

Federal Court



Cour fédérale

Date: 20181019

Docket: 18-T-34

Citation: 2018 FC 1049

Ottawa, Ontario, October 19, 2018

PRESENT: The Honourable Madam Justice Walker

BETWEEN:

LIVE! HOLDINGS, LLC

Applicant

and

OYEN WIGGS GREEN & MUTULA LLP

Respondent

and

**PICKERING DEVELOPMENTS (BAYLY)
INC.**

Intervener

ORDER AND REASONS

[1] This Order addresses two motions (the “Motions”) brought by Pickering Developments (Bayly) Inc. (“Pickering Developments” or “Pickering”) in which Pickering Developments seeks leave to intervene in distinct stages of this proceeding.

[2] The subject matter of the proceeding is an appeal by the Applicant of a March 9, 2018 decision (the “Decision”) of the Registrar of Trade-marks (the “Registrar”), effective May 9, 2018, expunging the Applicant’s LIVE trademark registration (registration no. TMA789,912) (the “912 Registration”). The Decision was made by the Registrar pursuant to subsection 45(1) of the *Trade-marks Act*, RSC, 1985, c T-13 (“Trade-marks Act”) following a request by the Respondent on October 26, 2017 that a section 45 notice be issued to the owner of the 912 Registration.

[3] The Applicant did not appeal the Decision within the two-month period set forth in subsection 56(1) of the Trade-marks Act. Subsequently, on June 6, 2018, the Applicant filed a motion with the Court seeking a retroactive extension of the time to file an appeal of the Decision. On September 24, 2018, the Applicant’s motion was granted by order of Justice Southcott (the “September 24 Order”). The history relevant to this proceeding and the Motions is fully set out in paragraph 9 of this Order.

[4] Pickering Developments filed the Motions pursuant to Rules 109 and 399 of the *Federal Courts Rules*, SOR/98-106 (“Federal Courts Rules”), on October 2, 2018 seeking (1) to set aside the September 24 Order and to intervene in the Applicant’s request for a retroactive extension of

time to file an appeal; or (2) in the alternative, to intervene in the section 45 appeal by the Applicant of the Decision.

[5] The Applicant filed its Notice of Application to appeal the Decision with the Court on October 3, 2018.

[6] The Motions were argued before me in Toronto on October 9, 2018. For the reasons that follow, I dismiss Pickering Developments' first Motion but grant the Motion to intervene in the Applicant's section 45 appeal of the Decision.

I. Background

[7] Pickering Developments is a Toronto-based real estate developer involved in the development of a proposed 240-acre entertainment, casino and tourism district in Pickering, Ontario. The development is intended to operate under the name and mark DURHAM LIVE!. Pickering Developments has filed a number of trademark applications in Canada in respect of marks that I will refer to as the "Durham Live! Trademarks".

[8] The Applicant is a real estate developer based in Baltimore, Maryland. It is an affiliate of the Cordish Companies, a group of privately-held companies. The Cordish family of companies is engaged in the construction, development, management and operation of large commercial real estate properties, including entertainment and casino properties. The Applicant operates a number of its businesses in the United States in connection with which the trademark "LIVE" or

“LIVE!” is used (the “Live! Trademarks”). The Applicant also asserts use in Canada of the LIVE! Trademarks in association with its retail, entertainment and gaming complexes.

[9] In order to understand the Motions, it is necessary to set out in some detail the history between the parties. I do so by way of the following timeline:

- January 23, 2007: Application is made by the Applicant to register the trademark LIVE in Canada.
- February 7, 2011: Registration of the 912 Registration.
- Spring 2017: Pickering Developments files various Durham Live! Trademark applications.
- November 3, 2017: At the request of the Respondent, the Registrar issues a notice (“Notice”) pursuant to subsection 45(1) of the Trade-marks Act to the Applicant as the owner of the 912 Registration. The Applicant fails to respond to the Notice and adduces no evidence of use of the 912 Registration as requested.
- March 9, 2018: The Registrar issues the Decision to expunge the 912 Registration, effective May 9, 2018.
- May 9, 2018: The 912 Registration is expunged.
- May 30, 2018: Pickering Developments receives correspondence from the Applicant asserting that the Applicant possesses rights in Live! formative trademarks in Canada and demanding that Pickering Developments cease using the Durham Live! Trademarks and withdraw its Durham Live! Trademark applications.
- June 4, 2018: Pickering Developments files additional trademark applications in respect of the Durham Live! Trademarks.
- June 6, 2018: The Applicant files a motion (the “Extension Motion”) with the Federal Court seeking a retroactive extension of time to file its Notice of Application to appeal the Decision pursuant to subsection 56(1) of the Trade-marks Act.
- June 14, 2018: Pickering Developments responds to the May 30 letter of the Applicant and disputes the Applicant’s claims based on lack of use of the Live! Trademarks in Canada.
- June 20, 2018: Justice Strickland dismisses the Extension Motion but grants leave to the Applicant to file a fresh motion containing sufficient information for the Federal Court to assess the merits of the application.

- July 17, 2018: Pickering Developments commences an action against the Applicant in the Ontario Superior Court (the “Ontario Action”) seeking a declaration that the use by Pickering Developments of the Durham Live! Trademarks in association with the listed goods and services is not contrary to subsection 7(b) of the Trade-marks Act or the common law tort of passing off, together with other declaratory and injunctive relief.
- July 25, 2018: The Applicant is personally served with the Statement of Claim in the Ontario Action.
- September 4, 2018: Due date to file Statement of Defence in the Ontario Action. The Applicant serves Pickering Developments with a Request for Particulars.
- September 4, 2018: The Applicant files with the Federal Court a supplemental motion record in support of the Extension Motion in accordance with the Order of Justice Strickland.
- September 11, 2018: Pickering Developments responds to the Request for Particulars.
- September 21, 2018: The Applicant files its Statement of Defence and Counterclaim in the Ontario Action, pleading trademark infringement and passing off on the basis of the 912 Registration and the Live! Trademarks. There is no indication in the Statement of Defence and Counterclaim that the 912 Registration has been expunged.
- September 21, 2018: Upon reading the Statement of Defence, Pickering Developments conducts searches and learns of the Extension Motion by the Applicant. Pickering Developments sends to the Federal Court a letter requesting an adjournment of the Extension Motion until such time as it can assess the Federal Court record.
- September 24, 2018: Justice Southcott orders an extension of time for the Applicant to file its Notice of Application to appeal the Decision pursuant to subsection 56(1) of the Trade-marks Act. It appears from the September 24 Order that Pickering Developments’ September 21 letter was not before Justice Southcott.
- October 2, 2018: Pickering Developments files the Motions.
- October 3, 2018: In accordance with the September 24 Order, the Applicant files its Notice of Application to appeal the Decision (T-1752-18).
- October 4, 2018: The Respondent indicates that it takes no position regarding the Motions and will not be appearing on the Motions.

II. The Motions

[10] The Motions brought by Pickering seek the following relief:

A. *Motion to Set Aside the September 24 Order and to Intervene in the Extension Motion – Rules 399(2) and 109*

1. An Order under Rule 109 of the Federal Courts Rules granting Pickering Developments leave to intervene in the Extension Motion;
2. An Order under Rule 399(2) of the Federal Courts Rules setting aside the September 24 Order granting the Applicant an extension of time or leave to serve and file a Notice of Application in its appeal under subsection 56(1) of the Trade-marks Act, of the Decision of the Registrar, effective on May 9, 2018, expunging the 912 Registration.

B. *Motion to Intervene in the Section 45 Appeal – Rule 109*

3. An Order under Rule 109 of the Federal Courts Rules granting Pickering Developments leave to intervene in the appeal by the Applicant, under section 56 of the Trade-marks Act, of the Decision of the Registrar expunging the 912 Registration;
4. Directions that:
 - (i) The intervention granted shall include the right to fully participate in the appeal, including the right to cross-examination on any affidavit evidence filed, the right to file a Memorandum of Fact and Law, the right to present oral argument at the hearing of the appeal, and the right to be served with any further documents required to be served on parties in the appeal; and
 - (ii) The style of cause shall be amended to reflect the fact that Pickering Developments is an intervener.

III. Legislative Framework

[11] The full text of Rules 109 and 399 of the Federal Courts Rules are set forth in Annex I to this Order.

IV. Analysis

A. *Motion to Set Aside the September 24 Order and to Intervene in the Extension Motion – Rules 109 and 399(2)*

[12] Pickering Developments seeks to set aside the September 24 Order on the basis that the Ontario Action was not brought to the attention of Justice Southcott. Pickering argues that the granting of the Extension Motion materially affects its rights and the positions of the parties in the Ontario Action. Pickering also argues that, in the absence of participation by the Respondent, the interests of justice would be served by its intervention in the Applicant's Extension Motion as a party who relied on the public register trademarks (the "Register") and governed its affairs based on the expungement of the 912 Registration.

[13] The Applicant submits that the main argument of Pickering Developments (that the Applicant failed to bring the existence of the Ontario Action to the attention of the Federal Court) is a red herring and an attempt to cast the Applicant in a negative light. The Ontario Action was irrelevant to the test the Applicant was required to meet to obtain an extension of time to file its section 45 appeal (*Karon Resources Inc. v Canada*, [1993] FCJ No. 1322 (TD) (*Karon*)). In any event, the Applicant's original application for an extension of time was made before the filing of the Ontario Action by Pickering Developments. The Applicant also argues that any prejudice to Pickering Developments was not a factor to be considered by Justice Southcott as he was only required to consider whether the Respondent, Oyen Wiggs, would suffer prejudice if the Extension Motion were granted.

[14] Pursuant to Rule 399(2)(a), the Court may set aside an order:

(a) by reason of a matter that arose or was discovered subsequent to the making of the order; ...	a) des faits nouveaux sont survenus ou ont été découverts après que l'ordonnance a été rendue; ...
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[15] The general principle is that “an order, once made, cannot be revisited by the Court that made it” (*Janssen Inc v Abbvie Corporation*, 2014 FCA 176 at para 35). Rule 399(2) provides an exception to the general principle, permitting the Court, in very limited circumstances, to set aside or vary an order by reason of a matter that arose or was discovered subsequent to the making of the order or where the order was obtained by fraud (*Shen v Canada (Citizenship and Immigration)*, 2017 FC 115 (*Shen*)). In *Shen*, Justice Fothergill set out the three conditions which must be met for the Court to set aside an order in reliance on Rule 399(2) (*Shen* at para 14):

[14] Three conditions must be met before the Court may grant a motion under Rule 399(2)(a): the newly-discovered information must be a “matter” with the meaning of the Rule; the “matter” must not be one which was discoverable prior to the making of the order by the exercise of due diligence; and the “matter” must be something which would have a determining influence on the decision in question (*Ayangma v Canada*, 2003 FCA 382 at para 3 [*Ayangma*]; see also *Procter & Gamble* at para 18; *Evans v Canada (Citizenship and Immigration)*, 2014 FC 654 at para 19 [*Evans*]).

[16] The first and second conditions are not in issue. The question I must address is whether the existence of the Ontario Action and the underlying dispute between the Applicant and Pickering Developments was a matter that would have had a determining influence on Justice Southcott’s decision to issue the September 24 Order. Effectively, I am asked to enter the mind of the judge who heard the initial matter.

[17] In granting the September 24 Order, Justice Southcott referred to the factors relevant to a request for a retroactive extension of time and leave to appeal as set out in *Karon*:

1. The arguable nature of the appeal;
2. The existence of special circumstances;
3. Prejudice to the respondent which cannot be compensated in costs;
4. A continuing intention to appeal;
5. The length of the delay in question; and,
6. The interests of justice.

[18] Pickering Developments' submissions centre on the existence of special circumstances (the Ontario Action), prejudice to Pickering Developments rather than the named Respondent, and the interests of justice. Pickering argues that its submissions on these factors, if considered by Justice Southcott, would have had a determining influence on his decision to grant the September 24 Order.

[19] The *Karon* factors focus on the underlying issue or dispute before the Court (the Applicant's section 45 appeal), the parties to the dispute and, importantly, the length and reasons for the delay. The existence of legal proceedings involving one of the parties and a third party is not generally sufficient to constitute special circumstances absent a compelling argument based on the broader interests of justice. In addition, the fact that Pickering Developments may suffer prejudice if the Applicant's section 45 appeal proceeds is beyond the scope of the *Karon* inquiry.

[20] The real issue before me is whether the interests of justice would have led Justice Southcott to a different decision. It is important to note that the Applicant commenced the

Extension Motion on June 6, 2018, prior to the filing of the Ontario Action. There is no doubt that, on that date, the Applicant was concerned with the Durham Live! Trademarks and the developing dispute with Pickering Developments. However, I find no obligation on the part of the Applicant to advise the Court of the burgeoning dispute at that time.

[21] The Applicant filed its supplementary Extension Motion record in response to the Order of Justice Strickland on September 4, 2018. By that date, the Ontario Action had been commenced and, in fact, the Applicant's Statement of Defence was due. The dispute between the two parties had crystallized. It would have been preferable to have that information placed before the Court as Justice Southcott would then have been better placed to assess the Extension Motion and the *Karon* factors. However, the existence of the Ontario Action may or may not have led Justice Southcott to a different decision on September 24, 2018 having regard to the interests of justice, as the other *Karon* factors favoured the Applicant's request for an extension of time. Again, the Court's focus was properly on the delay in question and its effects on the parties to the proceedings. I cannot conclude that the Ontario Action and the dispute between the parties are determinative factors warranting the setting aside of the September 24 Order. As a result, I find that Pickering Developments has not met the test to set aside the September 24 Order pursuant to Rule 399(2)(a).

[22] The Applicant filed its Notice of Application on October 3, 2018 in accordance with the September 24 Order. Therefore, Pickering Developments' request to intervene in the Applicant's Extension Motion is moot.

[23] Fundamentally, Pickering Developments is requesting substantive involvement in the Applicant's appeal of the Decision in the interests of justice. If the September 24 Order were set aside and, subsequently, a similar order granted to the Applicant after reconsideration of the Extension Motion, Pickering Developments would be in the same position it is now. Pickering would be seeking to intervene in the substance of the section 45 appeal due to the conduct of the Applicant and Pickering's concerns with the evidence to be placed before the Registrar in the appeal. The issue of the interests of justice is best engaged in the broader context of the section 45 appeal itself in light of the decision of the Federal Court of Appeal (FCA) in *Sport Maska Inc v Bauer Hockey Corp*, 2016 FCA 44 (*Sport Maska*). Additionally, the parties avoid potential further delay and cost as the question of Pickering Developments' intervention is determined substantively and efficiently via the second Motion.

B. *Motion to Intervene in the Section 45 Appeal – Rule 109*

[24] The issue of whether Pickering should be permitted to intervene in the Applicant's section 45 appeal is governed by Rule 109:

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

(2) Notice of a motion under subsection (1) shall

(a) set out the full name and address of the proposed intervenor and of any solicitor acting for the proposed intervenor; and

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

(2) L'avis d'une requête présentée pour obtenir l'autorisation d'intervenir :

a) précise les nom et adresse de la personne qui désire intervenir et ceux de son avocat, le cas échéant;

<p>(b) describe how the proposed intervenor wishes to participate in the proceeding and how that participation will assist the determination of a factual or legal issue related to the proceeding.</p>	<p>b) explique de quelle manière la personne désire participer à l'instance et en quoi sa participation aidera à la prise d'une décision sur toute question de fait et de droit se rapportant à l'instance.</p>
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[25] The application of Rule 109 in the context of a request to intervene in the appeal of a decision of the Registrar made under section 45 of the Trade-Marks Act was considered in detail in the recent *Sport Maska* decision. In that case, the FCA dismissed the appeal of a decision of this Court refusing to grant intervenor status. Shortly after the FCA issued the *Sport Maska* decision, the same issue, albeit in a different factual context, was considered by this Court in *Constellation Brands Quebec Inc v Smart & Biggar*, 2016 FC 605 (*Constellation Brands*) and intervention was allowed. Not surprisingly, Pickering Developments focusses its submissions on the reasoning of Justice Annis in the *Constellation Brands* case while the Applicant relies on the review by Justice Nadon of the nature of a section 45 appeal in *Sport Maska*.

[26] The decision of the FCA in *Sport Maska* clearly sets out the analysis I am to undertake of the *Rothmans* factors (*Rothmans, Benson & Hedges Inc v Canada (Attorney General)*, [1990] 1 FC 90 (*Rothmans*)) in considering a request for intervention in a section 45 appeal. The discussion by Justice Nadon of the purpose and import of section 45 of the Trade-marks Act and the nature of appeals of section 45 decisions is instructive. While Justice Annis addressed different underlying facts in *Constellation Brands*, as I do in the present case, and his analysis of the impact of those differing facts is helpful, I have formulated my reasons and conclusions having regard primarily to the decision in *Sport Maska*.

(1) *Sport Maska*

[27] The *Sport Maska* case involved three parties: Sport Maska dba Reebok – CCM Hockey (“CCM”), the proposed intervenor; Bauer, the owner of the “SKATES EYESTAY” design registered under the number TMA361,722 (the “722 Registration”); and, Easton, the respondent. Easton requested the issuance of a section 45 notice in respect of the 722 Registration and, on January 11, 2010, the notice was issued. Immediately thereafter, Bauer brought an action against Easton in the Federal Court for infringement of the 722 Registration and, subsequently, launched a similar action against CCM. On April 5, 2013, the Registrar ordered that the 722 Registration be expunged. Bauer filed a notice of application appealing the Registrar’s decision. On February 14, 2014, Bauer and Easton reached an agreement pursuant to which Bauer agreed to discontinue its infringement action against Easton and Easton agreed to abandon its contestation of Bauer’s section 45 appeal. CCM filed a motion in the Federal Court seeking leave to intervene in the appeal on April 7, 2014.

[28] Justice Nadon began his analysis by reaffirming the six factors relevant to the determination of a leave to intervene application as set forth in the decision of this Court in *Rothmans*. He reviewed the then recent decision of Justice Stratas, sitting as a single judge, in *Canada (Attorney General) v Pictou Landing First Nation*, 2014 FCA 21 (*Pictou Landing*) and stated that the minor differences between the *Rothmans* factors and those of *Pictou Landing* did not warrant any change to the *Rothmans* factors (*Sport Maska* at paras 39-41). For ease of reference, the six *Rothmans* factors are as follows:

1. Is the proposed intervenor directly affected by the outcome of the proceeding?
2. Does there exist a justiciable issue and a public interest?

3. Is there a lack of any other reasonable or efficient means to submit the question to the Court?
4. Is the position of the proposed intervenor adequately defended by one of the parties to the case?
5. Are the interests of justice better served by the intervention of the proposed intervenor?
6. Can the Court hear the case on its merits without the proposed intervenor?

[29] By way of preliminary point, Justice Nadon noted that CCM's motion was not in reality a motion for leave to intervene. It was a motion to substitute CCM for the respondent, Easton. The same is true in this case. Pickering Developments is seeking to replace Oyen Wiggs as a substitute respondent. Justice Nadon considered the decision of the FCA in *Canada (Attorney General) v Siemens Enterprises Communications Inc.*, 2011 FCA 250 (*Siemens*), and concluded that the fact a proposed intervenor is seeking to substitute itself in lieu of the named respondent is a relevant factor to consider. However, he also stated that *Siemens* does not establish an absolute bar to intervention in such circumstances.

[30] Justice Nadon emphasized the necessity of applying the *Rothmans* criteria with flexibility and the nature of the concept of the interests of justice (*Sport Maska* at paras 42 and 43):

[42] The criteria for allowing or not allowing an intervention must remain flexible because every intervention application is different, i.e. different facts, different legal issues and different contexts. In other words, flexibility is the operative word in dealing with motions to intervene. In the end, we must decide if, in a given case, the interests of justice require that we grant or refuse intervention. ... 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.

[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.

[31] Justice Nadon then addressed the second *Rothmans* factor and the scope of any public interest in a section 45 proceeding. He reviewed the nature of section 45 proceedings noting that the only evidence admissible before the Registrar is an affidavit or statutory declaration from the registered owner of the mark in question. It is on this evidence and the representations of the parties that the Registrar must decide whether the mark was used in Canada during the three years preceding the section 45 notice. Justice Nadon also noted that the burden of proof on the registered owner is not a heavy one and that the proceedings are summary and administrative in nature. Nonetheless, Justice Nadon found that there is a public interest component in section 45 proceedings though it is limited and must be balanced against the other relevant factors in each case.

[32] The decision in *Sport Maska* to refuse intervention by CCM rested primarily on two considerations. First, many years earlier, CCM and Bauer had entered into an agreement pursuant to which CCM undertook not to object to Bauer's use or registration of the 722 trademark. Justice Nadon found that the contractual arrangements between CCM and Bauer weighed against CCM's request to intervene. The second important consideration that militated against granting intervenor status to CCM was the existence of litigation between the two parties in the Federal Court. The Federal Court litigation between the parties centred on infringement and the validity or invalidity of the mark in question. Justice Nadon stated (*Sport Maska* at para 69), "it is my opinion that Bauer's agreement with CCM and the existence of litigation in Federal Court File T-311-12 clearly outweigh all other considerations in this file".

[33] Justice Nadon briefly examined the remaining *Rothmans* factors. He determined that CCM was directly affected by the outcome of the section 45 proceedings in a certain way but characterized CCM's request to intervene as an attempt to gain a tactical advantage in the Federal Court action. With respect to the third factor, he concluded that there was no lack of any other reasonable or efficient means to submit the question at issue before the Court as the same issue was raised in the parallel Federal Court action. Therefore, CCM would only lose a tactical advantage if prevented from intervening in the section 45 proceedings. Justice Nadon conceded that the position of CCM could not be adequately defended by one of the parties as Easton was effectively no longer a party to the section 45 proceedings (*Rothmans* fourth factor). Finally, he concluded that the Court could hear and decide the section 45 case on its merits without CCM's intervention. While CCM's participation would be helpful, it did not tip the scale in favour of CCM.

(2) *Submissions of Pickering Developments*

[34] Pickering Developments argues that it has a genuine interest in the status and validity of the 912 Registration and that the outcome of the Applicant's section 45 appeal both affects the rights of Pickering Developments and materially impacts the positions taken by it and by the Applicant in the Ontario Action. Pickering's arguments centre on the interests of justice and its characterization of the Applicant's actions in failing to inform Pickering Developments of the Extension Motion and in obfuscating the status of the 912 Registration in its Statement of Defence and Counterclaim in the Ontario Action.

[35] Pickering Developments notes that the Applicant's May 30, 2018 demand letter makes no mention of the 912 Registration. In its response dated June 14, 2018, Pickering disputed the Applicant's claim that it had protectable goodwill in any Live! formative trademarks in Canada. Pickering set out its understanding of the Applicant's business in Canada and asked for clarification of whether Pickering's "understanding of [the Applicant's] business operations in Canada is incorrect". Pickering Developments argues that, in light of this response, the Applicant had an obligation to inform them of the Extension Motion.

[36] Pickering Developments states that it relied on the fact that the Register disclosed no valid registrations of the Applicant's Live! Trademarks when instituting the Ontario Action. Pickering emphasizes the differences in jurisdiction of the Ontario Superior Court and the Federal Court. The Ontario Superior Court has no jurisdiction to expunge a trademark from the Register. If Pickering Developments had known of the Applicant's efforts to reinstate the 912 Registration, its litigation strategy may have been different and these duplicative actions would have been avoided. Further, in its Counterclaim, the Applicant claims trademark infringement and passing off on the basis of the 912 Registration. Pickering argues that, on the date of the Statement of Defence and Counterclaim, the Applicant knew that the 912 Registration had been expunged and was unenforceable. The Applicant's Counterclaim assumes success at the Federal Court and effectively misleads both Pickering Developments and the Ontario Superior Court. Pickering Developments submits that the Applicant knew the validity of the 912 Registration would be an issue in the Ontario Action and failed to disclose the Extension Motion for tactical reasons.

[37] With respect to the *Sport Maska* decision, Pickering Developments submits that two key facts distinguish its case from that of CCM. First, Pickering Developments and the Applicant have no prior contractual agreement regarding the 912 Registration. Second, there is no other proceeding in which the 912 Registration is or could be challenged. Pickering Developments was forced to take action in the Ontario courts because, at the time, the 912 Registration had been expunged and the nature of its claims was best suited to the jurisdiction of the Ontario courts.

(3) *Submissions of Live Holdings*

[38] The Applicant relies on the decision of the FCA in *Sport Maska*. The Applicant questions the evidence placed before me by Pickering Developments and submits that Pickering has not met the test for intervention pursuant to Rule 109(2). The language in Rule 109(2) requiring the proposed intervenor to describe how its participation in the proceeding will assist the determination of a factual or legal issue is not merely a technical requirement. Pickering Developments was required to describe and support with evidence the manner in which its perspective is necessary to the section 45 appeal. The Applicant argues that it has not done so. Further, there is a parallel court proceeding in which Pickering Developments can assert its claims. Pickering instituted the Ontario Action, thereby selecting the Ontario Superior Court as the forum to adjudicate the dispute between the parties. The Applicant submits that the Ontario Superior Court has jurisdiction as between the parties to determine rights and remedies vis-à-vis the 912 Registration.

[39] The Applicant argues strongly that its pleadings regarding the 912 Registration in the Ontario Action are proper and true. There is a trademark registration and only the Federal Court

can rule on its validity. Any such ruling by the Federal Court does not take effect *ab initio* and, therefore, any use by Pickering Developments prior to the date of expungement would remain an issue.

[40] The Applicant submits that the interests of justice do not favour Pickering Developments. Pickering filed its first Durham Live! Trademark applications well before the expungement of the 912 Registration. It did not rely on the expungement to govern its affairs. Pickering Developments has other legal options available to it and has suffered no prejudice that cannot be compensated for by costs.

(4) *Analysis*

[41] Before reviewing the facts of the present case against the *Rothmans* factors and the analysis of those factors in *Sport Maska*, I make the following preliminary findings. First, it is clear in this case that Pickering Developments is seeking to substitute itself as the respondent in the Applicant's section 45 appeal. In this respect, the present case is indistinguishable from *Sport Maska* and the fact that the proposed intervention is a substitution weighs against Pickering Developments' proposed intervention. Second, Justice Nadon's characterization of the limited public interest scope of section 45 proceedings applies to the consideration of the second *Rothmans* factor in this case.

[42] There were two considerations in *Sport Maska* that led Justice Nadon to refuse CCM's request for intervenor status: the pre-existing agreement between Bauer and CCM pursuant to which CCM had agreed not to object to Bauer's use and registration of the 722 trademark; and,

the existence of litigation in the Federal Court between Bauer and CCM which raised infringement and validity questions regarding the trademark at issue. No such agreement exists between the Applicant and Pickering Developments in the present case. Further, there is no parallel Federal Court action between the Applicant and Pickering. The Applicant argues that the Ontario Action should be viewed in a similar vein to the Federal Court infringement action in *Sport Maska* and there is certainly overlap. The Ontario Action involves questions of use and infringement and is relevant to my consideration of the *Rothmans* third factor. However, by necessity, the Ontario Action contemplates different remedies from those available in a Federal Court action.

[43] My analysis of the six *Rothmans* factors is as follows:

1. Is Pickering Developments directly affected by the outcome of the Applicant's section 45 proceedings?

[44] Pickering Developments is directly affected by the outcome of the Applicant's section 45 proceedings. In *Sport Maska*, Justice Nadon allowed that CCM was affected "in a certain way" but discounted CCM's interest as an attempt to gain a tactical advantage in the infringement action in the Federal Court. In the present case, the opposite can be said. Pickering Developments commenced the Ontario Action at a time when the 912 Registration had been expunged. Although the Extension Motion was initiated on June 6, 2018, before the filing of the Ontario Action, the Applicant knew on that date that Pickering Developments disputed the demands made in the Applicant's May 30, 2018 letter and that the expungement of the 912 Registration presented a substantive and tactical disadvantage. The Extension Motion and

the section 45 appeal can both properly be viewed as the Applicant attempting to gain an advantage in the dispute with Pickering Developments.

2. Does there exist a justiciable issue and a public interest?

[45] In *Sport Maska*, Justice Nadon acknowledged that there is a limited public interest component in section 45 proceedings. The public interest nature of the section 45 proceedings must in each case be balanced against the other factors relevant to a request to intervene. I find that the public interest component in this case is a neutral factor.

3. Is there a lack of any other reasonable or efficient means to submit the question to the Court?

[46] I find that this factor weighs in favour of Pickering for two reasons. First, there is no parallel Federal Court proceeding involving Pickering Developments and the Applicant as in *Sport Maska*. While the claims of the parties in the Ontario Action directly implicate the Live! Trademarks and the Durham Live! Trademarks, and are affected by the status of the 912 Registration, the Ontario Action and the section 45 appeal cannot be said to address the same questions having regard to the pleadings in the Ontario Action and the jurisdiction of the Ontario Superior Court.

[47] Second, the comments of this Court in *Constellation Brands* are persuasive as they touch on the issue of whether Pickering Developments could at any time request the Registrar to send the Applicant a section 45 notice regarding the 912 Registration. It appears that the FCA in *Sport Maska* did not have before it evidence pertaining to the Practice Notice regarding the

Canadian Intellectual Property Office's practice in section 45 proceedings. The Practice Notice indicates that the Registrar may have good reason not to issue a section 45 notice at the request of Pickering Developments as the 912 Registration was and is already the subject of a proceeding before the Registrar. The Practice Notice states that:

II.1.3 Good Reasons Not to Issue the Notice

Upon receipt of a written request under s. 45 made after three years from the date of registration as detailed under II.1 above, the Registrar will issue a Section 45 Notice, unless the Registrar sees good reason to the contrary [Molson Companies Ltd. v. John Labatt Ltd. et al.(1984), 1 C.P.R. (3d) 329 at 333 (F.C.T.D.)]. The Registrar determines whether there are good reasons not to issue a Section 45 Notice on a case-by-case basis. Following are examples of what could be considered good reasons to the contrary for not issuing a Section 45 Notice, depending on the facts of the particular case:

- a. The trademark registration is already the subject of a section 45 proceeding pending before the Registrar or on appeal before the Federal Court of Canada.
- b. The request is within three years of the date of issuance of a previous section 45 notice in cases in which the proceedings led to a final decision under section 45 of the Act.
- c. The Registrar considers that the request is frivolous or vexatious.

[48] If the Decision of the Registrar is reversed on appeal, Pickering Developments may challenge the validity of the 912 Registration pursuant to section 57 of the Trade-marks Act. However, this course of action is neither reasonable nor efficient. It is preferable to permit Pickering Developments to intervene in the first instance in the limited review conducted by the Court in a section 45 appeal. I find that this factor favours intervention by Pickering Developments.

4. Is the position of Pickering Developments adequately defended by one of the parties to the case?

[49] As in *Sport Maska* and *Constellation Brands*, this factor favours Pickering Developments as there is no other party actively defending the section 45 appeal.

5. Are the interests of justice better served by the intervention of Pickering Developments?

[50] I find the interests of justice are better served by permitting the intervention of Pickering Developments in the Applicant's section 45 appeal. This fifth *Rothmans* factor is determinative in this case.

[51] The Applicant has relied on the existence of separate proceedings in the Ontario Superior Court and in this Court to attempt to reinstate the 912 Registration without the knowledge of Pickering Developments. I accept the Applicant's argument that its Statement of Defence and Counterclaim in the Ontario Action are accurate in so far as expungement does not result in the 912 Registration being void *ab initio*. However, I find the argument disingenuous. Paragraph 21 of the Statement of Defence and Counterclaim reads as follows:

21. In addition to the foregoing, Live! Holdings is the owner of Canadian trademark registration No. TMA 789,912 for the trademark LIVE! issued February 7, 2011 (the "Registration"). As a result of the Registration, pursuant to the *Trade-marks Act*, Live holdings has the exclusive right to the use of the LIVE! trademark throughout Canada for goods and services for which it is registered and to prevent the use of confusingly similar trademarks.

[52] Also, in its Counterclaim, the Applicant pleads trademark infringement contrary to section 20 of the Trade-marks Act. Section 20 deals with infringement of the right of the owner of a registered trademark to its exclusive use. In my view, a plain reading of the Applicant's pleadings in the Ontario Action leads to the conclusion that at the date of the pleadings, the 912 Registration had not been expunged.

[53] The Applicant has taken a measured risk. The Applicant's pleadings assume that its section 45 appeal will be successful. When questioned at the hearing as to the effect of an unsuccessful section 45 appeal on its pleadings, the Applicant stated that in such event the pleadings would be withdrawn or amended to restrict the Counterclaim to the time during which the 912 Registration was in force. In other words, the Statement of Defence and Counterclaim would not then be accurate. By extension, the Statement of Defence and Counterclaim was not accurate when filed as the 912 Registration had been expunged and no section 45 appeal was pending.

[54] Throughout the interactions of the Applicant and Pickering Developments in the summer of 2018, Pickering Developments relied on the fact that the 912 Registration had been expunged. Pickering Developments instituted the Ontario Action without knowledge of the Extension Motion. Subsequently, the Applicant made no attempt to clarify its position and the status of the 912 Registration in its Statement of Defence and Counterclaim.

[55] Pickering Developments has been prejudiced by the Applicant's chosen course of conduct. I find that the interests of justice are best served by permitting Pickering Developments

to intervene in the Applicant's section 45 appeal to satisfy itself that the evidence submitted to the Court in the appeal is subject to rigorous third party review and challenge. If the appeal is ultimately successful, the parties can then adjust their strategy on the basis of a properly reinstated 912 Registration.

6. Can the Court hear the case on its merits without Pickering Developments?

[56] In *Sport Maska*, Justice Nadon found that the Court could hear and decide the section 45 appeal on its merits without the assistance of the proposed intervener. He acknowledged that an active respondent would be helpful to the Court but that this factor did not tip the scale in favour of CCM. In the present case, I find that this factor is neutral given the summary nature of a section 45 proceeding and appeal and the limited nature of the evidence relevant to the proceeding.

V. Conclusion

[57] In allowing Pickering Developments' motion to intervene in the Applicant's section 45 appeal of the Decision, I am guided by the emphasis placed by Justice Nadon on the flexibility inherent in the *Rothmans* factors in assessing motions to intervene. To paraphrase Justice Nadon's words, in the end, I must decide if, in this case, the interests of justice require that I grant or refuse intervention (*Sport Maska* at para 42).

[58] I am mindful that: Pickering Developments is seeking a substitution rather than an intervention; that the broader public interest in a section 45 appeal is limited; that a section 45

appeal does not expand on the nature of the evidence a trademark owner is required to adduce in response to a section 45 notice; that the Court is able to assess the evidence without the need for intervention; and, that the parties are engaged in related litigation in the Ontario Superior Court. Nevertheless, I find that the interests of justice favour granting the Motion and allowing Pickering Developments to intervene in the Applicant's section 45 appeal. It is the determinative factor in the case. In addition, I find that the first, second and fourth *Rothmans* factors favour Pickering's intervention.

ORDER in 18-T-34

THIS COURT ORDERS that:

1. The motion of Pickering Developments to set aside the Order of Justice Southcott dated September 24, 2018 and to intervene in the Applicant's request for a retroactive extension of time to file an appeal is dismissed.
2. The motion of Pickering Developments to intervene in the section 45 appeal by the Applicant of the decision of the Registrar of Trade-marks dated March 9, 2018 is allowed.
3. Pickering Developments shall have the right to fully participate in the Applicant's section 45 appeal, including the right to cross-examination on any affidavit evidence filed, the right to file a Memorandum of Fact and Law, the right to present oral argument at the hearing of the appeal, and the right to be served with any further documents required to be served on parties in the appeal.
4. The style of cause in these proceedings and in Federal Court File No. T-1752-18 shall be amended to reflect Pickering Developments (Bayly) Inc. as an intervener.
5. Costs are awarded to Pickering Developments to be assessed at Column III of Tariff B.

“Elizabeth Walker”

Judge

ANNEX I**Rules 109 and 399 of the *Federal Courts Rules*, SOR/98-106:**

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| <p>109(1) The Court may, on motion, grant leave to any person to intervene in a proceeding.</p> <p>(2) Notice of a motion under subsection (1) shall</p> <p>(a) set out the full name and address of the proposed intervener and of any solicitor acting for the proposed intervener; and</p> <p>(b) describe how the proposed intervener wishes to participate in the proceeding and how that participation will assist the determination of a factual or legal issue related to the proceeding.</p> <p>(3) In granting a motion under subsection (1), the Court shall give directions regarding</p> <p>(a) the service of documents; and</p> <p>(b) the role of the intervener, including costs, rights of appeal and any other matters relating to the procedure to be followed by the intervener.</p> <p>[...]</p> <p>399(1) On motion, the Court may set aside or vary an order that was made</p> <p>(a) <i>ex parte</i>; or</p> <p>(b) in the absence of a party who failed to appear by accident or mistake or by reason of insufficient notice of the proceeding,</p> <p>if the party against whom the order is made discloses a <i>prima facie</i> case why the order should not have been made.</p> <p>(2) On motion, the Court may set aside or vary an</p> | <p>109(1) La Cour peut, sur requête, autoriser toute personne à intervenir dans une instance.</p> <p>(2) L'avis d'une requête présentée pour obtenir l'autorisation d'intervenir :</p> <p>a) précise les nom et adresse de la personne qui désire intervenir et ceux de son avocat, le cas échéant;</p> <p>b) explique de quelle manière la personne désire participer à l'instance et en quoi sa participation aidera à la prise d'une décision sur toute question de fait et de droit se rapportant à l'instance.</p> <p>(3) La Cour assortit l'autorisation d'intervenir de directives concernant :</p> <p>a) la signification de documents;</p> <p>b) le rôle de l'intervenant, notamment en ce qui concerne les dépens, les droits d'appel et toute autre question relative à la procédure à suivre.</p> <p>[...]</p> <p>399(1) La Cour peut, sur requête, annuler ou modifier l'une des ordonnances suivantes, si la partie contre laquelle elle a été rendue présente une preuve <i>prima facie</i> démontrant pourquoi elle n'aurait pas dû être rendue :</p> <p>a) toute ordonnance rendue sur requête <i>ex parte</i>;</p> <p>b) toute ordonnance rendue en l'absence d'une partie qui n'a pas comparu par suite d'un événement fortuit ou d'une erreur ou à cause d'un avis insuffisant de l'instance.</p> <p>(2) La Cour peut, sur requête, annuler ou modifier</p> |
|--|---|

order

une ordonnance dans l'un ou l'autre des cas suivants :

(a) by reason of a matter that arose or was discovered subsequent to the making of the order; or

a) des faits nouveaux sont survenus ou ont été découverts après que l'ordonnance a été rendue;

(b) where the order was obtained by fraud.

b) l'ordonnance a été obtenue par fraude.

(3) Unless the Court orders otherwise, the setting aside or variance of an order under subsection (1) or (2) does not affect the validity or character of anything done or not done before the order was set aside or varied.

(3) Sauf ordonnance contraire de la Cour, l'annulation ou la modification d'une ordonnance en vertu des paragraphes (1) ou (2) ne porte pas atteinte à la validité ou à la nature des actes ou omissions antérieurs à cette annulation ou modification.

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: 18-T-34

STYLE OF CAUSE: LIVE! HOLDINGS, LLC v OYEN WIGGS GREEN & MUTULA LLP ET AL

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: OCTOBER 9, 2018

ORDER AND REASONS: WALKER J.

DATED: OCTOBER 19, 2018

APPEARANCES:

Gary Daniel

FOR THE APPLICANT

Shane D. Hardy
Peter J. Henein

FOR THE INTERVENER

SOLICITORS OF RECORD:

Blake, Cassels & Graydon LLP
Barristers and Solicitors
Toronto, Ontario

FOR THE APPLICANT

Cassels Brock & Blackwell LLP
Toronto, Ontario

FOR THE INTERVENER