

Federal Court



Cour fédérale

**Date: 20160531**

**Docket: T-1104-15**

**Citation: 2016 FC 605**

**Ottawa, Ontario, May 31, 2016**

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

**BETWEEN:**

**CONSTELLATION BRANDS QUEBEC INC**

**Applicant**

**and**

**SMART & BIGGAR and DALLEVIGNE S.P.A**

**Respondents**

**ORDER AND REASONS**

[1] The Applicant, Constellation Brands Quebec Inc. [CBQ] appeals two orders of Prothonotary Morneau [the Prothonotary], both dated February 5, 2016. In this matter, CBQ appeals the decision joining the Respondent, Dallevigne S.p.A. [Dallevigne] as a party to the proceedings pursuant to Rules 104(1)(b) and 303(1)(a) of the *Federal Courts Rules* [the Rules], or alternatively allowing it to intervene under Rule 109(1) of the Rules.

[2] In the second related matter heard at the same time by the Prothonotary and this Court, under docket number T-2125-15, CBQ appeals the Prothonotary's order granting Dallevigne's motion to stay the proceedings pending a decision on the merits in file T-1104-15 pursuant to paragraph 50(1)(b) of the *Federal Courts Act*, RSC, 1985, c F-7.

[3] For the reasons that follow, this motion is dismissed, as is the motion appealing the stay in accordance with separate but related reasons provided in matter T-2125-15.

#### I. Background

[4] The application in this matter is an appeal from a decision of the Registrar of Trade-marks [Registrar] to expunge the DA VINCI mark, registration number TMA303,667 [DA VINCI mark], from the register of trade-marks for non-use under section 1 of the *Trade-marks Act*, RSC 1985, c T-13 [the TMA].

[5] The Respondent, Smart & Biggar is the representative of Casa Vinicola Botter Carlo & Co. [Botter]. It applied for the DIVICI trademark bearing application number 1,522,162 [DIVICI mark]. CBQ commenced opposition proceedings to the DIVICI mark on June 1, 2012, relying on its previously registered DA VINCI mark.

[6] On February 21, 2013, CBQ also commenced opposition proceedings against Dallevigne's application for the CANTINE LEONARDO DA VINCI [the CANTINE mark].

These proceedings are the subject matter of the related proceeding stayed by the Prothonotary in docket T-2125-15.

[7] On April 5, 2013, Smart & Biggar commenced a section 45 proceeding by sending a request to the Registrar to expunge CBQ's DA VINCI mark for failure to use it in association with the registered goods, namely "boissons alcoolisées distillées; liqueurs."

[8] On June 20, 2013, Dallevigne filed a counterstatement in respect to CBQ's opposition to the registration of the CANTINE mark. Dallevigne contends that by that time it could not move to expunge the DA VINCI mark because the Canadian Intellectual Property Office's [CIPO] *Practice Notice in Section 45 Proceedings* [the Practice Notice] indicated that the Registrar would not issue a section 45 Notice where it had "good reason" not to do so. Good reason included where "[t]he trade-mark registration is already the subject of a section 45 proceeding pending before the Registrar or on appeal before the Federal Court of Canada."

[9] On April 28, 2015, the Registrar granted Smart & Biggar's section 45 request, which resulted in the DA VINCI mark being expunged [Section 45 decision] and which is the subject matter of this appeal.

[10] On July 2, 2015, CBQ appealed the Registrar's Section 45 decision. As a result of the appeal, the DA VINCI mark remains on the register.

[11] On September 3, 2015, the Registrar denied CBQ's opposition and granted Botter's DIVICI mark. CBQ has not appealed the Registrar's decision. This impacted on Smart & Biggar's decision not to oppose CBQ's appeal of the expungement of its mark in this matter.

[12] On October 14, 2015, Dallevigne's application to register the CANTINE mark was refused by the Trade-mark Opposition Board [the TMOB refusal] on the basis that it would create confusion with CBQ's DA VINCI mark, which was still on the register.

[13] In the same decision, the Trade-mark Opposition Board rejected CBQ's alternative argument based on section 16(3)(a) of the TMA that its mark had been previously used or made known in Canada. Both issues are before the Court in the related file T-2125-15. If the section 45 expungement of the DA VINCI mark is upheld, only the section 16(3)(a) issue will remain to be decided in the related matter.

[14] On December 17, 2015, Smart & Biggar gave notice of its decision not to proceed to defend CBQ's appeal of the Section 45 decision as a result of the outcome of the DIVICI opposition. On the same day, Dallevigne moved to be joined to the appeal of the Section 45 decision, which the Prothonotary allowed and is the subject matter of this appeal.

[15] On December 21, 2015, Dallevigne appealed the TMOB refusal to allow the registration of the CANTINE mark in file T-2125-15.

[16] On January 25, 2016, CBQ denied Dallevigne's request to consent to stay the appeal of the TMOB refusal in file T-2125-15 if its joinder in this proceeding was allowed. As a result, on January 26, 2016, Dallevigne moved to stay the appeal in T-2125-15 pending the outcome of the section 45 appeal.

[17] On February 2, 2016, the Prothonotary heard both Dallevigne's motion for joinder as respondent in CBQ's appeal of the Section 45 decision proceedings (T-1104-15), and the motion to stay the appeal of the TMOB refusal (T-2125-15) pending the outcome of the appeal of the Section 45 decision in file T-1104-15.

[18] On February 5, 2016, the Prothonotary ordered, *inter alia*, that Dallevigne be joined as a respondent to the T-1104-15 proceedings pursuant to Rules 104(1)(b) and 303(1)(a), or alternatively allowing it to intervene pursuant to Rule 109(1) of the Rules. In addition, Dallevigne was granted leave to cross-examine Ms. Valérie Masse on her affidavit filed with the Registrar, along with other procedural steps to allow Dallevigne to fully participate in the appeal.

[19] The Prothonotary further ordered that the proceedings in file T-2125-15 be stayed pending a decision on the merits in file T-1104-15 pursuant to paragraph 50(1)(b) of the *Federal Courts Act*.

## II. Impugned Decision

[20] The Prothonotary concluded that to be added as a party pursuant to Rule 104(1)(b), Dallevigne should have been named as a respondent pursuant to Rule 303(1)(a), whereby CBQ

was required to name as a respondent every person “directly affected” by the order sought in the application. On the basis of the Court of Appeal decision in *Forest Ethics Advocacy Association v Canada (National Energy Board)*, 2013 FCA 236 [*Forest Ethics*], the Prothonotary concluded that Dallevigne was “directly affected” by CBQ’s application within the meaning of Rule 303(1)(a), thereby meeting the requirements of both Rules.

[21] In particular, the Prothonotary noted that the Registrar had relied upon the deemed continued registration of CBQ’s DA VINCI mark to conclude that it was confusing with Dallevigne’s CANTINE mark. He indicated that Dallevigne was “directly affected” by the outcome of CBQ’s appeal of the Registrar’s decision expunging the DA VINCI mark because success in CBQ’s appeal “would cause real, tangible prejudice to Dallevigne, and affect its legal rights beyond a mere general inconvenience.” He similarly accepted Dallevigne’s argument that the expunged trade-mark, deemed to be maintained on the registry by the effect of CBQ’s appeal in this proceeding, represented “Dallevigne’s only current obstacle to the registration and national protection of its legal rights in the CANTINE mark.”

[22] As a second ground, the Prothonotary further accepted Dallevigne’s argument that it was a “necessary” party pursuant to Rule 104(1)(b). Dallevigne argued that because CBQ filed new evidence in the expungement appeal, and because it did not appeal the DIVICI opposition decision, CBQ will be in a position to present its expungement appeal without any potential challenge by cross examination, or submissions from Smart & Biggar. The Prothonotary accepted that Dallevigne’s participation is “necessary therefore to bring a balanced perspective to the Court.”

[23] As a third ground, the Prothonotary concluded that Dallevigne should be accorded intervenor status based on the same grounds that supported its joinder, while Dallevigne also met the factors for intervening described by Justice Stratas, sitting as a single judge, in *Canada (Attorney General) v Pictou Landing First Nation*, 2014 FCA 21 [*Pictou Landing*].

[24] The Prothonotary distinguished his earlier decision refusing an intervention of a party in somewhat similar circumstances, as upheld by Justice Harrington in *Bauer Hockey Corp. v Easton Sports Canada Inc.*, 2014 FC 853 [*Bauer FC*] on two bases. First, that contrary to the *Bauer* decisions, where there were separate proceedings between Bauer and CCM, the DA VINCI mark was not being contested in the opposition proceedings involving CBQ and Dallevigne. Second, he concluded that no parallel procedure to expunge the DA VINCI mark was available to Dallevigne because of CIPO's Practice Notice.

### III. Legislative Framework

[25] The relevant provisions applicable in these proceedings are attached hereto as Appendix A.

### IV. Issues

[26] This application raises the issues as to whether the Prothonotary was clearly wrong,

1. in adding Dallevigne as a respondent pursuant to Rules 104(1)(b) and 303(1)(a) as a person “directly affected” or a necessary party, or
2. alternatively, in allowing Dallevigne to intervene pursuant to Rule 109(1).

V. Standard of Review

[27] The parties agree on the applicable standard of review of a prothonotary’s discretionary decision by a motion’s judge established in *Z.I. Pompey Industrie v ECU-Line N.V.*, 2003 SCC 27, and reformulated by the Federal Court of Appeal in *Merck & Co. v Apotex Inc.*, 2003 FCA 488 at paragraph 19 as follows:

Discretionary orders of prothonotaries ought not be disturbed on appeal to a judge unless:

- a) the questions raised in the motion are vital to the final issue of the case, or
- b) the orders are clearly wrong, in the sense that the exercise of discretion by the prothonotary was based upon a wrong principle or upon a misapprehension of the facts.

VI. Analysis

A. *Adding Dallevigne as a Respondent*

[28] CBQ argues that the Prothonotary erred in relying upon *Forest Ethics* because that matter was in respect of a joinder in an application under Rule 300a) pertaining to section 18.1 of the



*Federal Courts Act*, as distinct from an appeal under section 56 of the TMA pursuant to Rule 300d).

[29] CBQ advances this distinction because it wishes to rely upon the Federal Court of Appeal's decision in *Ontario Association of Architects v Association of Architectural Technologists of Ontario*, 2002 FCA 218 [*Association of Architects*]. CBQ referred to paragraphs 40-42 in *Association of Architects* which held that appeals are limited to the parties and interveners, as follows:

[40] Normally, rights of appeal are limited to the parties to and, sometimes, to interveners in the proceedings leading to the decision under appeal. Appellate courts may permit an intervention in an appeal launched by a party, even though the intervener had not participated in the proceedings below. However, that is not our case. The OAA seeks to bring an appeal in its own name, not to intervene in an appeal brought by another.

[...]

[42] In the absence of any authority on point, I see nothing in the scheme of subsection 9(1) that would justify a departure from the normal principle that a person who was neither a party to nor an intervener in the proceedings below has no standing to exercise a statutory right of appeal.

[Emphasis added]

[30] The issue in *Association of Architects* was the appropriate proceeding, be it by appeal or application, that an interested person must employ to challenge the public notice given by the Registrar of an official mark under subparagraph 9(1)(n)(iii). The decision did not concern Rule 303(1)(a) which only applies to joinder of respondents. Moreover, the passage quoted left some leeway for situations which were not "normal." I reject CBQ's submission that the case forms

the basis to conclude that the principles enunciated in *Forest Ethics* only apply to applications pursuant to Rule 303(1)(a).

[31] It seems clear from the introductory words of Rule 300 that “[t]his Part [5] applies to [300] a) ...; ... [300] d) ...” and therefore includes Rule 300(d). Accordingly, a person who shall be named respondent to an appeal under section 56 of the TMA refers to those persons who are “directly affected by the order sought in the application.” The word “application” is the generic term applied to all Part 5 proceedings, as indicated in Rules 300 and 301.

[32] I am therefore satisfied that the Prothonotary did not err in relying upon *Forest Ethics* to prescribe the proper principles for the requirement to join respondents as parties to an appeal under section 56 of the TMA. The issue is therefore whether Dallevigne ought to be added as a respondent to CBQ’s section 56 appeal as a person who may be “directly affected” by the order pursuant to Rule 303, and thereby ought to be made a party under Rule 104.

[33] That said however, I am satisfied that the Prothonotary was clearly wrong in misapplying the principles enunciated in *Forest Ethics* as to what constitutes a party being “directly affected” by the order sought in the appeal.

[34] Justice Stratas, speaking for the Court in *Forest Ethics*, provided an explanation for the words “directly affected” at paragraphs 18 through 21 of the decision. At paragraph 18 the Court indicates that “Rule 303 restricts the category of parties who must be added as respondents to those who, if the tribunal’s decision were different, could have brought an application for judicial

review [for an appeal under section 56] themselves.” If Smart & Biggar’s request to expunge had been denied, I cannot see how Dallevigne could have appealed the decision to the Federal Court. *Association of Architects*, were it to apply, limits appeals under section 56 to the parties or intervenors.

[35] I also am of the opinion that the Prothonotary’s statement that CBQ’s appeal “would cause real, tangible prejudice to Dallevigne and affect its legal rights beyond a mere general inconvenience” does not convey the sense of being directly affected as described by Justice Stratas in *Forest Ethics*.

[36] In paragraph 20, Justice Stratas “translates” the application of Rule 303 into the following question: “whether the relief sought in the application for judicial review will affect a party’s legal rights, impose legal obligations upon it or prejudicially affected in some direct way [emphasis added].” I do not agree with Dallevigne’s submission that the party need only be “prejudicially affected in some way,” without reference to the effect being “direct.” The term “direct,” I find to be determinative in interpreting the phrase.

[37] As noted, the Prothonotary accepted Dallevigne’s argument that the expunged trade-mark, deemed to be maintained on the register by the effect of CBQ’s appeal in this proceeding, represented “Dallevigne’s only current obstacle to the registration and national protection of its legal rights in the CANTINE mark.” However, directly affecting other litigation that determines the rights of a party, I do not understand to be directly affecting or prejudicing the party in a direct manner for the purposes of Rule 303(1)(a).

[38] Justice Stratas referred to the concept of a party having a “direct interest” in reliance upon examples from previous jurisprudence. In *Cami International Poultry Inc. v Canada (Attorney General)*, 2013 FC 583 [*Cami International*], the Court rejected the application of the parties to be joined as respondents because “they will not be bound by any of the relief that Cami has sought and that may be granted by the Court (*Havana House Cigar & Tobacco Merchants Ltd v Jane Doe*, [1998] FCJ No 411 (QL), at para 4; *Early Recovered Resources v Gulf Log Salvage Co-operative Assn*, [2003] FCJ No 716 (QL), at paras 6-7)”, [emphasis added]. Dallevigne will not be bound by this appeal, but will only seek to apply it in its opposition proceedings.

[39] *Cami International* also made reference to the *Nu-Pharm Inc. v Canada (Attorney General)*, 2001 FCT 973 [*Nu-Pharm*] where the Court concluded that the proceeding can be set aside because the person who ought to have been a party was not provided with an opportunity to participate in the events. There, Merck was added as a party because, as the owner of the patent and exclusive licenses for the drug enalapril, it was found to have a direct, pressing and legitimate interest in the proceedings. The Court also made reference to the situation where “the absent party had agreed to be bound in appeal by the record in the Trial Division” as an example of being directly affected, citing the decision of *Société des Acadiens du Nouveau-Brunswick Inc. and Association de Conseillers Scolaires Francophones du Nouveau-Brunswick v Minority Language School Board No. 50* (defendant) and *Association of Parents for Fairness in Education, Grand Falls District 50 Branch* (intended intervenor) (1984), 54 NBR (2d) 198 (CA), at page 210.

[40] Justice Stratas also referred to the decision of *Reddy-Cheminor Inc. v Canada (Attorney General)*, 2001 FCT 1065. In that matter, AstraZeneca had shown that in the judicial review proceedings initiated by Reddy-Chemicor, a matter arose that affected AstraZeneca's patent protection rights provided for in the *Notice of Compliance Regulations*. Again, this was a case of legal rights or interests being directly adversely affected by a decision. It was not a situation involving the application of a decision in one matter to ensure the protection of legal rights in another.

[41] I believe that I have seen similar examples in employment law where the legality of an employer's staffing process is challenged by one employee that directly affects the legal entitlement of the successful employee to fill the position, such that the latter employee's legal rights are directly affected to add it as a respondent.

[42] I conclude that the Prothonotary failed to apply the proper principles of what constitutes a person who may be directly affected by an application, such as to require the person to be named as a respondent pursuant to Rule 303. I further find that as Dallevigne is not a person directly affected under Rule 303, there is no basis to add Dallevigne as a party pursuant to Rule 104.

#### B. *Necessary Party*

[43] As was described above, the Prothonotary considered Dallevigne's participation in the appeal "necessary" as that term is used in Rule 104, in order to bring "a balanced perspective to the Court." He accepted Dallevigne's argument that because CBQ filed new evidence in the expungement appeal, and because it did not appeal the DIVICI opposition decision, CBQ will be

in a position to present its expungement appeal without any potential challenge by cross examination, or submissions from Smart & Biggar. The Prothonotary cited no law in support of his conclusions.

[44] The meaning of a necessary party was considered by Justice Snider in the matter of *Laboratoires Servier v Apotex Inc.*, 2007 FC 1210, [*Laboratoires Servier*] at paragraphs 16 and 17, as follows, with her emphasis noted:

[16] The question of joinder was further considered by the Court of Appeal in *Shubenacadie Indian Band v. Canada (Minister of Fisheries and Oceans)* (2002), 299 N.R. 241 at para. 8 (F.C.A.). Although *Shubenacadie* involved an appeal from a motions judge dismissing a motion to remove defendants as parties, the Court quoted the following passage from *Amon v. Raphael Tuck & Sons*, [1956] 1 Q.B. 357 with approval as to when a person should be considered a “necessary” party:

What makes a person a necessary party? It is not, of course, merely that he has relevant evidence to give on some of the questions involved; that would only make him a necessary witness. It is not merely that he has an interest in the correct solution of some question involved and has thought of relevant arguments to advance and is afraid that the existing parties may not advance them adequately. ... The only reason which makes it necessary to make a person a party to an action is so that he should be bound by the result of the action, and the question to be settled therefore must be a question in the action which cannot be effectually and completely settled unless he is a party.

[17] The following principles also apply when determining whether a person is a necessary defendant:

- The fact a person has evidence relevant to the plaintiff’s statement of claim is not sufficient to make them a necessary defendant (*Shubenacadie*, above at para. 7).

- The fact that a person may be adversely affected by the outcome of the litigation is not sufficient to make them a necessary defendant (*Shubenacadie*, above at para. 7).
- A mere commercial interest rather than a legal interest is not sufficient to make a person a necessary party (*Ferguson*, above at 784-785; *Apotex Inc. v. Canada (Attorney General)* (1986), 9 C.P.R. (3d) 193 at 201 (F.C.T.D.)).
- Absent a specific legislative provision (as in, for example, *Nissho-Iwai Canada Ltd. v. Minister of National Revenue for Customs & Excise*, [1981] 2 F.C. 721 (T.D.)), when the plaintiff's statement of claim seeks no relief against a person and makes no allegations against them the person will not be considered a necessary party (*Shubenacadie*, above at para. 6; *Hall v. Dakota Tipi Indian Band*, [2000] F.C.J. No. 207 at paras. 5, 8 (T.D.) (QL); *Stevens v. Canada Hall v. Dakota Tipi Indian Band (Commissioner, Commission of Inquiry)*, [1998] 4 F.C. 125 at para. 21 (C.A)).

[45] I find these principles to be equally applicable to the interpretation of Rule 104 for applications. I conclude that the Prothonotary did not apply the appropriate legal principles to the issue of a necessary party. Had he done so, I conclude that Dallevigne would not have been found to be a necessary party, as there is no claim being made against it, nor is it necessary that it be joined so as to bind it on the appeal. Conversely, all of the factors identified by Justice Snider that she considered to be insufficient to designate a necessary party, apply to Dallevigne. I conclude that the Prothonotary was clearly wrong in determining that Dallevigne was a necessary party to the appeal.

C. *Intervention of Dallevigne in the Appeal*

[46] In an alternative ruling, the Prothonotary granted leave to Dallevigne to intervene in the appeal of the Registrar's decision expunging CBQ's DA VINCI mark. It would appear that the Prothonotary may have considered this conclusion as serving only to back up his principal conclusion that Dallevigne was a proper and necessary party. I say this because the formal Order makes no reference to an alternative right to intervene, while the Prothonotary's reasons on this issue are very brief. In particular they do not provide the usual assessment and weighing of the factors described in the jurisprudence relating to interventions.

[47] The Prothonotary's failure to assess the strength of each of the individual factors and to weigh them in an overall determination to arrive at his decision granting leave to Dallevigne to intervene, I find leaves little choice but for the Court to undertake a *de novo* reassessment of the evidence. I think it is a wrong principle not to adhere to a reasoning process based on the assessment and weighing of the factors defined by the jurisprudence used to decide whether to grant leave to intervene. Moreover, the Court is unable to determine whether the Prothonotary exercised his discretion based upon a wrong principle or upon a misapprehension of the facts without undertaking such a review.

[48] In addition, very shortly after the Prothonotary's decision, the Federal Court of Appeal handed down its decision in *Sport Maska Inc. v Bauer Hockey Corp.*, 2016 FCA 44 [*Bauer FCA*]. This decision requires a reassessment to some degree of the *Pictou Landing* decision,



which the Prothonotary indicated he was applying in concluding that Dallevigne should be granted leave to intervene.

[49] Finally, as justification for the brevity of his reasons on intervention, the Prothonotary indicated that he was relying upon the same grounds supporting his decision to add Dallevigne as a party also as grounds to grant Dallevigne permission to intervene. I agree with CBQ that this is problematic, given my conclusion that the wrong principles were applied in the decision to add Dallevigne as a respondent to the appeal. Specifically, the issue of what constitutes being “directly affected” for the purpose of an intervention needs to be reconsidered in light of *Bauer FCA*. In all of the circumstances therefore, I will conduct a *de novo* review of the evidence and arguments with respect to Dallevigne’s motion to intervene.

(1) The *Pictou Landing* Factors as Reframed in *Bauer FCA*

[50] The facts in the *Bauer* decisions are similar in many respects to those in this matter. The case is therefore highly relevant, not only because of the factual application of the factors pertaining to interventions, but also because of its refreshed statement of legal principles applying to applications for intervention. This was required because of the need to consider Justice Stratas’ decision sitting as a single judge in *Pictou Landing* which proposed to modify the factors governing interventions found in *Rothmans, Benson & Hedges Inc. v Canada (Attorney General)*, [1990] 1 FC 74 at paragraph 12, *aff’d*, [1990] 1 FC 90 (CA), [*Rothmans, Benson & Hedges*].

[51] In *Bauer*, Sport Maska Inc., doing business as Reebok-CCM Hockey, had sought leave to intervene in Bauer's appeal from a decision of the Trade-marks Opposition Board which expunged one of its trade-marks from the register. Bauer sought to intervene because the respondent, Eastern Sports Canada Inc., indicated that it would not participate in the appeal.

[52] In *Bauer FCA*, Justice Nadon speaking for the Court, restated somewhat the *Rothmans, Benson & Hedges* factors governing intervention so as to harmonize them with the proposed modifications advanced by Justice Stratas in *Pictou Landing*.

[53] CBQ argues that the Prothonotary therefore erred in relying on *Pictou Landing* to describe the intervention factors when the Court in *Bauer FCA* indicated that those traditionally relied on, and criticized by Justice Stratas, would continue to apply. I find this to be an over-mischaracterization of Justice Nadon's reasons.

[54] In comparing the factors used to consider the suitability of intervening as described in *Pictou Landing*, Justice Nadon concluded in paragraph 39 of *Bauer FCA* that "[t]hese differences are not, in my respectful view, of any substance." He concluded that the minor differences between the *Rothmans, Benson & Hedges* factors and those in *Pictou Landing* did not warrant changing or modifying the *Rothmans, Benson & Hedges* factors, which are not meant to be exhaustive. He emphasized that flexibility is the operative word in dealing with motions to intervene because every intervention is different; "i.e. different facts and legal issues and different contexts." I find these comments respond to a large degree to CBQ's argument that the Prothonotary erred in relying on *Pictou Landing*.

[55] Ultimately, Justice Nadon singled out, for overriding consideration, the fifth factor in *Rothmans, Benson & Hedges*, concerning the interests of justice, stating at paragraphs 42 and 43 as follows:

[42] ... In my view, the *Rothmans, Benson & Hedges* factors are well tailored for the task at hand. More particularly, the fifth factor, i.e. “[a]re the interests of justice better served by the intervention of the proposed third party?” is such that it allows the Court to address the particular facts and circumstances of the case in respect of which intervention is sought. In my view, the *Pictou Landing* factors are simply an example of the flexibility which the *Rothmans, Benson & Hedges* factors give to a judge in determining whether or not, in a given case, a proposed intervention should be allowed.

[43] To conclude on this point, I would say that the concept of the “interests of justice” is a broad concept which not only allows the Court to consider the interests of the Court but also those of the parties involved in the litigation.

[56] While the Prothonotary did not provide a description of the factors he was applying to grant Dalleigne intervenor status, I find that the distinctions he made on the facts in *Bauer* implicitly focused on factors that relate to the best interests of the litigants in coming to what I think is the correct decision.

(2) Intervening to Substitute for the Respondent

[57] In *Bauer FCA*, Justice Nadon pointed out the exceptional nature of these types of motions, which he described “in reality” at paragraph 46, as not so much seeking to intervene, but rather to substitute the intervener for the respondent. He adopted Justice Mainville’s view, speaking for the Court in *Canada (Attorney General) v Siemens Enterprises Communications*

*Inc.*, 2011 FCA 251 [*Siemens*] that substitution for a party in litigation is generally not to be condoned, quoting from paragraph 4 as follows, with his emphasis:

[4] ... The rules permitting intervention are intended to provide a means by which persons who are not parties to the proceedings may nevertheless assist the Court in the determination of a factual or legal issue related to the proceedings (Rule 109(2)b) of the *Federal Court Rules*). These rules are not to be used in order to replace a respondent by an intervener, nor are they a mechanism which allows a person to correct its failure to protect its own position in a timely basis.

[58] CBQ argues that the Prothonotary erred in failing to take into consideration the presumption against substitution stated in *Siemens*, noting that in *Bauer FCA* the point was a factor militating against granting leave to intervene. I have to agree with this submission only because the Prothonotary did not have the benefit of *Bauer FCA* before him at the time of rendering his decision. However, the strictness of the no substitutional intervention principle is mitigated when, as noted by Justice Nadon at paragraph 49, he pointed out that “*Siemens* does not, *per se*, constitute an absolute bar to a motion to intervene [to substitute for a respondent].”

[59] Indeed, the Court in *Siemens* cited several other grounds to dismiss the motion to intervene, (11<sup>th</sup> hour presentation of the motion, many grounds being extensively canvassed without challenge, and many issues being dealt with in another case). Reading the two Court of Appeal decisions together I find that, while important, the presumption against substituting an intervenor for the respondent does not relieve the Court from canvassing all relevant factors and judging the case on the totality of the evidence measured against the interests of justice. This was the approach followed by Justice Nadon in his analysis in *Bauer FCA*.

[60] On the matter of mitigating the no substitutional intervention principal, I would also like to add what might be considered an interpretive perspective restricted to section 45 that favours a somewhat more liberal approach to adding respondents at the appeal level in these matters. I do so because if the substitution for a respondent does not create a broad precedent based upon a legislative intent of the provision underlying the appeal, I think the natural aversion to such an order may be more readily overcome.

[61] With respect to the intention underlying section 45, I think it arguable that one of its purposes is to protect what I would describe as “competitive trade-mark owners” from being economically disadvantaged by unfair competition that arises from the abuse of a monopoly that the government has created in establishing the regime of registered trade-marks. A member of this group of competitive trade-mark owners would be identified by the possible capacity of their marks, at any time including the future, to be confusingly similar to the impugned mark as applied to the same wares.

[62] I am aware of the purpose of the register being to protect the public interest and that the public interest supersedes the interest of the parties: *Hartco Enterprises Inc. v Becterm Inc.*, [1989] 24 FTR 69; *Citrus Growers Assn Ltd. v William D. Branson Ltd.*, [1990] FCJ No 43. However, the fact remains that by leaving a mark that is not used on the register, a situation of abuse of trade-mark protection is created by the government that is unfair to competitive trade-mark owners. In such circumstances, it would seem to follow that by its intention of promoting competitive fairness, Parliament has put in place the means to ensure that its trade-mark regime

is not abused. This procedure, in the form of section 45 of the TMA, is realistically intended to favour all competitive trade-mark owners.

[63] But in reality, Parliament's intention is effected only by legislating a “self-interested” procedure that relies on anyone who believes an abuse of the register is harming its interests to request an expungement of the mark, with the knowledge that a “*rem*-like” expungement order will protect all members of the competitive trade-mark group.

[64] If section 45 is intended in part at least to ensure fairness by removing abusive trade-mark monopolies that are unfair to competitive trade-mark owners, the argument would seem to follow that Federal Court procedure used on appeals under section 45 should be liberally applied to align with the intention of the provision in the interests of justice. If there is merit in this reasoning, it would similarly follow that the Court should allow one competitive trade-mark owner to substitute for another at the appeal level as conducive to best attaining Parliament's objective, particularly if the circumstances to substitute for a resiling respondent cannot constitute a precedent outside the particular factual and legal parameters of a section 45 appeal.

(3) Applying the *Rothmans, Benson & Hedges* factors

(a) *Gaining a Technical Advantage*

Factor 1) Is the proposed intervener directly affected by the outcome?

Factor 3) Is there an apparent lack of any other reasonable, or efficient means to submit the questions to the Court?

[65] I consider the first and third factors together. I do so because CBQ submits that the Prothonotary erred for failing to consider that Dallevigne's intervention was for the purpose of gaining a "tactical advantage", which the Court in *Bauer FCA* found was a ground to refuse intervention applying to both factors.

[66] When discussing the first *Rothmans, Benson & Hedges* factor, Justice Nadon concluded that intervening would only afford CCM a tactical advantage of being helpful in the infringement proceedings, which was not a sufficient basis to be "directly affected" by the expungement decision. Similarly, concerning the third factor, he stated that a loss of a tactical advantage did not mean that there was a lack of any other reasonable means to submit the question to the Court.

[67] The Prothonotary was not aware of any concept of gaining a tactical advantage through expungement proceedings, as this point was only set out at the Court of Appeal level in *Bauer*. The Prothonotary had distinguished his own decision and that of Justice Harrington in *Bauer FC* on the basis that the validity of the DA VINCI mark was not in issue in the ongoing opposition proceedings involving CBQ and Dallevigne, whereas it was in the infringement proceedings in *Bauer FC*.

[68] In reply to this reasoning, CBQ submitted that it was always open to Dallevigne to commence proceedings under section 57 of the TMA to expunge its mark, rather than gaining a tactical advantage from the section 45 proceedings.

[69] I find the specific facts in *Bauer FCA* to be important in applying Justice Nadon's reasoning. CCM had counterclaimed seeking a declaration that Bauer's trade-mark was invalid for non-use. In doing so, it had used very similar language to that submitted to the Registrar for expungement under section 45. Justice Nadon upheld the conclusions of both the Prothonotary and Justice Harrington that CCM should have been making its case in the infringement proceedings. He also agreed with them that allowing CCM to intervene would not necessarily simplify and expedite the ongoing dispute over Bauer's trade-mark in the infringement proceedings.

[70] Justice Nadon found CCM's attempt to intervene in the section 45 proceedings was for the purpose for gaining a tactical advantage in the infringement proceedings between Bauer and CCM. However, I do not interpret his reasons as standing for the principle that whenever there may be ongoing proceedings between the parties that have not put the validity of the mark in issue, intervening is to gain a tactical advantage or that the intervener is not affected by the results in the expungement proceedings. Similarly, I do not find that the avenue of being able to commence future section 57 proceedings to expunge a trade-mark for non-use, means that reasonable alternative avenues of redress are open, and thereby the section 45 proceedings represent a tactical advantage.

[71] I treat the Court's remarks as specific to the facts in the case where CCM was seeking to advance the same submissions in two distinct proceedings, and that it was not clear that allowing CCM to intervene would simplify or expedite the ongoing dispute over Bauer's mark.



[72] In this matter, there are no other proceedings but those before the Registrar seeking to expunge the DA VINCI mark. If the expungement decision is upheld, it will affect the litigation between CBQ and Dallevigne. Moreover, it would not be in the interests of justice for Dallevigne to commence other proceedings to invalidate the trade-mark leading to a multiplicity of proceedings. This is particularly so when the Registrar has already concluded in the first instance that the trade-mark should be removed from the register for non-use.

[73] I conclude that this is not a situation where Dallevigne is gaining a tactical advantage where similar arguments are being advanced in other proceedings. I also find that upholding the Registrar's decision will have a likely effect of simplifying and expediting the opposition proceedings.

(b) *Factor 1: Directly Affecting the Intervenor*

[74] The remaining issue concerning the first factor is whether Dallevigne is directly affected by the outcome in the appeal proceedings. The issue is challenging in this matter because in applying *Pictou Landing*, I have found that Dallevigne would not be directly affected for the purpose of being added as a party under Rule 303(1)(a).

[75] However, I do find that Dallevigne would be affected by these proceedings by their impact on Dallevigne's appeal of the TMOB refusal that found its mark confusing with the DA VINCI mark. The mark was only on the register because of CBQ's appeal of the expungement decision. In view of the fact that the sole reason for the refusal of Dallevigne's CANTINE mark registration was confusion with CBQ's DA VINCI mark, if its expungement is upheld the issue

of confusion with CBQ's registered trade-mark disappears. That would not bring the appeal to an end however, inasmuch as CBQ is also appealing the decision rejecting confusion of its mark based on section 16(3)(a) of the TMA.

[76] In *Pictou Landing*, Justice Stratas concluded at paragraph 9 that for purposes of an intervention, the proposed intervener need only have a "genuine interest" in the precise issues upon which the case is likely to turn. He concluded that the requirement of "directly affected" would provide full party status, which I understand refers to Rule 303(1)(a). He also pointed out that all other jurisdictions in Canada set requirements for interveners at a lower but still meaningful level.

[77] Justice Nadon did not comment specifically on the issue of moderating the first factor of the *Rothmans, Benson & Hedges* test from being "directly affected" to having a "genuine interest" in the relevant issues. As noted above, he concluded that the differences between the two decisions were not "of any substance." However, in *Bauer FCA*, when considering the first factor, he posed the question whether CCM would be "directly affected" by the outcome of the section 45 proceedings, which he answered by stating that "it is affected in a certain way," i.e. that the results of Bauer's trade-mark being expunged is a conclusion that would "be helpful to CCM in Bauer's infringement action."

[78] He went no further in his analysis because he concluded that CCM's purpose was to gain a tactical advantage, and thereby not a factor promoting intervention.

[79] In considering Justice Nadon's carefully worded decision, I conclude that the Court of Appeal was reluctant to adopt the "genuine interest" standard for intervention in this matter, even though it acknowledged that there were no substantial differences between the *Rothmans*, *Benson & Hedges* factors and those expounded by Justice Stratas in *Pictou Landing*.

[80] My expectation is that this reluctance stems from the fact that *Bauer FCA*, like this case, was not a true intervention situation as in *Pictou Landing*, but in reality a request to be substituted for another party. Based upon the *Siemens* decision and remarks in *Bauer FCA*, the Court of Appeal is demonstrating an aversion to permit interventions in the nature of substitutions, except in circumstances involving the interests of justice writ large which were not met in that section 45 appeal.

[81] In such circumstances, I am limited in relying upon the first factor without further direction from the Court of Appeal. Nevertheless, the logic in *Pictou Landing* is compelling that in the same proceeding the same test cannot apply for adding a party as is used as a factor for intervention, as it would render intervention redundant.

[82] Parroting somewhat Justice Nadon's analysis of the first factor in *Bauer FCA*, I conclude that Dalleigne would be affected by the outcome in the section 45 proceedings, but more significantly than was the case in the *Bauer FCA* proceedings, as the opposition appeal appears veritably to turn on the expungement decision if the Registrar's decision is any indicator. In this manner, the objective to intervene goes beyond providing Dalleigne with a mere tactical advantage in the opposition appeal.

[83] Overall, I conclude that at a minimum, the first *Rothmans, Benson & Hedges* factor should sustain Dallevigne's request for intervention, if otherwise supported by the interests of justice.

(c) *Factor 3: an Apparent Lack of Any Other Reasonable, or Efficient Means to Submit the Question to the Court*

[84] In *Bauer FCA*, the Court of Appeal concluded that there was a reasonable or efficient means to submit the question before the Court, inasmuch as it was found by all three decision-making levels of the Court that the ongoing infringement proceeding where the issue was in play was the preferred venue. I have already commented on the correctness of the Prothonotary's decision in distinguishing this fact situation, when there is no other ongoing proceeding, where the validity of the impugned mark is in issue.

[85] Justice Nadon also pointed out in *Bauer FCA* that CCM could have requested the Registrar to give Bauer a section 45 Notice at any time as a further reason why Bauer had other reasonable or efficient means to submit the question to the Court. It appears however, that the Court did not have before it the evidence presented to the Prothonotary pertaining to the Practice Notice indicating that the Registrar would not likely have issued a section 45 Notice where the trade-mark registration was already the subject of a proceeding pending before the Registrar. Dallevigne relies on this provision. It also points out that in CBQ's opposition against its mark, by the time pleadings were concluded on June 20, 2013 Smart & Biggar had already moved to expunge CBQ's mark.

[86] After *Bauer FCA*, the application of the Practice Notice may well have to change to allow parallel expungement requests for the same mark. It now appears to be the only means by which another competitive trade-mark owner may maintain rights at the appeal level to meet the contingency of the initial party requesting expungement succeeding but not defending the appeal. I also imagine that the Registrar would also want the Court to allow the substitution of competitive trade-mark owners when a successful respondent leaves the scene to ensure the best possible case being presented to the Federal Court in order to uphold its decision.

[87] Whatever the future impact of the *Bauer FCA* decision on the future application of the Practice Notice, I conclude that Dalleigne did not have any realistic means to file a similar section 45 request under the summary dismissal regime in force by the Practice Notice. Accordingly, I conclude that the Prothonotary did not err in considering the Practice Notice as an important factor in permitting an intervention in the interests of justice when Dalleigne reasonably believed that it had no means to protect its interest under section 45.

(d) *Factor 2: the Existence of a Justiciable Issue and a Veritable Public Interest*

[88] It was recognized in *Bauer FCA* that based on precedent there exists a justiciable issue and a veritable public interest concerning section 45 proceedings. The public interest pervading the provision however, does not rise to the same level of that affecting large segments of the population or raising constitutional issues. In *Bauer FCA*, the Court concluded that the public aspect to section 45 proceedings was a factor in favour of Bauer's intervention, but that it did not outweigh the other factors.

- (e) *Factor 4: Is the Position of the Proposed Intervener Adequately Defended by One of the Parties to the Case?*

[89] Justice Nadon similarly acknowledged that this factor obviously favoured Bauer as there was no other party in the case to defend the appeal.

- (f) *Factor 5: Are the Interests of Justice Better Served by the Intervention of the Proposed Intervener?*

[90] In responding to this question, I note that both parties obviously consider the absence of a respondent in this appeal to be a significant factor. Dallevigne sought and now defends most vigorously its right to intervene to protect a decision which positively supports its economic interests and which it does not wish to have jeopardized by the absence of someone to defend the Registrar's decision.

[91] Conversely, CBQ resisted and continues to resist with similar vigour its right to appeal the Registrar's decision without having to face a respondent challenging its arguments. However, it cannot argue that it would be prejudiced by Dallevigne's intervention, when under normal circumstances Smart & Biggar would have contested the appeal in accordance with the normal practices applying to adversarial proceedings in Canada. I would think that the interests of justice concerning this factor are better served by Dallevigne substituting for a successful absent respondent than are presented by having no respondent to uphold the Registrar's decision.

(g) *Factor 6: Can the Court Hear and Decide the Cause on its Merits Without the Proposed Intervener?*

[92] In *Bauer FCA*, the Court recognized that a respondent defending the appeal would be helpful to the Court but in the circumstances did not find the factor would tip the scale in favour of intervention. Diminishing the impact of this factor was related to the summary and highly factual nature of the section 45 proceeding which the court concluded would likely render the absence of counsel for the respondent less of a problem based on the experience of this situation occurring on other occasions.

[93] Nevertheless, I do point out that whatever the confidence of the Court in being able to determine this matter without the assistance of a respondent, that view is clearly not shared by the parties as is attested to by the vigour of the contest over Dallevigne's right to intervene.

[94] Moreover, it is to be recalled that the Prothonotary granted leave to Dallevigne to cross-examine Ms. Valérie Masse on her affidavit filed with the Registrar. He also indicated that if Dallevigne was not permitted to intervene [cross-examination is a right if added as a party] "CBQ will be in a position to present its expungement appeal without any potential challenge by cross examination, or submissions from Smart & Biggar [emphasis added]." My order will uphold Dallevigne's entitlement to cross-examination in the interests of justice.

[95] While perhaps no prejudice will be suffered by the absence of counsel for the Respondent Smart & Biggar, I do not see how the Court could make up for the absence of evidence that might arise from the cross examination on CBQ's affidavit. Missing evidence, that otherwise

could be available by permitting the intervention, would potentially prevent the Court from hearing and deciding the case on its merits without the proposed intervener.

(4) Conclusion on Intervention

[96] I find that the Prothonotary's grounds to permit Dallevigne to intervene are supported by the Court's analysis of the *Bauer FCA* factors governing intervention, all of which appear to support intervention. Taking into consideration the factors the Prothonotary raised to distinguish his decision in *Bauer*, they appear to apply in the interests of justice in this matter, to wit:

1. Dallevigne would not have been able to avail itself of section 45 to bring proceedings to expunge the impugned mark;
2. there were no other alternative means reasonably available to challenge the mark;
3. the record presented on appeal may be deficient due to the lack of cross examination rights that otherwise would be available by intervention;
4. Dallevigne has a genuine economic interest in the outcome and its presence will assist the Court in determining the factual and legal issues related to the proceeding;
5. the absence of tactical advantages to Dallevigne by intervening; and
6. no broad precedent would arise from the decision.

[97] Although not necessary for my decision, I conclude that the intervention of Dallevigne is further supported by the intention underlying section 45 proceedings as including a means to ensure that Dallevigne suffers no unfair competitive advantage by a mark determined on a *prima facie* basis to be invalid remaining on the register, due to the absence of adversarial procedures on the appeal of the Registrar's decision expunging CBQ's mark.



**THIS COURT ORDERS that:**

1. CBQ's appeal is allowed setting aside the Prothonotary's order adding Dallevigne as a party respondent to the appeal, but is dismissed with respect to the Prothonotary's alternative grounds allowing Dallevigne to intervene in the appeal, which intervention is hereby ordered *mutatis mutandis* with the other orders of the Prothonotary dated February 5, 2016;
2. The style of cause is amended to strike Dallevigne as a Respondent, but adding it as an Intervenor; and
3. Dallevigne is entitled to its costs, which if not agreed upon by the parties, shall be assessed in accordance with Tariff B of the Rules under Column III.

"Peter Annis"

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Judge

## APPENDIX A

### *Federal Courts Act*

**50 (1)** The Federal Court of Appeal or the Federal Court may, in its discretion, stay proceedings in any cause or matter

(a) on the ground that the claim is being proceeded with in another court or jurisdiction; or

(b) where for any other reason it is in the interest of justice that the proceedings be stayed.

[...]

### *Federal Courts Rules*

**3** These Rules shall be interpreted and applied so as to secure the just, most expeditious and least expensive determination of every proceeding on its merits.

**51 (1)** An order of a prothonotary may be appealed by a motion to a judge of the Federal Court.

**104 (1)** At any time, the Court may

(a) order that a person who is not a proper or necessary party shall cease to be a party; or

(b) order that a person who ought to have been joined as a party or whose presence

### *Loi sur les Cours fédérales*

**50 (1)** La Cour d'appel fédérale et la Cour fédérale ont le pouvoir discrétionnaire de suspendre les procédures dans toute affaire :

a) au motif que la demande est en instance devant un autre tribunal;

b) lorsque, pour quelque autre raison, l'intérêt de la justice l'exige.

[...]

### *Règles des Cours fédérales*

**3** Les présentes règles sont interprétées et appliquées de façon à permettre d'apporter une solution au litige qui soit juste et la plus expéditive et économique possible.

**51 (1)** L'ordonnance du protonotaire peut être portée en appel par voie de requête présentée à un juge de la Cour fédérale.

**104 (1)** La Cour peut, à tout moment, ordonner :

a) qu'une personne constituée erronément comme partie ou une partie dont la présence n'est pas nécessaire au règlement des questions en litige soit mise hors de cause;

b) que soit constituée comme partie à l'instance toute personne qui aurait dû

before the Court is necessary to ensure that all matters in dispute in the proceeding may be effectually and completely determined be added as a party, but no person shall be added as a plaintiff or applicant without his or her consent, signified in writing or in such other manner as the Court may order.

**109 (1)** The Court may, on motion, grant leave to any person to intervene in a proceeding.

**300** This Part applies to

(a) applications for judicial review of administrative action, including applications under section 18.1 or 28 of the Act, unless the Court directs under subsection 18.4(2) of the Act that the application be treated and proceeded with as an action;

(b) proceedings required or permitted by or under an Act of Parliament to be brought by application, motion, originating notice of motion, originating summons or petition or to be determined in a summary way, other than applications under subsection 33(1) of the *Marine Liability Act*;

(c) appeals under subsection 14(5) of the *Citizenship Act*;

(d) appeals under section 56 of the *Trade-*

l'être ou dont la présence devant la Cour est nécessaire pour assurer une instruction complète et le règlement des questions en litige dans l'instance; toutefois, nul ne peut être constitué codemandeur sans son consentement, lequel est notifié par écrit ou de telle autre manière que la Cour ordonne.

**109 (1)** La Cour peut, sur requête, autoriser toute personne à intervenir dans une instance.

**300** La présente partie s'applique :

a) aux demandes de contrôle judiciaire de mesures administratives, y compris les demandes présentées en vertu des articles 18.1 ou 28 de la Loi, à moins que la Cour n'ordonne, en vertu du paragraphe 18.4(2) de la *Loi, de les instruire comme des actions*;

b) aux instances engagées sous le régime d'une loi fédérale ou d'un texte d'application de celle-ci qui en prévoit ou en autorise l'introduction par voie de demande, de requête, d'avis de requête introductif d'instance, d'assignation introductive d'instance ou de pétition, ou le règlement par procédure sommaire, à l'exception des demandes faites en vertu du paragraphe 33(1) de la *Loi sur la responsabilité en matière maritime*;

c) aux appels interjetés en vertu du paragraphe 14(5) de la *Loi sur la citoyenneté*;

d) aux appels interjetés en vertu de l'article 56 de la *Loi sur les marques de*

*marks Act;*

*commerce;*

[...]

[...]

**301** An application shall be commenced by a notice of application in Form 301, setting out

**301** La demande est introduite par un avis de demande, établi selon la formule 301, qui contient les renseignements suivants :

(a) the name of the court to which the application is addressed;

a) le nom de la cour à laquelle la demande est adressée;

(b) the names of the applicant and respondent;

b) les noms du demandeur et du défendeur;

(c) where the application is an application for judicial review,

c) s'il s'agit d'une demande de contrôle judiciaire :

(i) the tribunal in respect of which the application is made, and

(i) le nom de l'office fédéral visé par la demande,

(ii) the date and details of any order in respect of which judicial review is sought and the date on which it was first communicated to the applicant;

(ii) le cas échéant, la date et les particularités de l'ordonnance qui fait l'objet de la demande ainsi que la date de la première communication de l'ordonnance au demandeur;

(d) a precise statement of the relief sought;

d) un énoncé précis de la réparation demandée;

(e) a complete and concise statement of the grounds intended to be argued, including a reference to any statutory provision or rule to be relied on; and

e) un énoncé complet et concis des motifs invoqués, avec mention de toute disposition législative ou règle applicable;

(f) a list of the documentary evidence to be used at the hearing of the application

f) la liste des documents qui seront utilisés en preuve à l'audition de la demande.

**303 (1)** Subject to subsection (2), an applicant shall name as a respondent every person

(a) directly affected by the order sought in the application, other than a tribunal in respect of which the application is brought; [...]

*Trade-marks Act*

**9 (1)** No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for,

[...]

(n) any badge, crest, emblem or mark

[...]

(iii) adopted and used by any public authority, in Canada as an official mark for goods or services,

in respect of which the Registrar has, at the request of Her Majesty or of the university or public authority, as the case may be, given public notice of its adoption and use;

**16 (3)** Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the goods or services specified in the

**303 (1)** Sous réserve du paragraphe (2), le demandeur désigne à titre de défendeur :

a) toute personne directement touchée par l'ordonnance recherchée, autre que l'office fédéral visé par la demande;

*Loi sur les marques de commerce*

**9 (1)** Nul ne peut adopter à l'égard d'une entreprise, comme marque de commerce ou autrement, une marque composée de ce qui suit, ou dont la ressemblance est telle qu'on pourrait vraisemblablement la confondre avec ce qui suit :

[...]

n) tout insigne, écusson, marque ou emblème :

[...]

(iii) adopté et employé par une autorité publique au Canada comme marque officielle pour des produits ou services,

à l'égard duquel le registraire, sur la demande de Sa Majesté ou de l'université ou autorité publique, selon le cas, a donné un avis public d'adoption et emploi;

**16 (3)** Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des produits ou

application, unless at the date of filing of the application it was confusing with

(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;

**45 (1)** The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the goods or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.

(2) The Registrar shall not receive any evidence other than the affidavit or statutory declaration, but may hear representations made by or on behalf of the registered owner of the trade-mark or by or on behalf of the person at whose request the notice was given.

(3) Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears to the Registrar that a trade-mark, either with respect to all of the goods or services specified in the registration or with respect to any of those goods or services, was not used in Canada at any time during the three year period immediately preceding the date of the notice and that the

services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion :

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

**45 (1)** Le registraire peut, et doit sur demande écrite présentée après trois années à compter de la date de l'enregistrement d'une marque de commerce, par une personne qui verse les droits prescrits, à moins qu'il ne voie une raison valable à l'effet contraire, donner au propriétaire inscrit un avis lui enjoignant de fournir, dans les trois mois, un affidavit ou une déclaration solennelle indiquant, à l'égard de chacun des produits ou de chacun des services que spécifie l'enregistrement, si la marque de commerce a été employée au Canada à un moment quelconque au cours des trois ans précédant la date de l'avis et, dans la négative, la date où elle a été ainsi employée en dernier lieu et la raison de son défaut d'emploi depuis cette date.

(2) Le registraire ne peut recevoir aucune preuve autre que cet affidavit ou cette déclaration solennelle, mais il peut entendre des représentations faites par le propriétaire inscrit de la marque de commerce ou pour celui-ci ou par la personne à la demande de qui l'avis a été donné ou pour celle-ci.

(3) Lorsqu'il apparaît au registraire, en raison de la preuve qui lui est fournie ou du défaut de fournir une telle preuve, que la marque de commerce, soit à l'égard de la totalité des produits ou services spécifiés dans l'enregistrement, soit à l'égard de l'un de ces produits ou de l'un de ces services, n'a été employée au Canada à aucun moment au cours des trois ans précédant la date de l'avis

absence of use has not been due to special circumstances that excuse the absence of use, the registration of the trade-mark is liable to be expunged or amended accordingly.

(4) When the Registrar reaches a decision whether or not the registration of a trade-mark ought to be expunged or amended, he shall give notice of his decision with the reasons therefor to the registered owner of the trade-mark and to the person at whose request the notice referred to in subsection (1) was given.

(5) The Registrar shall act in accordance with his decision if no appeal therefrom is taken within the time limited by this Act or, if an appeal is taken, shall act in accordance with the final judgment given in the appeal.

**56 (1)** An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

(2) An appeal under subsection (1) shall be made by way of notice of appeal filed with the Registrar and in the Federal Court.

(3) The appellant shall, within the time limited or allowed by subsection (1), send a copy of the notice by registered mail to the registered owner of any trade-mark that has been referred to by the Registrar in the decision complained of and to every other person who was entitled

et que le défaut d'emploi n'a pas été attribuable à des circonstances spéciales qui le justifient, l'enregistrement de cette marque de commerce est susceptible de radiation ou de modification en conséquence.

(4) Lorsque le registraire décide ou non de radier ou de modifier l'enregistrement de la marque de commerce, il notifie sa décision, avec les motifs pertinents, au propriétaire inscrit de la marque de commerce et à la personne à la demande de qui l'avis visé au paragraphe (1) a été donné.

(5) Le registraire agit en conformité avec sa décision si aucun appel n'en est interjeté dans le délai prévu par la présente loi ou, si un appel est interjeté, il agit en conformité avec le jugement définitif rendu dans cet appel.

**56 (1)** Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.

(2) L'appel est interjeté au moyen d'un avis d'appel produit au bureau du registraire et à la Cour fédérale.

(3) L'appelant envoie, dans le délai établi ou accordé par le paragraphe (1), par courrier recommandé, une copie de l'avis au propriétaire inscrit de toute marque de commerce que le registraire a mentionnée dans la décision sur laquelle porte la plainte et à toute autre personne qui avait droit à un avis

to notice of the decision.

de cette décision.

(4) The Federal Court may direct that public notice of the hearing of an appeal under subsection (1) and of the matters at issue therein be given in such manner as it deems proper.

(4) Le tribunal peut ordonner qu'un avis public de l'audition de l'appel et des matières en litige dans cet appel soit donné de la manière qu'il juge opportune.

(5) On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

**57 (1)** 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.

**57 (1)** 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.

(2) No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.

(2) Personne n'a le droit d'intenter, en vertu du présent article, des procédures mettant en question une décision rendue par le registraire, de laquelle cette personne avait reçu un avis formel et dont elle avait le droit d'interjeter appel.



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

**DOCKET:** T-1104-15

**STYLE OF CAUSE:** CONSTELLATION BRANDS QUEBEC INC. v. SMART  
& BIGGAR AND DALLEVIGNE S.P.A.

**PLACE OF HEARING:** MONTREAL, QUEBEC

**DATE OF HEARING:** MARCH 22, 2016

**JUDGMENT AND REASONS:** ANNIS J.

**DATED:** MAY 31, 2016

**APPEARANCES:**

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