Exhibit 58 to the Kopinec affidavit) from Playtika's US counsel to the US counsel for Enigmatus.

[141] Carrying on with the appearance of the marks themselves, I determine that they would appear markedly different to the consumer when first encountered in the marketplace, having regard to the following examples in evidence:



SLOTOPOLY Mobile App example



SLOTOPOLY Facebook game example



SLOTOMANIA Facebook game example

[142] Although the SLOTOMANIA Logo is not in issue, the above representation also qualifies, in my view, as an example of the SLOTOMANIA Mark as used, given the dominance of the word SLOTOMANIA which is displayed in script form with other design elements: *Masterpiece*, above at para 55; *Pizzaiolo Restaurants Inc v Les Restaurants La Pizzaiolle Inc*, 2016 FCA 265 at para 26.

[143] In both of the above SLOTOPOLY examples, SLOTOPOLY is written in upper case letters, with the letter “O” displayed as a poker chip. Further, the font is different than that of the SLOTOMANIA Logo and Mark, which is displayed mostly in lower case letters. As well, the SLOTOMANIA Logo has the appearance of a neon sign.

[144] In terms of the marks as sounded, in my view a casual consumer somewhat in a hurry would pronounce SLOTOPOLY as four syllables and SLOTOMANIA as five syllables. Further, I find that on a balance of probabilities, that same consumer would pronounce SLOTOPOLY by placing emphasis on “-opoly” (i.e. slot-AWPOLY) and would pronounce SLOTOMANIA by joining “slot” with the second “o” (i.e. SLOTO) and placing emphasis on the first “a” in mania (i.e. sloto-mAYnia). SLOT, being descriptive of electronic casino-style games emulating real

world slot machines, would not be viewed as the most striking or dominant element of either mark. In addition, I determine that the second “O” in SLOTOMANIA is neither striking nor dominant, while the second “O” in SLOTOPOLY displayed as a poker chip, descriptively underscores the idea of an electronic casino game.

[145] In sum, without placing too much emphasis on how different vowels would be pronounced, so as to avoid impermissible dissection, I find that, except for the common element SLOT followed by the letter “O,” the marks SLOTOPOLY and SLOTOMANIA in their totality would be pronounced differently.

[146] Regarding the ideas suggested by the marks, I find that a somewhat hurried consumer is likely to associate SLOT or SLOTO primarily with slot-themed gaming or gambling, and secondarily with lotto or lottery games in the case of SLOTO. I find the element or prefix SLOT in particular is weak, having regard to the San Agustin affidavit produced by the Defendants, which attaches as exhibits screencaptures of 128 different games that use the word “slot” or “slots” in their title on Facebook, the iOS Apple Store, the Google Play Store, and other websites. Among these games, Ms. San Agustin found one instance of a game title involving SLOTO, a game on the Google Play Store that she was able to download and play, called “Sloto Cash App.” That said, the element SLOTO nonetheless also is weak in my view because of the lotto or lottery games connotation.

[147] Having regard to the suffixes, OPOLY versus MANIA, I find unpersuasive the Plaintiff’s argument that “opoly” (or, more specifically, “poly”) and “mania” mean “plenty of.” The

Dingman affidavit provides dictionary definitions of “mania” meaning, among other things, “excessive or unreasonable enthusiasm,” “excessive excitement” or “craze.” In my view, these meanings are apt in the context of Playtika’s SLOTOMANIA Mark. As for OPOLY, in my view, it evokes words such as “monopoly,” “duopoly” and “oligopoly” and, thus, a different connotation than MANIA.

[148] Apart from the initial prefix SLOT or SLOTO, which is not the most striking or dominant element of either mark for the reasons provided above, I conclude that there is otherwise little resemblance between SLOTOPOLY and SLOTOMANIA. In other words, I find that this factor favours the Defendants.

(d) *Paragraphs 6(5)(a) and (b) – Inherent Distinctiveness, Extent to which Known, and Length of Time in Use*

[149] I find that both marks are coined words and, thus, they are inherently distinctive. They are not overly strong in my view, however, because the first common element SLOT (or SLOTO) makes them suggestive of the slot-themed electronic games with which SLOTOPOLY and SLOTOMANIA both are associated, as reinforced by the San Augustin affidavit. In other words, I conclude that inherent distinctiveness is a neutral factor.

[150] Regarding the length of time in use, I find that this factor favours Enigmatus somewhat having regard to the SLOTOPOLY mobile app that was available in Canada in the mid to late 2000s. Regarding the extent to which the marks have become known in Canada, however, I determine that this factor favours Playtika for several reasons.

[151] As discussed above, no appreciable goodwill attached to SLOTOPOLY prior to December 16, 2010 when SLOTOMANIA was launched on Facebook. By the time the SLOTOPOLY game launched on Facebook about a year later, the SLOTOMANIA game long had passed (by May 2011) the milestone of 100,000 Canadian users. Although Enigmatus challenges Playtika's claimed date of first use of SLOTOMANIA in Canada, namely, December 16, 2010, I am satisfied that the Defendants' evidence supports this date, as discussed later in these reasons.

[152] Following the launch of the SLOTOMANIA game on Facebook in December 2010, a user first registered to play the game through the www.slotomania.com website in November 2011. In the same month, the SLOTOMANIA game was available to Canadians in the form of a downloadable mobile app for the iOS platform; by February 2012, the game was available in the form of a downloadable mobile app for the Android Google platform.

[153] Playtika's evidence shows that, since December 2010, over one million Canadians have registered to play the SLOTOMANIA game through their Facebook accounts. Worldwide, over 80 million users have played the SLOTOMANIA game through all platforms, of which number 2 million have been Canadian users, with Canadian users comprising ██████ daily active users.

[154] As mentioned, the SLOTOPOLY Facebook app launched in December 2011, one year after the SLOTOMANIA game was available through Facebook. According to Mr. Kopinec, there are approximately 1.5 million users of the SLOTOPOLY Facebook app worldwide, with

about 110,000 Canadian users. Of those users, about 100,000 Canadian users were acquired between 2011 and 2017, with another 10,000 added between 2017 and 2020.

[155] The above-outlined trajectory of both games following their launch demonstrates, in my view, that SLOTOMANIA became much more widely known in Canada than SLOTOPOLY, overshadowing the modest prior use of SLOTOPOLY in connection with the SLOTOPOLY mobile app.

(e) *Paragraphs 6(5)(c) and (d) – Nature of Goods, Services or Business, and Channels of Trade*

[156] I find that the parties' play-for-fun, slot-themed electronic or online games, with the ability to make in-game purchases, and their target markets (i.e. persons seeking slot-based gaming), very similar: *Precision Door & Gate Service Ltd v Precision Holdings of Brevard, Inc.*, 2012 FC 496 at para 35.

[157] There were some differences in the channels of trade, especially in respect of the SLOTOPOLY mobile app that was developed for use on specific mobile platforms developed on J2ME (midlet), a Java-based technology for programming mobile device information, and was functional on select mobile devices, such as BlackBerry, Motorola and Nokia phones, among others.

[158] Those differences diminished, however, with the launch of the SLOTOMANIA game on Facebook in December 2010 and the SLOTOPOLY game a year later on Facebook.

(f) *Surrounding Circumstance – No Evidence of Actual Confusion*

[159] I find that this factor favours the Defendants. Although evidence of actual confusion is not required to establish a likelihood of confusion, the trier of fact can take into account in the confusion assessment the absence of any demonstrated confusion in the face of extensive, concurrent coexistence: *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 89; *Christian Dior, SA v Dion Neckwear Ltd*, 2002 FCA 29 at para 19.

[160] Here, the absence of any demonstrated instances of actual confusion over a period of more than 12 years weighs in the balance against the Plaintiff. I find unpersuasive and speculative the Plaintiff's argument that a consumer downloading a play-for-free game is unlikely to complain about confusion, especially given the lack of closeness of the relationship between the user and the game developer. In my view, absent evidence to the contrary, the latter (i.e. the lack of closeness) has little to do with whether a disgruntled or confused consumer would utilize the available channels to complain or comment.

(g) *Conclusion – No Likelihood of Confusion*

[161] Despite the prior use of SLOTOPOLY in connection with the SLOTOPOLY mobile app by the Plaintiff's predecessor, Interactive One, and the parties' similar goods, services or business and the associated channels of trade, I find that there is no likelihood of confusion. My conclusion is based in part on the finding of a lack of goodwill or reputation in the slotopoly.com domain prior to December 2010. I also take into account the surrounding circumstance of lengthy coexistence without any demonstrated instances of confusion, and balance the above



factors, particularly the lack of resemblance between SLOTOPOLY and SLOTOMANIA and the extent to which the latter has been used and become known in Canada.

(5) Damage

[162] Given my conclusion that there is no likelihood of confusion, I find it unnecessary to consider the alleged damage to Enigmatus.

[163] As the Federal Court of Appeal teaches, Enigmatus cannot be awarded damages without a finding of a likelihood of confusion: *Remo Imports Ltd v Jaguar Cars Ltd*, 2007 FCA 258 [Remo Imports] at para 90; *Nissan Canada Inc v BMW Canada Inc*, 2007 FCA 255 at para 35.

[164] Enigmatus asserts that it was prevented from selling as much of its product as it otherwise would have done but for the Defendants' conduct. I find, however, that Enigmatus has failed to demonstrate how Playtika's conduct was anti-competitive and actionable. Competition in itself does not represent an example of impermissible conduct preventing the sale of a product. Further, the Plaintiff does not claim or point to any provision in the *Competition Act*, RSC 1985, c C-34, that applies here.

[165] I agree with the Defendants that the Plaintiff's assertion of damages or financial losses (i.e. that the "success of the Slotomania game depressed Enigmatus' anticipated revenues from the Slotopoly Game") is unsupported by evidence. In short, I find there is no evidence that whatever lack of success Enigmatus claims it has experienced is causally related to the SLOTOMANIA game.

C. *Should the SLOTOMANIA Registration be expunged pursuant to section 57 of the Trademarks Act for invalidity under section 18?*

[166] I find that there is no merit to the Plaintiff's claim for the expungement of the SLOTOMANIA Registration under section 18 of the *Trademarks Act*.

(1) Applicable Principles

[167] Section 19 of the *Trademarks Act* confers a presumption of validity on registered trademarks: *Loblaws Inc v Columbia Insurance Company*, 2019 FC 961 [*Loblaws*] at para 22. I note that certified copies of the SLOTOMANIA Registration and registration number TMA1,113,375 for the SLOTOMANIA Logo are of record. It thus is the Plaintiff's burden to rebut the presumption of validity by establishing, for example, bad faith, fraud, or material misstatement: subsection 54(3) of the *Trademarks Act*.

[168] Absent a finding of bad faith, fraud or material misstatement which would render a trademark registration invalid *ab initio*, an existing trademark registration constitutes a complete defence to a passing off claim against the registered trademark: *Group III International Ltd v Travelway Group International Ltd*, 2020 FCA 210 at paras 46-47, leave to appeal to SCC refused, 39576 (29 September 2021); *Concierge Connection Inc v Venngo Inc*, 2015 FCA 215 [*Concierge*] at para 2; *Remo Imports*, above at paras 54, 62, 111-113; *Blossman Gas, Inc v Alliance Autopropene Inc*, 2022 FC 1794 [*Blossman*] at paras 1, 148. I note the Plaintiff concedes that if Playtika's SLOTOMANIA Registration is valid and subsisting, it represents a valid defence to the Plaintiff's action for passing off.

[169] Further, “to benefit from the defence, the trademark must be used essentially as registered, that is, with no significant difference between the mark as registered and the mark as used” [citations omitted]: *Blossman*, above at para 150. Because both SLOTOMANIA Marks are dominated by the word SLOTOMANIA, I find that this is not a live issue here.

(2) Lack of Specificity in the Statement of Claim

[170] I note that the Plaintiff’s Fresh as Amended Statement of Claim, dated December 16, 2022, describes the expungement claim in one sentence without pointing to any specific paragraph or part of section 18 (whether before or after June 17, 2019): “On the basis of the foregoing, the SLOTOMANIA Marks should be expunged.” The claim is no more specific in the Statement of Claim or in the intervening versions. It goes without saying that neither the Court nor the opposing party or parties should be left guessing as to the precise ground of expungement until the parties submit their memoranda of fact and law in advance of (summary) trial. I am sympathetic to the Defendants’ oral submission that the Plaintiff’s pleadings are deficient.

[171] That said, I also note that the Defendants’ read-ins related to the examination for discovery of the Plaintiff (i.e. Mr. Kopinec on behalf of Enigmatus) include an answer (to a refused question about the grounds of section 18 on which the Plaintiff is relying) that specifies paragraphs 18(1)(a), (b), (d) and (e). Enigmatus, however, addressed only paragraph 18(1)(d), but also raised material misstatement as a ground of invalidity, in its written and oral submissions. Consequently, I consider only the ground based on paragraph 18(1)(d) in these reasons notwithstanding that Playtika prudently in the circumstances addressed all four

section 18 grounds specified in the Plaintiff's answer, in addition to considering the material misstatement allegation.

(3) Playtika's Entitlement to Registration of the SLOTOMANIA Mark

[172] The language of paragraph 18(1)(d) remains unchanged by the June 17, 2019 amendments to the *Trademarks Act*. Under this provision, a trademark registration is vulnerable to expungement if the applicant for registration (here, Playtika) was not the person entitled to register the trademark (here, SLOTOMANIA). The reference to "the person entitled to registration" corresponds with section 16 of the *Trademarks Act: Micro Matic A/S v Taizhou TALOS Sanitary Co Ltd*, 2017 FC 978 [*Micro Matic*] at paras 17-18; *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed (2024) at §11:24 "Not the Person Entitled to Registration," online: (Proview) Thomson Reuters Canada [*Fox on Canadian Law of Trade-marks and Unfair Competition*].

[173] I note in passing that paragraph 18(1)(d) is subject to section 17 of the *Trademarks Act*. Section 17 is not engaged in the circumstances, however, because this action was commenced on December 2, 2016, less than five years after the registration of the SLOTOMANIA Mark on November 14, 2012.

[174] Although section 16 is configured differently post-June 17, 2019, entitlement remains to be determined as of the filing date or date of first use of the trademark in Canada, whichever is earlier: *Advanced Purification Engineering Corporation (APEC Water Systems) v iSpring Water Systems, LLC*, 2022 FC 388 at para 33; *Norsteel Building Systems Ltd v Toti Holdings Inc*, 2021

FC 927 para 10. The date of first use claimed in the SLOMANIA Registration, namely, December 16, 2010 (in respect of the goods (1) and the services), falls before the May 12, 2011 filing date of underlying application No. 1,527,704 to register the mark.

[175] To establish that Playtika was not entitled to register the SLOMANIA Mark, the Plaintiff first must show that when Playtika began using the SLOMANIA Mark, it was confusing with the Plaintiff's SLOPOLY Mark and second, that the Plaintiff previously used its mark in Canada: *Micro Matic*, above at para 19. Enigmatus has failed to establish confusion. This does not end the expungement analysis, however.

[176] Invalidity *ab initio* can be established by showing that the impugned registration contains a material misstatement: *Fox on Canadian Law of Trade-marks and Unfair Competition* at §11:25 "Material Misrepresentations." As the author notes, a "registration is invalid where the applicant has not actually used the trade-mark prior to registration in the case of a prior use application, or where the applicant has not actually used the mark contrary to the declaration of use in the case of a proposed use application."

[177] Further, material misstatements can invalidate a registration if they are fraudulent and intentional, or if they are innocent but material such that without them, the bars to registration would be insurmountable: *General Motors of Canada v Décarie Motors Inc*, 2000 CanLII 16083 (FCA) at para 18; *Travel Leaders Group, LLC v 2042923 Ontario Inc (Travel Leaders)*, 2023 FC 319 at para 118.

[178] That said, nowhere does the Fresh as Amended Statement of Claim challenge Playtika's claimed date of first use (December 16, 2010) in the SLOTOMANIA Registration. In fact, paragraph 36 of the pleading seemingly accepts this date: "The SLOTOMANIA Marks have only been in use in Canada since December 16, 2010." This statement has not changed since the Statement of Claim was filed in 2016 and through intervening iterations of the pleading.

[179] I am persuaded that the Plaintiff's failure to plead material misstatement specifically, not to mention that Enigmatus raised the issue for the first time in its memorandum of fact and law one month before the summary trial, disentitles it to pursue this ground of invalidity: *Concierge*, above at paras 2-3. I find that Enigmatus' strategy in this regard is tantamount to "trial by ambush," something the steps in a proceeding leading to the trial or hearing, starting with the pleadings, are designed to avoid. As this Court previously has observed, "[p]leadings must define the issues with sufficient precision to make the pre-trial and trial proceedings both manageable and fair": *RE/MAX, LLC v Save Max Real Estate, Inc*, 2022 CanLII 74908 at para 8 (FC), aff'd 2022 FC 1268 [citations omitted] (cited by Associate Judge Horne, who case managed the action presently before the Court, in his February 6, 2023 order).

[180] Despite the above determination, in my view the Plaintiff's challenge to Playtika's claimed date of first use is without merit.

[181] The Plaintiff asserts that one use on December 16, 2010 (via Facebook) cannot ground the claimed date of use. I disagree. Use occurs as soon as services are promoted or advertised and available for performance in Canada: *AT&T Intellectual Property II, LP v Lecours, Hebert*

*Avocats Inc*, 2017 FC 734 at para 13; *Sea Tow Services International, Inc v Trademark Factory International Inc*, 2021 FC 550 at para 20. Further, so long as the one use was not token, this is sufficient.

[182] As the Defendants submit, however, and I agree, it is not their burden to disprove, but rather it is the Plaintiff's burden to prove, that the first use was token. That said, I am satisfied that the Defendants have done just that, while Enigmatus has not discharged its burden. Through the Saldinger affidavit and Mr. Saldinger's cross-examination, the Defendants authenticated the business records on which they rely (i.e. Exhibits 15 and 25) to establish the SLOTOMANIA Mark was used in connection with the first registration online for the SLOTOMANIA game on December 16, 2010.

[183] Mr. Saldinger affirmed that he is Playtika's Director of Intellectual Property and has access to Playtika's records created and kept in the ordinary course of business. He describes Exhibit 15 to his affidavit as a chart derived from Playtika's business records summarizing the dates of the first registration/installation of the SLOTOMANIA game by Canadian users on various platforms where it has been made available to Canadians since 2010. He further describes Exhibit 25 to his affidavit as an electronic copy of a chart from Playtika's records listing the Canadian users who registered to the play the SLOTOMANIA game via Facebook in the years 2010-2011 alone.

[184] That same chart shows exponential growth in online registrations following the first one on December 16, 2010, two on December 17, 2010, seven on December 18, 2010 and many, many more in the ensuing days covered in Exhibit 25.

[185] Mr. Saldinger's evidence in this regard is in stark contrast to the Plaintiff's unsuccessful attempt, as discussed above, to rely on business records adduced through Mr. Pflaum, who is not an officer or director of, nor otherwise employed by Enigmatus.

[186] In short, I am not persuaded that, because there was a lone registration on December 16, 2010, this fact in itself is sufficient to show that it was token.

[187] I thus conclude that the SLOTOMANIA Registration is valid and subsisting.

D. *Is Enigmatus entitled to relief?*

[188] Because Enigmatus has failed to invalidate the SLOTOMANIA Registration, I find that this registration is a complete defence to the Plaintiff's entire claim which, as a result, will be dismissed. Further, based on findings of fact and the foregoing analyses, I am not persuaded that the Plaintiff is entitled to any relief.

[189] The Defendants submit section 53.2 codifies that relief for any act contrary to the *Trademarks Act* is discretionary, and that the Court "may make any order that it considers appropriate in the circumstances." Accordingly, there is discretion to craft or refuse remedies as warranted. I agree.



[190] Because the Plaintiff's action will be dismissed, I find it unnecessary to address the Defendants' argument regarding the applicability of the doctrine of *ex turpi causa nor oritur actio* to this matter.

[191] That said, I state in passing that I do not disagree with the Defendants' position that the Plaintiff's conduct in attempting to register the SLOTOMANIA Mark in other jurisdictions, when considered in conjunction with the Plaintiff having obtained domain names containing SLOTOMANIA that, if active, could be accessed in Canada, could be viewed as rising to the level of bad faith.

E. *Has Enigmatus infringed, engaged in passing off in respect of, and depreciated the goodwill attaching to, the SLOTOMANIA Mark within the meaning of sections 19 and 20, subsection 22(1), and paragraph 7(b) of the Trademarks Act?*

[192] I determine that the Defendants' counterclaim will be dismissed. In my view, this is the just, proportionate, most expeditious and least expensive disposition of the counterclaim, having regard to rule 3 of the *Rules*.

[193] Further, notwithstanding that the Notice of Motion does not address what should happen with the counterclaim, the Court has plenary power to regulate its own procedure, including broad discretion under rule 55: *Canada (National Revenue) v McNally*, 2015 FCA 195 at paras 8-9.

[194] The Defendants' Notice of Motion asserts that there is no likelihood of confusion between SLOTOMANIA and SLOTOPOLY, and I have found that there is none, on a balance of

probabilities. At the summary trial, the Defendants submitted that there is a conceivable basis on which their counterclaim could proceed if the Plaintiff's action were unsuccessful. I note that such a situation is contemplated by rule 190 of the *Rules*. Further, the Defendants point to Associate Judge Horne's observation in his February 6, 2023 order (at para 19) that, "a counterclaim is a separate and distinct claim (*Laboratoires Quinton Internationale SL v Biss*, 2010 FC 358 at para 7)."

[195] The Defendants put forward, however, and I agree, that if there is no likelihood of confusion, then the counterclaim falls away. The Plaintiff did not offer a contrary view.

[196] That said, the Plaintiff argues that the Defendants' contradictions/admissions should be held against them. I disagree, in so far as the substantive issues at play are concerned. Context matters.

[197] The contradictions by the Defendants include, as argued in the action, no confusion (having regard to, among other things, the coexistence of the parties' respective marks in the marketplace for 12 years without any known instances of actual confusion) versus, as argued before and after the commencement of the action, likely confusion (having regard to Playtika's November 26, 2013 demand letter and its counterclaim).

[198] The contradictions by the Plaintiff include, as argued in the action, that it is the "developer" of SLOTOPOLY (or "coined" the term) in 1999 versus IGT's US registration No. 2482740 dated August 28, 2001 for SLOTOPOLY (covering gaming machines, namely, slot

machines with or without video output), the application for which was filed on February 27, 1998 and claims first use in commerce as of November 1998 (having regard to the Plaintiff's July 1, 2014 response to Playtika's demand letter). I also note that Enigmatus argues likely confusion in the action versus the position of no confusion it took in response to Playtika's demand letter.

[199] I add, regarding IGT's US registration No. 2482740, that I have taken judicial notice of the registration particulars that are publicly available and searchable on the website for the USPTO: *Bodum USA, Inc v Meyer Housewares Canada Inc*, 2012 FC 1450 at paras 141, 143. Here, US registration No. 2482740 for SLOTOPOLY itself, including its owner, IGT, and the period of time it subsisted from 2001 to 2008, are of record via the Plaintiff's response to the demand letter. In my view, The USPTO trademarks database is a reliable source for registration particulars, and there cannot be conflicting opinions in this matter regarding the existence of the registration itself.

[200] I have taken judicial notice here for the purpose of illustrating that both parties have taken seemingly contrary positions at various points both before and during the action, including the counterclaim. I find that ultimately they are of no moment in the analysis of the penultimate issue in this action, namely, whether there is a likelihood of confusion between SLOTOMANIA and SLOTOPOLY. There is not.

[201] On the other hand, the contradictions, along with the conduct of the parties generally, are factors that the Court can consider in connection with costs, which are addressed below.

V. Conclusion

[202] For all the above reasons, I conclude that the Defendants' motion is granted. A summary trial is apt for disposing of the instant action for passing off and the counterclaim for infringement, passing off and depreciation of goodwill, both of which are dismissed. Resultantly, the Plaintiff is not entitled to any relief, while Playtika's SLOMANIA Registration (registration No. TMA836,402) will remain on the trademarks register.

VI. Costs

[203] I determine and explain below that, for the entire action including the summary judgment motion, the Defendants are entitled to total costs payable by the Plaintiff in the amount of \$507,460.62, comprised of the lump sums of \$445,804.00 for legal costs and \$61,656.62 for reasonable disbursements.

(1) Applicable Principles

[204] Pursuant to subrule 400(1) of the *Rules*, the Court has full discretion over awarding costs and the amount.

[205] Fairness and reasonableness are overarching considerations in making a costs award; it involves striking a balance between compensating the successful party and not burdening the unsuccessful party unduly: *Janssen Inc v Teva Canada Ltd*, 2022 FC 269 [*Janssen*] at para 8. See also rule 3 of the *Rules*.

[206] The non-exhaustive factors the Court can take into account in awarding costs include the result of the proceeding, the amounts claimed and recovered, the complexity of the issues, the amount of work, whether a party's conduct tended to lengthen or shorten the proceeding, whether any step in the proceeding was improper, vexatious or unnecessary, and any other matter the Court considers relevant: subsection 400(3) of the *Rules*.

[207] The general costs principles canvassed by Chief Justice Crampton in *Allergan Inc v Sandoz Canada Inc*, 2021 FC 186 [*Allergan*] at paras 19-36, include:

- indemnifying the successful party or parties;
- sanctioning behaviour that increases the duration and expense of the proceeding, or is unreasonable or vexatious;
- the Court's broad discretion over the amount and allocation or apportionment of costs;
- whether to set costs with reference to Tariff B (the default level being the mid-point of Column III) or in a lump sum amount, further to subrule 400(4) and rule 407;
- whether to set a lump sum amount by beginning at the mid-point of the 25% to 50% range for a complex drug patent proceeding, or at the lower end of this range for other cases, and then assessing the subrule 400(3) factors to determine if a higher or lower amount is warranted (per *Seedlings Life Science Ventures, LLC v Pfizer Canada ULC*, 2020 FC 505 at para 22); and
- assessing reasonable disbursements in full.

[208] Further, a lump sum award may be appropriate for simple matters, or complex ones where precise costs calculations would be complicated and burdensome: *Nova Chemicals Corporation v Dow Chemical Company*, 2017 FCA 25 [*Nova FCA 2017*] at para 12, aff'd on other grounds 2022 SCC 43. As the Federal Court of Appeal guides, awarding lump sum costs avoids granular analyses that devolve into an accounting exercise: *Nova FCA 2017*, above at paras 11, 15.

[209] Although Chief Justice Crampton noted the trend in case law to set the percentage of fee recovery between 25% and 50%, a lower or higher percentage may be warranted in the circumstances of the particular case: *Loblaws Inc v Columbia Insurance Company*, 2019 FC 1434 at para 15.

[210] An expense may be reasonable if it is justified in the context of the action, as well as prudent and reasonable in the circumstances at the time it is incurred: *Janssen*, above at para 10.

(2) Analysis

[211] The above lump sum for legal fees is based on 25% of the Defendants' actual legal fees. The lump sum for disbursements subtracts the sum of \$45,245.89 (representing the costs associated with the disallowed expert evidence of Dr. Shana Poplack) from the Defendants' total claimed disbursements of \$106,902.51.

[212] At the request of the Court, the parties provided their costs submissions and draft bills of costs (not just for the summary trial but also for the entire action) at the end of the summary trial.

[213] Both sides seek 35% of their actual legal fees and reasonable disbursements. They argue, and I agree, that Tariff B calculations, even at the high end of Column V, generally do not reflect the actual costs of litigation. See, for example, the Regulatory Impact Analysis Statement [RIAS] regarding proposed amendments to the *Rules* (as yet not in force), published on February 11, 2023 in the *Canada Gazette*, Part 1, Volume 157, Number 6 ("Rules Amending the Federal Courts Rules and the Federal Courts Citizenship, Immigration and Refugee Protection Rules").

As stated in the RIAS, “it has been recognized that cost awards that are based on Tariff B fall far short of the actual litigation costs incurred by parties, particularly in certain commercial or business practice areas, such as intellectual property...” See also *Allergan*, above at para 28 which provides additional context for the proposed *Rules* amendments.

[214] As a result, I believe that a lump sum award of costs, based largely on a percentage of actual legal fees, is more appropriate here in the context of a summary trial of a moderately complex trademark dispute with a sizeable record. I observe that 25% of the Defendants’ actual legal fees represents an amount even greater than the proposed increase of approximately 25% to the costs awards under Tariff B (that the Defendants took into account when providing different costs scenarios in their draft bill of costs).

[215] In arriving at the above determination on the award of costs to the Defendants, I have considered several subrule 400(3) factors.

- (a) *Result of the proceeding; amounts claimed and amounts recovered – paragraphs 400(3)(a) and (b)*

[216] I find that these factors favour the Defendants.

[217] The Defendants are entirely successful in their defence of the action. While the counterclaim will be dismissed, that result in my view is a logical consequence of the finding of no likelihood of confusion between SLOTOMANIA and SLOTOPOLY. Further, even if I had arrived at the opposite conclusion, this would not necessarily have predetermined the

counterclaim because then the outcome would have depended, at least in part in my view, on which party had priority, in the sense of which party was first in time, an issue that was undetermined until this summary trial.

[218] The Plaintiff claimed damages in the amount of \$10,000,000 in US dollars and will recover none of the amount claimed in light of the dismissal of the whole action.

(b) *Importance and complexity of the issues; amount of work - paragraphs 400(3)(c) and (g)*

[219] On balance, I find that these are essentially neutral factors. As noted above, this trademark action involves moderately complex issues, of important stakes to both sides of the dispute. Further, the size of the record on the summary trial motion is indicative of the amount of work for both sides in getting to this stage, including extensive preparation for and representation at the summary trial.

(c) *Conduct that tended to shorten or lengthen the proceeding; failure by a party to admit anything that should have been admitted - paragraphs 400(3)(i) and (j)*

[220] I determine that these factors favour the Defendants. In my view, the Plaintiff's conduct tended to lengthen the proceeding and, further, it failed to admit things that should have been admitted.

[221] Regarding the lengthening of the proceeding, I refer again to Justice Ayles' April 11, 2022 order further to the notice of status review dated March 17, 2022 served on the Plaintiff. In



her order she states, as mentioned, she is “satisfied that the Plaintiff has repeatedly delayed in advancing this proceeding forward and that the majority of the delay is not properly attributable to the COVID-19 pandemic and that none of the delay can be properly attributable to the war in Ukraine.” I note that, at the time of the status review, the action had been pending already for more than five years.

[222] I also refer to Associate Judge Horne’s December 9, 2022 order regarding the Plaintiff’s motion to amend the statement of claim. Although he permitted some of the amendments that did not require additional discovery, Associate Judge Horne refused the Plaintiff’s request to amend the claim to include the SLOTOMANIA Logo because of the likely delay of the summary trial and the attendant prejudice to the Defendants. In doing so, Associate Judge Horne observed that “[i]t is time for this matter to proceed to adjudication, not further discovery on issues that could have been raised long ago.” By the time of this order, the action had been pending for six years.

[223] Further, contrary to the Plaintiff’s submission, I find that its last minute request at summary trial to deem the Defendants’ linguistic expert evidence inadmissible is not indicative of streamlining because, in the end, it did not streamline anything. Having made the request, the Plaintiff then proceeded to argue about the evidence in the alternative. In addition, I refer to the discussion above about the manner in which the Defendants’ request to maintain confidentiality during the summary trial unfolded, complicated unnecessarily in my view by the Plaintiff.

[224] I also agree with the Defendants that the Plaintiff’s unpleaded material misstatement ground seeking to invalidate the SLOTOMANIA Registration *ab initio* was an added but

unnecessary, if not improper, layer of complexity that weighs against the Plaintiff (and, I add, falls within subparagraph 400(3)(k)(i) in my view).

[225] Regarding the need to admit things that should be admitted, I refer to my earlier discussion in these reasons about the Defendants' Request to Admit and the Plaintiff's essentially non-responsive response. In my view, at least the following facts should have been admitted because, in many cases, the information could be confirmed by public records: 1, 39, 42, 43, 46, 47, 51, 52, 53, 59-63, 66, 68, 69, 71, 84, 96, 99, 100, 101-113 and 118.

(d) *Whether the expense required to have an expert witness give evidence was justified – paragraph 400(3)(n.1)*

[226] I find that this factor weighs against the Defendants and, thus, is addressed in the assessment of reasonable disbursements. Although I find the evidence of both linguistic experts inadmissible, I am sympathetic to the Plaintiff's argument that it engaged a linguistic expert to review and respond properly to the Defendants' linguistic evidence.

[227] Balancing the above factors, I conclude that it is appropriate to award the Defendants 25% of their legal costs and to deduct costs associated with the expert evidence of Dr. Poplack from their disbursements in determining the total lump sum award payable by the Plaintiff.

**JUDGMENT in T-2085-16**

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

1. The Defendants' motion for a summary trial is granted.
2. The Plaintiff's action is dismissed.
3. The Defendants' counterclaim is dismissed.
4. The Defendants are entitled to total costs payable by the Plaintiff in the amount of \$507,460.62, comprised of the lump sums of \$445,804.00 for legal costs and \$61,656.62 for reasonable disbursements.

"Janet M. Fuhrer"

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Judge

**Annex “A”: Relevant Provisions*****Trade-marks Act, RSC, 1985, c T-13***

(Version of document from 2016-06-24 to 2017-09-20)

***Loi sur les marques de commerce, LRC (1985), ch T-13***

(Version du document du 2016-06-24 au 2017-09-20)

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| <p><b>When deemed to be used</b></p> <p><b>4 (1)</b> A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.</p> <p><b>Idem</b></p> <p><b>(2)</b> A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.</p> <p><b>Use by export</b></p> <p><b>(3)</b> A trade-mark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.</p> | <p><b>Quand une marque de commerce est réputée employée</b></p> <p><b>4 (1)</b> Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu’avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.</p> <p><b>Idem</b></p> <p><b>(2)</b> Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l’exécution ou l’annonce de ces services.</p> <p><b>Emploi pour exportation</b></p> <p><b>(3)</b> Une marque de commerce mise au Canada sur des produits ou sur les emballages qui les contiennent est réputée, quand ces produits sont exportés du Canada, être employée dans ce pays en liaison avec ces produits.</p> |
| <p><b>When mark or name confusing</b></p> <p><b>6 (1)</b> For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the</p>   | <p><b>Quand une marque ou un nom crée de la confusion</b></p> <p><b>6 (1)</b> Pour l’application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l’emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de</p>   |

manner and circumstances described in this section.

**Idem**

(2) The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

**Idem**

(3) The use of a trade-mark causes confusion with a trade-name if the use of both the trade-mark and trade-name in the same area would be likely to lead to the inference that the goods or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

**Idem**

(4) The use of a trade-name causes confusion with a trade-mark if the use of both the trade-name and trade-mark in the same area would be likely to lead to the inference that the goods or services associated with the business carried on under the trade-name and those associated with the trade-mark are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.

**Idem**

(2) L'emploi d'une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l'emploi des deux marques de commerce dans la même région serait susceptible de faire conclure que les produits liés à ces marques de commerce sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces produits ou ces services soient ou non de la même catégorie générale.

**Idem**

(3) L'emploi d'une marque de commerce crée de la confusion avec un nom commercial, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les produits liés à cette marque et les produits liés à l'entreprise poursuivie sous ce nom sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à cette marque et les services liés à l'entreprise poursuivie sous ce nom sont loués ou exécutés, par la même personne, que ces produits ou services soient ou non de la même catégorie générale.

**Idem**

(4) L'emploi d'un nom commercial crée de la confusion avec une marque de commerce, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les produits liés à l'entreprise poursuivie sous ce nom et les produits liés à cette marque sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à l'entreprise poursuivie sous ce nom et les services liés à cette marque sont loués ou exécutés, par la même personne, que ces produits ou services soient ou non de la même catégorie générale.

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| <p><b>What to be considered</b></p> <p><b>6 (5)</b> 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</p> <ul style="list-style-type: none"> <li>(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;</li> <li>(b) the length of time the trade-marks or trade-names have been in use;</li> <li>(c) the nature of the goods, services or business;</li> <li>(d) the nature of the trade; and</li> <li>(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.</li> </ul> | <p><b>Éléments d'appréciation</b></p> <p><b>6 (5)</b> 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 :</p> <ul style="list-style-type: none"> <li>a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;</li> <li>b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;</li> <li>c) le genre de produits, services ou entreprises;</li> <li>d) la nature du commerce;</li> <li>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.</li> </ul> |
| <p><b>Unfair Competition and Prohibited Marks</b></p> <p><b>Prohibitions</b></p> <p><b>7</b> No person shall</p> <p>...</p> <ul style="list-style-type: none"> <li>(b) direct public attention to his goods, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his goods, services or business and the goods, services or business of another;</li> </ul>  | <p><b>Concurrence déloyale et marques interdites</b></p> <p><b>Interdictions</b></p> <p><b>7</b> Nul ne peut :</p> <p>...</p> <ul style="list-style-type: none"> <li>b) appeler l'attention du public sur ses produits, ses services ou son entreprise de manière à causer ou à vraisemblablement causer de la confusion au Canada, lorsqu'il a commencé à y appeler ainsi l'attention, entre ses produits, ses services ou son entreprise et ceux d'un autre;</li> </ul>   |
| <p><b>Persons Entitled to Registration of Trade-marks</b></p> <p><b>Registration of marks used or made known in Canada</b></p> <p><b>16 (1)</b> Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with goods or services is entitled,</p>   | <p><b>Personnes admises à l'enregistrement des marques de commerce</b></p> <p><b>Enregistrement des marques employées ou révélées au Canada</b></p> <p><b>16 (1)</b> Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce qui est enregistrable et que le requérant ou son prédécesseur en titre a employée ou fait connaître au Canada en liaison avec des</p>  |

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| <p>subject to section 38, to secure its registration in respect of those goods or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with</p> <p>(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;</p> <p>(b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or</p> <p>(c) a trade-name that had been previously used in Canada by any other person.</p>   | <p>produits ou services, a droit, sous réserve de l'article 38, d'en obtenir l'enregistrement à l'égard de ces produits ou services, à moins que, à la date où le requérant ou son prédécesseur en titre l'a en premier lieu ainsi employée ou révélée, elle n'ait créé de la confusion :</p> <p>a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;</p> <p>b) soit avec une marque de commerce à l'égard de laquelle une demande d'enregistrement avait été antérieurement produite au Canada par une autre personne;</p> <p>c) soit avec un nom commercial qui avait été antérieurement employé au Canada par une autre personne.</p>   |
| <p><b>Effect of registration in relation to previous use, etc.</b></p> <p><b>17 (1)</b> No application for registration of a trade-mark that has been advertised in accordance with section 37 shall be refused and no registration of a trade mark shall be expunged or amended or held invalid on the ground of any previous use or making known of a confusing trade-mark or trade-name by a person other than the applicant for that registration or his predecessor in title, except at the instance of that other person or his successor in title, and the burden lies on that other person or his successor to establish that he had not abandoned the confusing trade-mark or trade-name at the date of advertisement of the applicant's application.</p> <p><b>When registration incontestable</b></p> <p>(2) In proceedings commenced after the expiration of five years from the date of registration of a trade-mark or from July 1, 1954, whichever is the later, no registration shall be expunged or amended or held invalid on the ground of the previous use or making</p> | <p><b>Effet de l'enregistrement relativement à l'emploi antérieur, etc.</b></p> <p><b>17 (1)</b> Aucune demande d'enregistrement d'une marque de commerce qui a été annoncée selon l'article 37 ne peut être refusée, et aucun enregistrement d'une marque de commerce ne peut être radié, modifié ou tenu pour invalide, du fait qu'une personne autre que l'auteur de la demande d'enregistrement ou son prédécesseur en titre a antérieurement employé ou révélé une marque de commerce ou un nom commercial créant de la confusion, sauf à la demande de cette autre personne ou de son successeur en titre, et il incombe à cette autre personne ou à son successeur d'établir qu'il n'avait pas abandonné cette marque de commerce ou ce nom commercial créant de la confusion, à la date de l'annonce de la demande du requérant.</p> <p><b>Quand l'enregistrement est incontestable</b></p> <p>(2) Dans des procédures ouvertes après l'expiration de cinq ans à compter de la date d'enregistrement d'une marque de commerce ou à compter du 1<sup>er</sup> juillet 1954, en prenant la date qui est postérieure à l'autre, aucun enregistrement ne peut être radié, modifié ou</p> |

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| <p>known referred to in subsection (1), unless it is established that the person who adopted the registered trade-mark in Canada did so with knowledge of that previous use or making known.</p>   | <p>jugé invalide du fait de l'emploi ou révélation antérieure mentionnée au paragraphe (1), à moins qu'il ne soit établi que la personne qui a adopté au Canada la marque de commerce déposée l'a fait alors qu'elle était au courant de cet emploi ou révélation antérieure.</p>   |
| <p><b>Validity and Effect of Registration</b></p> <p><b>When registration invalid</b></p> <p><b>18 (1)</b> The registration of a trade-mark is invalid if</p> <p>...</p> <p>(d) subject to section 17, the applicant for registration was not the person entitled to secure the registration.</p>  | <p><b>Validité et effet de l'enregistrement</b></p> <p><b>Quand l'enregistrement est invalide</b></p> <p><b>18 (1)</b> L'enregistrement d'une marque de commerce est invalide dans les cas suivants :</p> <p>...</p> <p>d) sous réserve de l'article 17, l'auteur de la demande n'était pas la personne ayant droit d'obtenir l'enregistrement.</p>   |
| <p><b>Rights conferred by registration</b></p> <p><b>19</b> Subject to sections 21, 32 and 67, the registration of a trade-mark in respect of any goods or services, unless shown to be invalid, gives to the owner of the trade-mark the exclusive right to the use throughout Canada of the trade-mark in respect of those goods or services.</p>  | <p><b>Droits conférés par l'enregistrement</b></p> <p><b>19</b> Sous réserve des articles 21, 32 et 67, l'enregistrement d'une marque de commerce à l'égard de produits ou services, sauf si son invalidité est démontrée, donne au propriétaire le droit exclusif à l'emploi de celle-ci, dans tout le Canada, en ce qui concerne ces produits ou services.</p>  |
| <p><b>Depreciation of goodwill</b></p> <p><b>22 (1)</b> No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.</p>   | <p><b>Dépréciation de l'achalandage</b></p> <p><b>22 (1)</b> Nul ne peut employer une marque de commerce déposée par une autre personne d'une manière susceptible d'entraîner la diminution de la valeur de l'achalandage attaché à cette marque de commerce.</p>   |
| <p><b>Power of court to grant relief</b></p> <p><b>53.2 (1)</b> If a court is satisfied, on application of any interested person, that any act has been done contrary to this Act, the court may make any order that it considers appropriate in the circumstances, including an order providing for relief by way of injunction and the recovery of damages or profits, for punitive damages and for the destruction or other disposition of any offending goods, packaging, labels and advertising material and of any equipment used to produce the</p> | <p><b>Pouvoir du tribunal d'accorder une réparation</b></p> <p><b>53.2 (1)</b> Lorsqu'il est convaincu, sur demande de toute personne intéressée, qu'un acte a été accompli contrairement à la présente loi, le tribunal peut rendre les ordonnances qu'il juge indiquées, notamment pour réparation par voie d'injonction ou par recouvrement de dommages-intérêts ou de profits, pour l'imposition de dommages punitifs, ou encore pour la disposition par destruction ou autrement des produits, emballages, étiquettes et matériel publicitaire</p> |



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| goods, packaging, labels or advertising material.  | contrevenant à la présente loi et de tout équipement employé pour produire ceux-ci.  |
| <p><b>Evidence</b></p> <p><b>54 (1)</b> Evidence of any document in the official custody of the Registrar or of any extract therefrom may be given by the production of a copy thereof purporting to be certified to be true by the Registrar.</p> <p>...</p> <p><b>Idem</b></p> <p><b>(3)</b> A copy of the record of the registration of a trade-mark purporting to be certified to be true by the Registrar is evidence of the facts set out therein and that the person named therein as owner is the registered owner of the trade-mark for the purposes and within the territorial area therein defined.</p> | <p><b>Preuve</b></p> <p><b>54 (1)</b> La preuve d'un document, ou d'un extrait d'un document, en la garde officielle du registraire peut être fournie par la production d'une copie du document ou de l'extrait, donnée comme étant certifiée conforme par le registraire</p> <p>...</p> <p><b>Idem</b></p> <p><b>(3)</b> Une copie de l'inscription de l'enregistrement d'une marque de commerce, donnée comme étant certifiée conforme par le registraire, fait foi des faits y énoncés et de ce que la personne y nommée comme propriétaire est le propriétaire inscrit de cette marque de commerce aux fins et dans la région territoriale qui y sont indiquées.</p> |
| <p><b>Exclusive jurisdiction of Federal Court</b></p> <p><b>57 (1)</b> The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.</p>  | <p><b>Jurisdiction exclusive de la Cour fédérale</b></p> <p><b>57 (1)</b> La Cour fédérale a une compétence initiale exclusive, sur demande du registraire ou de toute personne intéressée, pour ordonner qu'une inscription dans le registre soit biffée ou modifiée, parce que, à la date de cette demande, l'inscription figurant au registre n'exprime ou ne définit pas exactement les droits existants de la personne paraissant être le propriétaire inscrit de la marque.</p>  |

***Federal Courts Rules, SOR/98-106***  
***Règles des Cours fédérales, DORS/98-106***

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| <p><b>General principle</b></p> <p><b>3</b> These Rules shall be interpreted and applied</p> <p>(a) so as to secure the just, most expeditious and least expensive outcome of every proceeding; and</p> | <p><b>Principe général</b></p> <p><b>3</b> Les présentes règles sont interprétées et appliquées :</p> <p>a) de façon à permettre d'apporter une solution au litige qui soit juste et la plus expéditive et économique possible;</p> |
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| <p>(b) with consideration being given to the principle of proportionality, including consideration of the proceeding's complexity, the importance of the issues involved and the amount in dispute.</p>  | <p>b) compte tenu du principe de proportionnalité, notamment de la complexité de l'instance ainsi que de l'importance des questions et de la somme en litige.</p>  |
| <p><b>Varying rule and dispensing with compliance</b></p> <p><b>55</b> In special circumstances, in a proceeding, the Court may vary a rule or dispense with compliance with a rule.</p>   | <p><b>Modification de règles et exemption d'application</b></p> <p><b>55</b> Dans des circonstances spéciales, la Cour peut, dans une instance, modifier une règle ou exempter une partie ou une personne de son application.</p>  |
| <p><b>Counterclaim may proceed independently</b></p> <p><b>190</b> A counterclaim may be proceeded with notwithstanding that judgment is given in the action or that the action is stayed or discontinued.</p>   | <p><b>Poursuite de la demande reconventionnelle</b></p> <p><b>190</b> La demande reconventionnelle peut être poursuivie même si un jugement est rendu dans l'action principale ou si l'action principale est suspendue ou abandonnée.</p>  |
| <p><b>Summary Judgment and Summary Trial Motion and Service</b></p> <p><b>Motion by a party</b></p> <p><b>213 (1)</b> A party may bring a motion for summary judgment or summary trial on all or some of the issues raised in the pleadings at any time after the defendant has filed a defence but before the time and place for trial have been fixed.</p> | <p><b>Jugement et procès sommaires</b></p> <p><b>Requête et signification</b></p> <p><b>Requête d'une partie</b></p> <p><b>213 (1)</b> Une partie peut présenter une requête en jugement sommaire ou en procès sommaire à l'égard de toutes ou d'une partie des questions que soulèvent les actes de procédure. Le cas échéant, elle la présente après le dépôt de la défense du défendeur et avant que les heure, date et lieu de l'instruction soient fixés.</p> |
| <p><b>Summary Trial</b></p> <p><b>Dismissal of motion</b></p> <p><b>216 (5)</b> The Court shall dismiss the motion if</p> <p>(a) the issues raised are not suitable for summary trial; or</p> <p>(b) a summary trial would not assist in the efficient resolution of the action.</p> <p><b>Judgment generally or on issue</b></p>                            | <p><b>Procès sommaire</b></p> <p><b>Rejet de la requête</b></p> <p><b>216 (5)</b> La Cour rejete la requête si, selon le cas :</p> <p>a) les questions soulevées ne se prêtent pas à la tenue d'un procès sommaire;</p> <p>b) un procès sommaire n'est pas susceptible de contribuer efficacement au règlement de l'action.</p> <p><b>Jugement sur l'ensemble des questions ou sur une question en particulier</b></p>   |

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| <p>(6) If the Court is satisfied that there is sufficient evidence for adjudication, regardless of the amounts involved, the complexities of the issues and the existence of conflicting evidence, the Court may grant judgment either generally or on an issue, unless the Court is of the opinion that it would be unjust to decide the issues on the motion.</p> | <p>(6) Si la Cour est convaincue de la suffisance de la preuve pour trancher l'affaire, indépendamment des sommes en cause, de la complexité des questions en litige et de l'existence d'une preuve contradictoire, elle peut rendre un jugement sur l'ensemble des questions ou sur une question en particulier à moins qu'elle ne soit d'avis qu'il serait injuste de trancher les questions en litige dans le cadre de la requête.</p> |
| <p><b>Discretionary powers of Court</b></p> <p><b>400 (1)</b> The Court shall have full discretionary power over the amount and allocation of costs and the determination of by whom they are to be paid.</p>   | <p><b>Pouvoir discrétionnaire de la Cour</b></p> <p><b>400 (1)</b> La Cour a le pouvoir discrétionnaire de déterminer le montant des dépens, de les répartir et de désigner les personnes qui doivent les payer.</p>  |
| <p><b>Assessment according to Tariff B</b></p> <p><b>407</b> Unless the Court orders otherwise, party-and-party costs shall be assessed in accordance with column III of the table to Tariff B.</p>   | <p><b>Tarif B</b></p> <p><b>407</b> Sauf ordonnance contraire de la Cour, les dépens partie-partie sont taxés en conformité avec la colonne III du tableau du tarif B.</p>  |

*Canada Evidence Act, RSC, 1985, c C-5*  
*Loi sur la preuve au Canada, L.R.C. (1985), ch. C-5*

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| <p><b>Business records to be admitted in evidence</b></p> <p><b>30 (1)</b> Where oral evidence in respect of a matter would be admissible in a legal proceeding, a record made in the usual and ordinary course of business that contains information in respect of that matter is admissible in evidence under this section in the legal proceeding on production of the record.</p> <p>...</p> <p><b>Copy of records</b></p> <p><b>(3)</b> Where it is not possible or reasonably practicable to produce any record described in subsection (1) or (2), a copy of the record accompanied by two documents, one that is</p> | <p><b>Les pièces commerciales peuvent être admises en preuve</b></p> <p><b>30 (1)</b> Lorsqu'une preuve orale concernant une chose serait admissible dans une procédure judiciaire, une pièce établie dans le cours ordinaire des affaires et qui contient des renseignements sur cette chose est, en vertu du présent article, admissible en preuve dans la procédure judiciaire sur production de la pièce.</p> <p>...</p> <p><b>Copie des pièces</b></p> <p><b>(3)</b> Lorsqu'il n'est pas possible ou raisonnablement commode de produire une pièce décrite au paragraphe (1) ou (2), une copie de la pièce accompagnée d'un premier</p> |
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made by a person who states why it is not possible or reasonably practicable to produce the record and one that sets out the source from which the copy was made, that attests to the copy's authenticity and that is made by the person who made the copy, is admissible in evidence under this section in the same manner as if it were the original of the record if each document is

- (a)** an affidavit of each of those persons sworn before a commissioner or other person authorized to take affidavits; or
- (b)** a certificate or other statement pertaining to the record in which the person attests that the certificate or statement is made in conformity with the laws of a foreign state, whether or not the certificate or statement is in the form of an affidavit attested to before an official of the foreign state.

document indiquant les raisons pour lesquelles il n'est pas possible ou raisonnablement commode de produire la pièce et d'un deuxième document préparé par la personne qui a établi la copie indiquant d'où elle provient et attestant son authenticité, est admissible en preuve, en vertu du présent article, de la même manière que s'il s'agissait de l'original de cette pièce pourvu que les documents satisfassent aux conditions suivantes : que leur auteur les ait préparés soit sous forme d'affidavit reçu par une personne autorisée, soit sous forme de certificat ou de déclaration comportant une attestation selon laquelle ce certificat ou cette déclaration a été établi en conformité avec les lois d'un État étranger, que le certificat ou l'attestation prenne ou non la forme d'un affidavit reçu par un fonctionnaire de l'État étranger.

**Annex “B”: Particulars of Registration Nos. TMA836402 and TMA1113375**

| <b>Trademark</b>  | <b>Application Number and Date</b> | <b>Registration Number and Date</b> | <b>Goods/Services</b>   |
|-------------------|------------------------------------|-------------------------------------|---|
| <b>SLOTOMANIA</b> | 1,527,704<br>May 12, 2011          | TMA836,402<br>November 14, 2012     | <p><b>GOODS:</b></p> <p>(1) Computer game software, downloadable electronic game programs and computer software platforms for social networking that may be accessed via the internet, computers and wireless devices, computer software to enable uploading, posting, showing, displaying, tagging, blogging, sharing or otherwise providing electronic media or information in the fields of virtual communities, gaming, entertainment, and general interest via the internet or other communications networks with third parties.</p> <p>(2) Video game programs, and computer software platforms for social networking, interactive video game programs, downloadable electronic game software for cellular telephones, downloadable electronic game software for wireless devices, and downloadable electronic game software for use with social networking applications and on social networking websites.</p> <p><b>SERVICES:</b></p> <p>(1) Entertainment services, namely, providing online computer and electronic games, entertainment services, namely, providing on-line computer games, enhancements within online computer games, and game applications within online</p> |

| Trademark  | Application Number and Date          | Registration Number and Date             | Goods/Services   |
|--|--------------------------------------|--|--|
|  |                                      |  | <p>computer games, providing online reviews of computer games, and providing of information in the field of computer games, providing an internet website portal in the field of computer games and gaming, entertainment services, namely, providing virtual communities in which users can interact through social games for recreational, leisure or entertainment purposes.</p> <p>Used in CANADA since December 16, 2010 on goods (1) and on services</p> <p>Declaration of Use filed November 14, 2012 on goods (2)</p>  |
|  <p>Colour claim</p> <p>Colour is claimed as a feature of the trademark. Colour is claimed as a feature of the trade-mark. The colours blue, pink and yellow are claimed as a feature of the mark. The mark consists of the word 'Slotomania' in blue stylized lettering that is lighter on the top of the letters, with a yellow star design appearing</p> | <p>1,922,935<br/>October 1, 2018</p> | <p>TMA1,113,375<br/>November 5, 2021</p> | <p>GOODS:</p> <p>9 (1) Computer game software; video game programs; computer software platforms for social networking; interactive video game programs; downloadable electronic game programs and computer software platforms for social networking that may be accessed via the Internet, computers and wireless devices; computer software to enable uploading, posting, showing, displaying, tagging, blogging, sharing information in the fields of virtual communities, electronic gaming, video game entertainment, and general interest via the Internet and other communications networks with third parties</p> <p>9 (2) Downloadable electronic game software for cellular</p> |

| Trademark  | Application Number and Date | Registration Number and Date | Goods/Services  |
|--|-----------------------------|------------------------------|---|
| <p>above the letter 'i'. A pink broken, horizontal bar appears above the word 'Slotomania' and a pink solid, horizontal bar appears below.</p> |                             |                              | <p>telephones; downloadable electronic game software for wireless devices; and downloadable electronic game software for use with social networking applications and on social networking websites</p> <p><b>SERVICES:</b></p> <p>41 (1) Entertainment services, namely, providing on-line computer games and game applications, enhancements within online computer games, and game applications within online computer games; entertainment services, namely, providing online video games in which users can interact for recreational, leisure and entertainment purposes</p> <p>Used in CANADA since at least as early as December 2010 on goods (1) and on services</p> <p>Used in CANADA since at least as early as November 2012 on goods (2)</p> |

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

**DOCKET:** T-2085-16

**STYLE OF CAUSE:** ENIGMATUS, S.R.O. v PLAYTIKA LTD., CAESARS INTERACTIVE, ENTERTAINMENT LLC, AND PLAYTIKA (CANADA) INC. AND PLAYTIKA LTD.

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** JUNE 27-30, 2023

**JUDGMENT AND REASONS:** FUHRER J.

**CONFIDENTIAL JUDGMENT AND REASONS ISSUED:** MAY 17, 2024

**JUDGMENT AND REASONS (PUBLIC VERSION) ISSUED:** JUNE 6, 2024

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