

03 CV-254334cm3

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

AMAZON.COM, INC.

Plaintiff

- and -

150525 ONTARIO INC., c.o.b. NATURAL GRAINS DELI AND CATERING

Defendant

STATEMENT OF CLAIM

(Filed this 25th day of August, 2003)

TO THE DEFENDANT:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you are required to prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's solicitor or, where the plaintiff does not have a solicitor, serve it on the plaintiff, and file it, with proof of service in this Court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada, or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: August 25, 2003

Issued By:



Local Registrar
393 University Avenue
10th Floor
Toronto, Ontario
M5G 1E6

TO:

**1505820 ONTARIO INC.,
c.o.b. NATURAL GRAINS DELI AND CATERING**

Registered Office Address

1595 Sixteenth Avenue
Suite 301
Richmond Hill, Ontario
L4B 3N9

Registered Mailing Address

210 Lakeshore Road East
Unit 4
Oakville, Ontario
L6J 1H8

CLAIM

1. The Plaintiff claims:
 - a. a permanent injunction, enjoining and prohibiting the Defendant, as well as its respective agents, servants, employees, officers, directors, successors and assigns, and all other persons over whom it exercises control, from:
 - i. infringing the Plaintiff's trade-mark AMAZON.COM, or otherwise using or adopting the trade-mark AMAZON.COM or any other mark confusingly similar thereto, in connection with the sale, distribution, advertising, marketing or promotion of any wares or services in Canada, including in connection with the Defendant's e-mails or websites;
 - ii. making any false or misleading statements tending to discredit the business, wares or services of the Plaintiff;
 - iii. directing public attention to the Defendant's wares, services or business in such a way as to cause, or be likely to cause, confusion in Canada between those wares, services or business and the Plaintiff's wares, services or business;
 - iv. passing-off the Defendant's wares or services as and for those of the Plaintiff;

- v. depreciating the value of the goodwill attaching to the Plaintiff's trade-mark AMAZON.COM;
- b. a declaration that the Plaintiff's trade-mark AMAZON.COM has been infringed by the Defendant;
- c. an Order providing for the destruction or other suitable disposition of any offending wares, packages, labels and advertising material and of any dies used in connection therewith;
- d. an award of damages in the amount of \$500,000.00 or an accounting of the Defendant's profits, pursuant to section 53.2 of the *Trade-marks Act* (the "*Act*"), at the Plaintiff's election following discovery on those issues;
- e. damages in the amount of \$500,000.00 for the Defendant's passing-off;
- f. damages in the amount of \$500,000.00 for the Defendant's trespass to the Plaintiff's property;
- g. damages in the amount of \$500,000.00 for the Defendant's wrongful interference with the Plaintiff's economic relations;
- h. punitive damages for the Defendant's conduct in the amount of \$250,000.00, or such higher amount as this Honourable Court may deem just;

- i. pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*, payable at a rate of prime plus 1%, compounded semi-annually;
- j. the Plaintiff's costs of this proceeding, inclusive of G.S.T., on a substantial indemnity scale; and
- k. such other relief as this Court may deem just.

THE PARTIES

- 2. The Plaintiff, Amazon.com, is a Delaware corporation, headquartered in Seattle, Washington.

- 3. The Defendant, 1505820 ONTARIO INC., sometimes carrying on business as NATURAL GRAINS DELI AND CATERING ("Natural Grains"), is an Ontario corporation carrying on business in the province of Ontario with a Registered Office Address located at 1595 Sixteenth Avenue, Suite 301, Richmond Hill, Ontario, L4B 3N9.

THE TRADE-MARK and DOMAIN NAME AMAZON.COM

4. Amazon.com is the owner of Canadian trade-mark registration TMA 499,121, registered in association with the following services:
 - (1) Book distribution services, namely computerized on-line wholesale and retail sale of books, videotapes, musical recordings in the form of audiocassettes and compact discs and multi-media products including computer software programs on diskettes and compact discs.
 - (2) Computerized on line ordering service featuring the wholesale and retail sale of books.

5. The Plaintiff has continually used the trade-mark AMAZON.COM in association with the services for which it is registered and for sales from the www.amazon.com website to customers around the world, including Canada, since at least as early as 1995.

6. The term AMAZON.COM is also the domain name associated with the Plaintiff's website.

7. Since its inception, the Plaintiff's Amazon.com website has continuously operated out of the United States from the Internet address <www.amazon.com>. When Amazon.com began carrying on business, its website primarily featured books. Since then, Amazon.com further expanded its operations to include an even broader selection of products,

offering a full line of goods ranging from computer products and electronics, to toys, to compact discs and movies on videotape and DVD.

8. Since commencing operations on the World Wide Web in at least as early as 1995, Amazon.com has become a Fortune 500 company and as such enjoys a worldwide reputation, extensive sales, and a customer base which includes customers residing in the Province of Ontario.
9. Amazon.com has and continues to extensively promote its services in association with the AMAZON.COM trade-mark and Internet shoppers and consumers universally recognize AMAZON.COM as being distinctive of Amazon.com's websites, services and products. The Plaintiff states that AMAZON.COM is therefore a famous trade-mark.
10. Today, the AMAZON.COM trade-mark is one of the best-known trade-marks on the Internet. Courts in the United States and Greece have entered judgments for Amazon.com that attest to the strong association between the famous AMAZON.COM trade-mark and the wares and services offered by Amazon.com.
11. As a result of the aforesaid, the Plaintiff has acquired valuable and substantial goodwill and a significant reputation in Ontario and throughout Canada, in association with its AMAZON.COM trade-mark.

12. The Plaintiff pleads and relies upon the exclusive rights, prohibitions and deemed infringements prescribed by ss. 7(a), 7(b), 7(c), 19, 20 and 22(1) of the *Act*.

THE DEFENDANT'S ILLEGAL ACTS

13. Beginning at least as early as the spring or summer of 2003, the Defendant initiated an extensive e-mail campaign which is the subject of this complaint.
14. As part of that campaign, the Defendant created and sent (or had created and sent on its behalf) large volumes of e-mail messages advertising a "penis enlargement" product. These e-mails were designed so that they appeared to be sent from Amazon.com, and used the AMAZON.COM mark in the e-mail header as the "from" address (a practice of deception currently referred to as "spoofing").
15. Amazon.com has never authorized or consented to the Defendant's use of its AMAZON.COM trade-mark in the manner described above or in any other manner.

16. Two representative examples of the content of the Defendant's e-mails which are falsely made to appear as if they had been sent from Amazon.com are as follows:

Gainpro will take your sex life to new levels... Guaranteed!

Your penis will grow up to 3 inches

Your erections will be rock hard

Your sex drive will be supercharged

Your orgasms will be more intense

Your partner will be astounded

[Click here to get Gainpro now!](#)

- AND -

**Introducing Gain Pro Penile Pills
NO.1 Penis Enlargement Pill On The Market!**

- * Gain 3+ Full Inches In Length
- * Expand Your Penis Up To 20% Thicker
 - * Stop Premature Ejaculation!
 - * Produce Stronger Erections
- * 100% Safe To Take, With No Side Effects
 - * Fast Distribution Worldwide
 - * Sold Over 1.2 Million Bottles!
- * No Pumps! No Surgery! No Exercises!

[PROCEED TO ORDER SITE HERE](#)

17. The Plaintiff states that the Defendant intentionally adopted the AMAZON.COM trade-mark as part of its campaign to trade on the fame and goodwill associated with the AMAZON.COM trade-mark, and to evade "anti-spam" filters designed specifically to permit the receipt of e-mail from

legitimate sources, such as Amazon.com, but not from disreputable sources, such as that which is the subject of this complaint.

18. Amazon.com uses various computers, computer networks and computer services to operate its business, all of which are the personal property of Amazon.com.
19. The Defendant knew that its bulk-emailing practices would inevitably lead to a significant portion of its e-mail being treated as “undeliverable”. When an e-mail is undeliverable, “bounce” messages are generated to advise the sender of this fact. By intentionally spoofing Amazon.com’s domain name in the e-mail header in Canada, the Defendant, from its premises in Canada, knowingly or with reckless indifference, caused Amazon.com’s computer equipment located in the United States to become burdened by the innumerable bounce messages resulting from the e-mail campaign which is the subject of complaint.

TRADE-MARK INFRINGEMENT, PASSING-OFF and UNFAIR COMPETITION

20. The Defendant’s use of the mark AMAZON.COM as part of its campaign to send a mass of unsolicited, falsely designated, commercial email solicitations for a “penis enlargement” product as described above:

- a. has caused, or is likely to cause, consumer confusion, mistake and deception in Canada, particularly over the Internet;
- b. is likely to lead consumers to mistakenly conclude that the Defendant's e-mail was exclusively or jointly sent by, or otherwise sponsored, endorsed or approved by Amazon.com, or that the Defendant's wares, services, businesses or websites are somehow otherwise affiliated, connected or associated with Amazon.com;
- c. is likely to misled consumers as to the true source, sponsorship or affiliation of the Defendant's e-mails and products referenced therein;
- d. is likely to have the effect of depreciating the value of the goodwill attaching to the Plaintiff's trade-mark AMAZON.COM;
- e. constitutes the making of false or misleading statements tending to discredit the business, wares or services of a competitor;
- f. infringes the exclusive rights conferred upon Amazon.com by the *Act*, and otherwise constitutes a violation of ss. 7(a), 7(b), 7(c), 19, 20 and 22(1) of the *Act*; and
- g. constitutes actionable passing-off at common law in Ontario.

TRESPASS TO PROPERTY

21. Moreover, the Defendant has, by reason of its acts as described, all of which emanate from Canada, knowingly, intentionally and without authorization used and trespassed upon Amazon.com's personal property situate in the United States.

INTERFERENCE WITH ECONOMIC RELATIONS

22. By spoofing AMAZON.COM, the Defendant has further acted with the intention of injuring the Plaintiff by targeting it with harm.

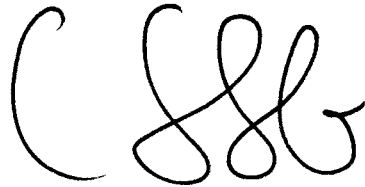
23. Moreover, the Defendant has interfered with Amazon.com's economic interests by the unlawful means described above.

DAMAGES / PROFITS

24. The Defendant's actions have caused Amazon.com to suffer damages, including irreparable damage, and have allowed the Defendant to earn unjust profits. The full extent of the Plaintiff's damages is not yet known to the Plaintiff. The full extent of the Defendant's profits is not known to the Plaintiff but is known to the Defendant.

25. All of the above-noted conduct has been willful and with full knowledge of the Plaintiff's rights and goodwill. The Defendant has acted deliberately and with high-handed disregard for the Plaintiff and its valuable intellectual property rights. The Plaintiff states that the Defendant's conduct deserves the condemnation of this Court by way of an award of punitive damages.
26. This action is not being pursued as a simplified proceeding under rule 76 of the Ontario Rules of Civil Procedure.
27. The Plaintiff proposes that this action be tried in Toronto, Ontario.

Dated: August 25, 2003



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**1505820 ONTARIO INC., c.o.b. NATURAL GRAINS
DELI AND CATERING**

Plaintiff

Defendant

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(PROCEEDING COMMENCED AT TORONTO)

STATEMENT OF CLAIM

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