Intervenor Satus Granted in Appeal of s. 45 Trademark Expungement to a Corporation Disputing the Same Trademark at the Ontario Superior Court

October 19, 2018

***Live! Holdings, LLC v. Oyen Wiggs Green & Mutula LLP,* 2018 FC 1049**

Pickering Development (Bayly) Inc. (Pickering) was a non-party to Live! Holdings, LLC's (the applicant) upcoming appeal of the Registrar's decision to expunge the applicant's trademark under section 45 of the Trade-marks Act for lack of use. The expungement occurred because the applicant had failed to respond to the section 45 notice. Pickering brought two motions before the Federal Court. The first motion was for an Order retroactively setting aside an Order by Justice Southcott. Justice Southcott's Order granted the applicant an extension of time to file a Notice of Application to appeal the Registrar's decision to expunge the applicant's trademark. This first motion was dismissed.

Justice Southcott was not aware when granting the extension of time that the applicant and Pickering were involved in an action before the Ontario Superior Court (the Ontario Proceeding) concerning the very trademark that was at issue before him. Pickering had instated the Ontario Proceeding against the applicant seeking a declaration that Pickering's use of their own trademark was not contrary to the Trade-marks Act or the common law tort of passing off. The applicant had counterclaimed for trademark infringement based on the trademark that had in fact been expunged. Pickering therefore wanted Justice Southcott's Order granting the applicant an extension of time to file its Notice of Application to be set aside, and to intervene in a re-hearing of that motion.

However, the Court ruled that Justice Southcott's Order should not be set aside under Rule 399(2) of the Federal Courts Rules. The issue before the Court in the first motion was whether the interests of justice would have led Justice Southcott to a different decision regarding the extension for the applicant if he had known about the Ontario Proceeding. The Court concluded that his decision would not have changed, as the focus in an extension motion was properly on the length of the delay in question which was minimal, and the effects on the parties to the section 45 appeal, which did not, and would not include Pickering.

Pickering's second motion, under Rule 109, was for the purpose of being granted intervenor status in the applicant's section 45 appeal. This motion was granted. The Court performed an analysis of the six factors set out in Rothmans (Rothmans, Benson & Hedges Inc v Canada (Attorney General), [1990] 1 FC 90). First, the Court determined that Pickering was directly affected by the outcome of the applicant's section 45 appeal, as the applicant was attempting to gain a tactical advantage in the Ontario Proceeding by having its trademark re-instated. The second factor was found to be neutral, as there is a limited public interest in section 45 proceedings. The third factor weighed in favour of Pickering, as there was no other reasonable or efficient means to submit the issue in the section 45 appeal to the Court. This was due to the lack of jurisdiction of the Ontario Court to determine this matter, and due to the Canadian Intellectual Property Office's practice not to issue further section 45 notices (which, in this case, could have been made upon Pickering's request) when the trademark is already the subject of a proceeding before the Registrar, as was the case here. The fourth factor favoured Pickering, as the respondent in the original section 45 notice was not participating in the appeal, and so there was no other party actively defending the section 45 appeal. This was held to be the case despite the Court's acknowledgement that the Court is able to assess the evidence in section 45 appeals without the need for intervention. The fifth and determinative factor in this case favoured Pickering — the Court found that the interests of justice were better served by allowing Pickering to intervene. A plain reading of the applicant's pleading in the Ontario Proceeding lead to the conclusion that the applicant's trademark had not been expunged, which was untrue. Pickering initiated the Ontario proceeding relying on the fact that the applicant's trademark had been expunged, and was prejudiced by the applicant's subsequent appeal of the section 45 decision after the legislated time for such an appeal had expired. The sixth factor, regarding whether the Court could hear the section 45 appeal on its merits without Pickering, was found to be neutral. Therefore, Pickering was granted intervenor status in the applicant's section 45 appeal.

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