Federal Court Cour fédérale

Date: 20210812

Docket: T-1101-21

Citation: 2021 FC 837

Ottawa, Ontario, August 12, 2021

PRESENT: Mr. Justice Sébastien Grammond

BETWEEN:

GLOFISH LLC

Applicant

and

OCEANVIEW ENTERPRISE
ANIMALERIE AQUA TERRA

Respondents

JUDGMENT AND REASONS

[1] As the saying goes, a bad settlement is better than a good trial. Parties are encouraged to settle their disputes by themselves. Doing so saves the parties' and the court's limited resources, and the parties are often in a position to design solutions that would be beyond the power of the court to order.

[2] In the private law context, courts usually play no role in reviewing the terms of the parties' settlement. Sometimes, however, the settlement includes a term according to which the parties will seek a consent judgment. In these cases, the court must at least be satisfied that it has jurisdiction. This is because jurisdiction is not granted by consent alone.

[3] The parties in this case have agreed to settle. The applicant and one of the defendants are seeking a consent judgment. Nonetheless, I am of the view that one aspect of the judgment sought is outside the jurisdiction of the Federal Court. As a result, I will be issuing a judgment that excludes this component.

I. Background

[4] Glofish LLC is an American company that created a fish that glows in the dark by genetically modifying the white skirt tetra. It is intended to be used in aquariums, for decorative purposes. Glofish LLC registered the Canadian trademark "Glofish" for use in conjunction with such fish, and applied for registration of associated trademarks for various colours of its product. It also obtained an authorization under the *Canadian Environmental Protection Act*, 1999, SC 1999, c 33 [CEPA] to import these fish to Canada.

[5] Glofish LLC brought proceedings against two Canadian businesses, Oceanview Enterprise [Oceanview] and Animalerie Aqua Terra [Aqua Terra], for advertising or selling fluorescent fish under the name "Glofish" without a licence from Glofish LLC. It sought injunctions restraining Oceanview and Aqua Terra from using Glofish LLC's trademarks. It also

alleged that Oceanview and Aqua Terra imported or manufactured the fish without the licence required under CEPA. Thus, it also sought an injunction prohibiting the respondents from:

> Importing into Canada, manufacturing, advertising, offering for sale and selling genetically engineered fluorescent fish that have not been notified and approved pursuant to the *Canadian Environmental Protections Act, 1999* and the *New Substances Notification Regulations (Organisms)*;

[6] Glofish LLC then brought a motion for an interlocutory injunction seeking essentially the same relief. In its memorandum of facts and law, it divided its argument between what it called the "trademark injunction" and the "CEPA injunction." It asserted that the latter injunction was based on section 39 of CEPA, which reads as follows:

39 Any person who suffers, or is about to suffer, loss or damage as a result of conduct that contravenes any provision of this Act or the regulations may seek an injunction from a court of competent jurisdiction ordering the person engaging in the conduct	**39** Quiconque a subi ou est sur le point de subir un préjudice ou une perte par suite d'un comportement allant à l'encontre d'une disposition de la présente loi ou de ses règlements peut solliciter du tribunal compétent une injonction visant à faire cesser ou à empêcher tout fait pouvant lui causer le préjudice ou la perte.
(a) to refrain from doing anything that it appears to the court causes or will cause the loss or damage; or	
(b) to do anything that it appears to the court prevents or will prevent the loss or damage.	

[7] Upon reviewing the parties' written submissions, I had doubts with respect to the jurisdiction of the Federal Court to issue an injunction based on section 39 of CEPA. I therefore directed the parties to provide submissions regarding this issue.

[8] At the opening of the hearing, the parties informed me that they had settled the case. The agreement between Glofish LLC and Aqua Terra is private and will result in a discontinuance of the proceeding as against Aqua Terra. The agreement with Oceanview, however, provides that the parties will seek a consent judgment encompassing both the "trademark injunction" and the "CEPA injunction," on a permanent basis. The parties asked me to render judgment accordingly.

[9] I then indicated to the parties that I was prepared to issue the consent judgment, subject to my doubts regarding this Court's jurisdiction to issue an injunction under section 39 of CEPA. I invited the parties to make oral submissions in this regard. Counsel for Glofish LLC did so and counsel for Oceanview concurred with these submissions. I then reserved judgment.

II. Analysis

A. *Consent Judgment and Jurisdiction*

[10] It is trite law that jurisdiction—at least jurisdiction *ratione materiae*—cannot be conferred by the consent of the parties, unless, of course, legislation specifically provides for this possibility: see, for example, *Canadian National Railway Company v BNSF Railway Company*, 2016 FCA 284 at paragraph 23; *Mahjoub v Canada (Citizenship and Immigration)*, 2017 FCA 157 at paragraph 39, [2018] 2 FCR 344; *Hillier v Canada (Attorney General)*, 2019 FCA 44 at

paragraph 4. It follows that, on a motion for consent judgment, the court must satisfy itself that it has jurisdiction, regardless of the parties' common position.

[11] This principle was summarized in *Galway v Minister of National Revenue*, [1974] 1 FC 600 at 601 [*Galway*]:

> It is no part of the Court's function, on an application for consent judgment, to examine the issues, either of fact or of law, involved in the appeal except in so far as may be necessary for the Court to satisfy itself that the judgment sought is within the jurisdiction of the Court and is one that can legally be granted.

[12] The principles laid out in *Galway* were recently reiterated in *Canada v CBS Canada Holdings Co*, 2020 FCA 4 at paragraphs 29–30.

[13] Thus, I must satisfy myself that I have jurisdiction to issue the order sought by the parties.

B. *Can Jurisdiction be Conferred by the Trademarks Act?*

[14] There is no doubt that the Federal Court has jurisdiction to issue what Glofish LLC called the "trademark injunction," pursuant to sections 53.2(1) and 55 of the *Trademarks Act*, RSC 1985, c T-13, and section 20(2) of the *Federal Courts Act*, RSC 1985, c F-7.

[15] Despite having offered separate bases for the trademark injunction and the CEPA injunction in its memorandum of fact and law, Glofish LLC now asserts in oral argument that the CEPA injunction is merely an adjunct to the trademark injunction. Referring specifically to

CEPA in the order would be necessary given the peculiar nature of the goods associated with the Glofish trademark, as the mark cannot be affixed to the fish. Thus, this Court's jurisdiction to issue the order quoted above would flow from the *Trademarks Act*.

[16] I am unable to agree with this submission. While they are based on the same factual matrix, the two injunctions are based on entirely different legal bases and are independent of each other. The grounds for the CEPA injunction do not depend on the registration of any trademark, but on the lack of approval for importing a genetically modified organism. Likewise, the grounds for the trademark injunction do not depend on the fact that the product is regulated under CEPA. I fail to see how the nature of the goods makes it difficult to define the subject matter of the trademark injunction or why the latter could not stand independently of the CEPA injunction.

[17] Put simply, the CEPA injunction is not based on "any act [that] has been done contrary to" the *Trademarks Act*, as is required for an application under section 53.2(1), nor is it a proceeding for the enforcement of any provision of that Act under section 55. Thus, the *Trademarks Act* cannot sustain the relief requested under CEPA.

C. *Does Section 39 of CEPA Confer Jurisdiction on the Federal Court?*

[18] The Supreme Court of Canada has established a three-part test to determine if a matter properly comes within the jurisdiction of the Federal Court: *ITO-Int'l Terminal Operators v Miida Electronics*, [1986] 1 SCR 752; *Canada (Human Rights Commission) v Canadian Liberty Net*, [1998] 1 SCR 626 [*Canadian Liberty Net*]; *Windsor (City) v Canadian Transit Co*, 2016

SCC 54, [2016] 2 SCR 617. The first part of this test is that there must be a statutory grant of jurisdiction with respect to the relevant subject matter.

[19] Section 39 of CEPA does not grant jurisdiction to the Federal Court, but rather to a "court of competent jurisdiction" ("*tribunal compétent*"). The use of such language suggests that Parliament did not intend to disturb the existing distribution of jurisdiction. Where the defendant is a private entity, the jurisdiction to issue an injunction resides with the superior court of each province and the jurisdiction to award damages resides with either the superior court or a provincial court, according to the legislation of the relevant province. In this context, a provision that assigns a particular matter to a "court of competent jurisdiction" cannot be interpreted as a grant of jurisdiction to the Federal Court, where the latter does not already have jurisdiction over the remedy sought.

[20] Moreover, the wording of section 39 can be contrasted to that of sections 53, 221, 233 and 269 of CEPA, which explicitly grant jurisdiction to the Federal Court. The logical inference is that, *a contrario*, Parliament did not intend to confer jurisdiction on the Federal Court in section 39.

[21] In *Canadian Liberty Net*, at paragraphs 35–36, the Supreme Court stated that statutory grants of jurisdiction to the Federal Court should not be narrowly construed. This guideline, however, cannot set aside an interpretation that flows from the text and context of section 39.

[22] Indeed, Glofish LLC did not seriously argue that this Court's jurisdiction to issue the CEPA injunction flows from section 39. Rather, it asserted that the Federal Court has a general jurisdiction over the application of federal statutes. This, however, is incorrect. The application of many federal statutes is entrusted to provincial courts. As the Supreme Court stated in *Canadian Liberty Net*, at paragraph 28:

> . . . even when squarely within the realm of valid federal law, the Federal Court of Canada is not presumed to have jurisdiction in the absence of an express federal enactment.

[23] Relying on paragraph 36 of *Canadian Liberty Net*, Glofish LLC also invoked the Federal Court's "general administrative jurisdiction over federal tribunals." This, however, is misplaced. Glofish LLC's application is not with respect to "the control and exercise of powers of an administrative agency." It only seeks a remedy against a private entity, Oceanview. While it asserts that Oceanview failed to comply with statutory and regulatory requirements, it does not challenge any decision made by a federal tribunal. This Court's supervisory jurisdiction over federal tribunals, flowing from section 18 of the *Federal Courts Act*, is therefore of no assistance to Glofish LLC.

III. Conclusion

[24] For these reasons, I do not have jurisdiction to issue the order reproduced above, restraining breaches of CEPA. I can only grant judgment with respect to what Glofish LLC described as the trademark injunction. With respect to the latter, I am satisfied that the proposed consent judgment is, to use *Galway*'s language, "one that can legally be granted." Thus, I will issue the parts of the proposed consent judgment that fall within this Court's jurisdiction.

JUDGMENT in T-1101-21

THIS COURT'S JUDGMENT is that:

1. The Respondent, Oceanview Enterprise, by itself or by its officers, directors, shareholders, employees, licensees, representatives, agents, or any person under its authority or control, or by any company, partnership, business entity or person with which it is associated or affiliated, is prohibited from further directly or indirectly:

   (a) Selling, distributing, importing into Canada, exporting from Canada, offering for sale and/or advertising in Canada, live fish in association with any trademarks, whether registered or not, owned by Glofish LLC or an affiliate, including "ELECTRIC GREEN", "GALACTIC PURPLE", "SUNBURST ORANGE", "STARFIRE RED", "COSMIC BLUE" and "MOONRISE PINK", and Canadian Trademark Registration Nos. TMA924861, TMA836790, and TMA1086869, unless first obtaining written approval from Glofish LLC;

   (a) Directing public attention to its goods, services or businesses in such a way as to cause or be likely to cause confusion in Canada between their goods, services or businesses and the goods, services or businesses of Glofish LLC; and

   (b) Passing off their live fish as, and for, the live fish of Glofish LLC.

"Sébastien Grammond"
Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-1101-21
STYLE OF CAUSE:	GLOFISH LLC v OCEANVIEW ENTERPRISE and ANIMALERIE AQUA TERRA
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