

Federal Court



Cour fédérale

Date: 20130213

**Dockets: T-332-12
T-333-12**

Citation: 2013 FC 152

Ottawa, Ontario, February 13, 2013

PRESENT: The Honourable Mr. Justice Harrington

BETWEEN:

**CANADIANMAGICJACK.CA LTD,
THEMAGICJACK.CA INC**

Appellants

and

**MAGICJACK LP,
(A LIMITED PARTNERSHIP, ORGANIZED IN
DELAWARE; THE GENERAL PARTNER IS
YMAX HOLDINGS CORPORATION,
ORGANIZED IN DELAWARE)**

Respondent

REASONS FOR ORDER AND ORDER

[1] The Canadian Intellectual Property Office accepted magicJack LP's application for registration of the trade-marks "magicJack" and "magicJack & Design", over the opposition of Canadianmagicjack.ca Ltd. and Themagicjack.ca Inc.

[2] The appellants have applied either for judicial review of those decisions or the decision of the Trade-Marks Opposition Board striking his oppositions. As a matter of form, the originating document should have been titled a Notice of Appeal in accordance with section 56 of the *Trade-marks Act*.

[3] In November 2012, the Chief Justice issued a Notice of Status Review in each proceeding in accordance with rule 380(2) as more than 180 days had elapsed since the issuance of the originating document and no requisition for a hearing date had been filed. The appellants' response was deemed to be wholly inadequate by Prothonotary Aalto who, on 20 December 2012, ordered that the two proceedings be dismissed for delay.

[4] This is the appeal from those decisions.

[5] These proceedings have been fraught with procedural difficulties right from the outset. To begin with, the wrong respondents were named. Although the appellants are corporations, their Chief Executive Officer, Neil Adams, has purported to act for them, in spite of the fact that he is not a lawyer. Rule 120 of the *Federal Courts Rules* requires a corporation to be represented by a lawyer unless the Court, in special circumstances, grants leave for it to be represented by an officer. No such motion has successfully been filed, although Mr. Adams has filed a motion for leave to personally intervene.

[6] He has consistently refused to serve the respondent's agent, until specifically directed to do so, and has frequently been unable to file proceedings because they are clearly in the wrong form. In

answer to the Notices of Status Review, he said, among other things, that the appellants were still attempting to obtain an extension of time under rule 8.

[7] Prothonotary Aalto's reasons for dismissing the applications are very succinct. He said:

On status review, the Court must be satisfied that the reasons provided for the delay in moving the proceeding forward are justified and, in addition, that the measures proposed by the party in default to move the case forward are appropriate. The submissions received in response to the Notice of Status Review are wholly inadequate for several reasons. First, no solicitor acts for the Appellant. This is so notwithstanding that Neil Adams, who is not a solicitor and purports to act for the Appellant, has been advised that Rule 120 requires that a solicitor represent a corporation. Second, no motion has been brought permitting the Appellant to be represented by an agent who is not a solicitor. The representations purported to be filed on behalf of the Appellant should neither be received by the Court nor considered. Third, even if the Court were to consider the submissions filed on behalf of the Appellant, those submissions do not comply with Rule 382(1). There is no explanation why the proceeding should not be dismissed for delay. There is no timetable to complete the next steps to bring the matter to a hearing. Thus, in accordance with Rule 382.1(2) there is no compelling reason or any reason before the Court which satisfies the Court as to why this proceeding should continue. Therefore, the proceeding is dismissed.

[8] His decision was discretionary. Not only could it have brought an end to the proceedings; it did bring an end to them. Therefore, I am directed by the Court of Appeal to exercise my own discretion *de novo* (*Merck & Co v Apotex Inc*, 2003 FCA 488, [2004] 2 FC 459, [2003] FCJ No 1925 (QL)).

[9] At the hearing before me, Mr. Adams was again prepared to act for his corporations. In a mixture of representations and what in fact was testimony, he said the corporations were impecunious. I pointed out it is not enough to say that the corporations are impecunious, one must

show that they are. Even then, it does not automatically follow that the corporations may be represented by an officer. Incorporating has its advantages and disadvantages. One disadvantage is that it, unlike a person of flesh and blood, cannot represent itself.

[10] In order to deal with the merits of the appeal, I gave Mr. Adams special leave to represent the corporations solely for the purpose of appealing Prothonotary Aalto's orders. In the circumstances, I adjourned his motions to personally intervene *sine die*.

[11] Rule 8 of the *Federal Courts Rules* provides:

8. (1) On motion, the Court may extend or abridge a period provided by these Rules or fixed by an order.

(2) A motion for an extension of time may be brought before or after the end of the period sought to be extended.

(3) Unless the Court directs otherwise, a motion to the Federal Court of Appeal for an extension of time shall be brought in accordance with rule 369.

8. (1) La Cour peut, sur requête, proroger ou abréger tout délai prévu par les présentes règles ou fixé par ordonnance.

(2) La requête visant la prorogation d'un délai peut être présentée avant ou après l'expiration du délai.

(3) Sauf directives contraires de la Cour, la requête visant la prorogation d'un délai qui est présentée à la Cour d'appel fédérale doit l'être selon la règle 369.

[12] I asked Mr. Adams what he was referring to when he cited rule 8, since the response to the Notices of Status Review was silent on the point. In reply to my question he mentioned directions of Prothonotary Lafrenière issued in August 2012, which he wished to appeal, but was out of time. These were directions, not orders. Directions cannot be appealed.

[13] To advance the cases, it was necessary that records be filed as per rule 309 of the *Federal Courts Rules*. Mr. Adams is of the view that no record need be filed as it is self-evident from the tribunal record that the trade-mark decisions were erroneous. That may well be self-evident to Mr. Adams, but certainly not to me. In any event, he then said he had a record ready to be filed.

[14] Mr. Adams appears to have memorized every section of the *Trade-marks Act*, every section of the *Federal Courts Act* and every rule of the *Federal Courts Rules*. However, he is unable to put them together.

[15] In *Rosen v Canada*, [2000] 2 CTC 422, [2000] FCJ No 415 (QL), (leave to appeal to the Supreme Court of Canada refused) the Federal Court of Appeal, at paragraph 5, outlined the factors which should be taken into consideration in order to determine whether a proceeding should be dismissed in accordance with Rule 382 (2)(a):

The normal factors in support of such a motion namely the intention to take proceedings within the prescribed time limits, the existence of an arguable case, the cause and actual length of the delay and whether there was prejudice caused by the delay were not deposed to.

[16] The appellants were required to address the reasons for their failure to move the case forward and their proposed measures to remedy the situation. (*Netupsky v Canada*, 2004 FCA 239, [2004] FCJ No 1073 (QL), at para 11: “a party in receipt of a notice of status review is required to address two questions. (1) Is there a justification for the failure to move the case forward? (2) What measures does the party propose to take to move the case forward?”) This was not done.

[17] In *Xu v Murphy*, 2010 FCA 140, [2010] FCJ No 706 (QL), at para 2, the Federal Court of Appeal found that the omissions of the appellant, who had failed to comply with the requirements of the status review rule and had not taken the first step to perfect the appeal, were sufficient grounds to dismiss the appeal.

An appellant who must respond to a Notice of Status Review must set out the reasons for the delay in proceeding with his appeal and propose a timetable for the remaining steps to be taken in the appeal: see Rule 382.3(1) of the *Federal Courts Rules*, SOR/98-106. In this case, Mr. Xu has done neither of these things. In fact, he has not taken the first step to perfect his appeal, namely to settle the contents of the appeal book, either by agreement or by motion. These omissions are sufficient ground to dismiss the appeal on the ground of delay.

[18] Leaving aside the fact that the corporations are not represented by counsel, they have been unable to demonstrate any ability to continue the proceedings within the prescribed time limits. As stated by Mr. Justice Hugessen in *Baroud v Canada*, 160 FTR 91, [1998] FCJ No 1729 (QL), a case involving a lay litigant, at para 5:

[...] if no good reason is advanced to justify the delay, the plaintiff should be prepared to demonstrate that he recognizes that he has a responsibility to the Court to move his action along. Mere declarations of good intent and of the desire to proceed are clearly not enough.

[19] The causes and length of the delays appear to have been brought on by Mr. Adams' unsuccessful struggle to understand and comply with the applicable rules.

[20] Furthermore, I do not see an arguable case on the merits of his opposition to the registration of the trade-marks. On several occasions, his opposition was noted to be incomplete or irregular. Notwithstanding that he was given time to better his oppositions, he was unable, or unwilling, to do

so. Indeed, the Trade-marks Opposition Board deemed his oppositions to be withdrawn for failure to comply with the rules. That decision was not unreasonable. Mr. Adams had been given ample opportunity to rectify matters and he was even given guidance regarding the *Trade-marks Act*, but simply failed to provide the evidence which was required.

[21] The appeals shall be dismissed, but without costs, as the respondent did not appear on the motions.

ORDER

FOR REASONS GIVEN;

THIS COURT ORDERS that:

1. The appeals are dismissed without costs.
2. A copy of these reasons for order and order are to be placed in court docket number T-333-12 and apply there accordingly.

“Sean Harrington”

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKETS: T-332-12
T-333-12

STYLE OF CAUSE: CANADIANMAGICJACK.CA LTD ET AL v
MAGICJACK LP, (A LIMITED PARTNERSHIP,
ORGANIZED IN DELAWRE; THE GENERAL
PARTNERS IS YMAX HOLDINGS CORPORATION,
ORGANIZED IN DELAWARE)

PLACE OF HEARING: VANCOUVER, BRITISH COLUMBIA

DATE OF HEARING: JANUARY 28, 2012

**REASONS FOR ORDER
AND ORDER:** HARRINGTON J.

DATED: FEBRUARY 13, 2013

APPEARANCES:

Neil Adams FOR THE APPELLANTS

No one appeared FOR THE RESPONDENT

SOLICITORS OF RECORD:

Goodmans LLP
Barristers & Solicitors
Toronto, Ontario

FOR THE APPELLANTS

FOR THE RESPONDENT