Date: 20080516

Docket: T-2216-07
Docket: T-2217-07

Citation: 2008 FC 621

Vancouver, British Columbia, May 16, 2008

PRESENT: The Honourable Mr. Justice Zinn

T-2216-07

BETWEEN:

CIBC WORLD MARKETS INC.

Applicant

and

STENNER FINANCIAL SERVICES LTD.

Respondent

T-2217-07

BETWEEN:

THANE STENNER

Applicant

and

STENNER FINANCIAL SERVICES LTD.

Respondent

REASONS FOR ORDER AND ORDER

[1] Two expungement applications have been filed under section 57 of the *Trade-marks Act*, R.S., 1985, c. T-13, to expunge the trade-mark STENNER: *CIBC World Markets Inc. v. Stenner Financial Services Ltd.*, Federal Court No. T-2216-07 (the CIBC application) and *Thane Stenner v.*

Stenner Financial Services Ltd. Federal Court No. T-2217-07 (the Stenner application). The Applicants in those two matters will be referred to as "CIBC" and "Stenner" and the Respondent as "Stenner Financial".

[2] On February 13, 2008, Mr. Justice Lemieux, with the consent of all parties, ordered that the two expungement proceedings be heard at same time, and that the evidence in each proceeding would be evidence in the other. However, the proceedings have not been consolidated. Accordingly, while I am issuing only a single set of Reasons, they are issued with respect to each matter.

[3] Stenner Financial appeals the Orders of Prothonotary Lafrenière made April 28, 2008, granting an extension of time pursuant to Rule 308 of the *Federal Courts Rules* to CIBC and Stenner to conduct cross-examinations on a number of affidavits filed by Stenner Financial, and ordering costs of $1000 payable by Stenner Financial to each of CIBC and Stenner in any event of the cause. In addition, the Prothonotary ordered that these two applications continue as specially managed proceedings.

I. Introduction and Background

[4] Early in these companion applications the relationship among counsel for the parties was cordial and professional, as one would expect of senior counsel. Indulgences were granted by all parties. Stenner Financial consented to an extension of time for CIBC and Stenner to serve and file their supporting affidavits in accordance with Rule 7 of the *Federal Courts Rules*. CIBC and

Stenner consented to an extension of time for Stenner Financial to file its supporting affidavits. On Wednesday, April 2, 2008, Stenner Financial served and filed 13 affidavits.

[5] Rule 308 of the *Federal Courts Rules* provides that all parties must complete cross-examination on affidavits within 20 days after the filing of the respondent's affidavits. The deadline to complete cross-examination in these applications would thus expire on Tuesday, April 22, 2008, unless otherwise extended by consent or order of this Court.

[6] There is no dispute with respect to the sequence of events following the service of the Respondent's affidavits. They are recorded in correspondence among the parties. It is important to set out those facts and correspondence in some detail in order to respond fully to the Respondent's submissions in this appeal. The relevant facts are summarized as follows.

April 2, 2008	13 Affidavits are served by Stenner Financial.
April 7, 2008	Counsel for CIBC advised counsel for Stenner Financial that he wishes to cross-examine 12 of the 13 deponents.
April 8, 2008	Counsel for CIBC writes to counsel for Stenner Financial confirming his intention to cross-examine 12 of the deponents. He notes the 20 day limit in the Rules and asks whether Stenner Financial will consent to a 10-day extension. He further inquires whether counsel will coordinate convenient dates for the cross-examination and service of the Directions to Attend on the deponents. Lastly, he asks that counsel provide the addresses of the deponents.

April 8, 2008 Counsel for Stenner writes to counsel for Stenner Financial.

He too expresses his intention to cross-examine 12 of the deponents.

He writes that although the *Federal Courts Rules* permit an examining party to unilaterally serve each witness, it makes more sense to coordinate the cross-examinations as both he and counsel for CIBC intend to examine these 12 deponents. He writes:

> Please advise whether you would like to coordinate the cross-examinations of the witnesses so that they are not being personally served with a Direction to Attend on a date that is a surprise to them. If you are not prepared to coordinate the cross-examination of each of these witnesses, please let me know as soon as possible, so that I can serve them with a Direction to Attend.

April 9, 2008 Counsel for Stenner Financial responds to both counsel advising:

> We are unable to agree to the extension requested as the writer is not available during the additional period. Accordingly it will be necessary to seek an order from the Court. I am sure that reasonable arrangements can be made to accommodate the cross-examination of the various deponents.

He suggests a restricted examination of the deponents from that proposed by counsel for Stenner and provides the addresses for each deponent. He concludes: "We will be pleased to provide you with available dates once the preliminary issues are resolved".

April 10, 2008 Counsel for Stenner responds rejecting the time restriction proposed by counsel for Stenner Financial and asserting that counsel for each Applicant has the absolute right to examine all deponents until their questions are exhausted but suggests that it would likely be the case that one counsel would take the lead and the other would then ask his non-repetitive questions. He concludes his letter as follows:

> With respect to the timing of the cross-examinations, are you and the witnesses available prior to the deadline

> imposed by the *Federal Court [sic] Rules*?
>
> If not, please contact me so that we can discuss your availability and the availability of the witnesses, and whether you will consent to an extension of the deadline so that I can file a request for an order extending the deadline?

April 11, 2008 Counsel for CIBC writes agreeing with the statements in the above referenced letter.

April 11, 2008 Counsel for Stenner Financial writes to both counsel indicating that he finds the "tone of Mr. Morrison's [counsel for Stenner] letter to be unnecessarily hostile". He concludes:

> This will confirm that we have available dates for the examinations but will not take on the task of coordinating dates convenient to the witnesses and counsel which is your responsibility. We will require strict compliance with the *Federal Court [sic] Rules*.

This letter was the first indication from counsel for Stenner Financial that he would not cooperate in coordinating the dates for the cross-examinations and that he was insisting on strict compliance with the time limits set out in the Rules.

April 11, 2008 Counsel for CIBC writes asking counsel for Stenner Financial to agree to a 10-day extension as provided in Rule 7(1) and advises:

> If you will not consent, we will bring a motion to the Court to extend the time and seek costs of the motion from your client.

April 14, 2008 Counsel for Stenner Financial responds to CIBC that "it is not possible for us to agree to your request for a ten day extension".

April 14, 2008 Counsel for Stenner writes to Stenner Financial advising that:

> Given the time that has elapsed between the date on which I advised you that Mr. Stenner intends to cross-examine each witness and your letter of Friday

> afternoon [April 11th] advising that you require strict compliance of [sic] the *Federal Court [sic] Rules*, I have very limited options for scheduling the cross-examinations and I intend to apply for an order extending a deadline (which will almost certainly be granted).

Counsel for Stenner Financial is invited to reconsider the refusal to consent to an extension. A Direction to Attend for Gordon Stenner, one of the deponents, is enclosed for his cross-examination on April 22, 2008.

April 15, 2008 Counsel for Stenner Financial observes correctly that the Direction was not served in compliance with the Rules and advises that Gordon Stenner would not appear on the date specified in the Direction. He writes:

> Because of your refusal to agree to reasonable limits on the cross-examination procedures we are forced to take an equally unreasonable approach to standing on our full rights. …
>
> We are still prepared to reasonably accommodate cross-examination in this matter but we repeat that the Applicants who are joined in this proceeding at their own request may not tag-team their cross-examination. You may choose one lawyer to examine Mr. Stenner for one day. We will make Mr. Stenner available at our office during the week of April 28th, 2008.

April 16, 2008 Counsel for CIBC and Stenner serve and file motions pursuant to Rule 8 of the *Federal Courts Rules* seeking an order extending the time to cross-examine the deponents on the affidavits filed by the Respondent in these applications.

April 28, 2008 The parties appeared before Prothonotary Lafrenière who, after hearing submissions from the parties, advised that he intended to make an order extending the deadline for completing cross examinations. He asked the parties to discuss dates for cross-examinations privately and return with

acceptable and convenient dates for the examinations which he would then incorporate into an order.

April 29, 2008 Counsel for Stenner writes to the Court seeking reasons for the order of Prothonotary Lafrenière:

> Prothonotary Lafrenière [on April 28, 2008] ordered an extension of the deadline for the completion of cross-examinations, as well as other relief.
>
> An order has not been signed by Prothonotary Lafrenière.
>
> Murray Smith, counsel to Stenner Financial Services Ltd. has advised … that he intends to appeal the decision of Prothonotary Lafrenière.
>
> The decision of Prothonotary Lafrenière was given orally.
>
> I respectfully request that Prothonotary Lafrenière kindly provide written reasons for his order for the benefit of the judge hearing the appeal.

He advises the Court that he has communicated with both counsel prior to making this request, that counsel to CIBC supports it and that counsel for Stenner Financial was of the view that the request for reasons ought not to be made.

May 2, 2008 Prothonotary Lafrenière issues the Reasons for Order and Order extending the time to complete the cross-examinations, incorporating the schedule previously provided by counsel, and ordering that these matters continue as specially managed proceedings.

May 2, 2008 Stenner Financial files its appeal from the Order of Prothonotary Lafrenière and in the Notice of Appeal sets out the bases for the appeal.

II. Grounds of Appeal

[7] Stenner Financial raises three grounds of appeal:

1. That Prothonotary Lafrenière erred in granting the extension when the affidavits filed on the motion failed to disclose any reason for the failure to serve the Directions to Attend and complete the cross-examinations within the 20 days provided in the Rules;

2. That Prothonotary Lafrenière erred in granting the extension when the affidavits filed on the motion failed to establish any merit to the underlying expungement applications; and

3. That Prothonotary Lafrenière erred in granting the extension when the affidavits filed on the motion failed to establish any intrinsic worth in the evidence sought on the cross-examinations.

[8] In addition, Stenner Financial argued that Prothonotary Lafrenière erred in that he did not give written reasons at the time he granted the extension, he did not reserve judgment or the right to provide written reasons, and then provided written reasons only after an appeal of his Order was brought and then over the objection of counsel for Stenner Financial.

[9] It is appropriate to deal with this last submission first as it could affect the test to be applied on this appeal.

III. The Prothonotary's Written Reasons

[10] Stenner Financial argued that if the Reasons for Order were improper, then they should not be considered by this Court sitting on appeal. Relying on the decision of Justice Mactavish in *Bank*

of the West v. Weldga281596 (The), 2007 FC 1112, it was submitted that absent reasons for the decision below, this Court should hear the original motion for an extension *de novo*.

[11] Counsel for Stenner Financial relies on the decision of the Ontario Court of Appeal in *Regina v. Hawke* (1975), 7 O.R. (2d) 145 [*Hawke*] in support of his submission that it was improper for the Prothonotary to issue reasons after the appeal was launched. He argued that it is improper to issue reasons in such circumstances as the Prothonotary was, in effect, advocating his position before this Court. He was attempting to pull himself up by his boot straps. Counsel relies on the following observation of the Court of Appeal at paragraph 110 of its decision:

> In the case at bar, it would not be unreasonable for the accused to feel that the learned trial Judge has put himself into the appellate arena in support of his conviction. It is to be observed that this is not a case where a trial Judge had indicated the result that he had arrived at and announced that he proposed to give his reasons later. In this case the trial was over, the rulings had been made after a lengthy argument and supplementary reasons were delivered only by reason of the appeal. In this case, the appearance of justice would have been better served if the trial Judge had been content to let the matter stand as recorded in the transcript of the evidence.

[12] The facts in *Hawke* are significantly different than those before me. In *Hawke* the accused was convicted in March 1973. Some five months later an appeal was filed and the reasons of the trial judge were issued. The Court of Appeal viewed these reasons as more than "mere extensive reasons for certain rulings at trial" but found them to be more akin to a brief in support of the conviction.

[13] In this instance Prothonotary Lafrenière was aware prior to issuing his reasons that an appeal was to be filed, but no appeal had yet been filed when he issued his reasons. Accordingly, counsel's suggestion that the Prothonotary crafted his reasons to address the grounds of appeal is entirely without merit. Further, unlike *Hawke*, Prothonotary Lafrenière issued his reasons in a timely manner. They were issued on the Friday of the week in which the motion was heard; it having been argued on the Monday of that week.

[14] Counsel also relied on *Virani v. Virani*, 2006 BCCA 63 [*Virani*], in support of his submission that no weight ought to be given to the reasons issued by Prothonotary Lafrenière. The facts in this decision of the Court of Appeal for British Columbia are distinguishable. In *Virani* the Court of Appeal held that the judge below improperly issued "reasons expanding on earlier reasons … after a notice of appeal is given" and following *Ribeiro v. Vancouver (City)* (2004), 41 B.C.L.R. (4th) 64 at 66, 2004 BCCA 482 at ¶3, described this as "judicial individualism". Prothonotary Lafrenière did nothing of the sort. He had never issued any reasons or formal order for the disposition he advised the parties at the end of the hearing that he would be making.

[15] The course of conduct that Prothonotary Lafrenière engaged in here is not unique to him or to this Court. Prothonotaries have a heavy work load. Where, as here, they are able to advise the parties of the disposition that will be made, then it is appropriate to do so in order that further time is not wasted awaiting the formal Order. Where, as here, time is short to complete the cross-examinations, even with the grant of additional time, the course of conduct adopted by the Prothonotary is all the more appropriate. Perhaps Prothonotary Lafrenière would have been well-

advised to have informed the parties orally at the conclusion of the hearing that written reasons were to follow, but it was not necessary to do so. Rule 392 of the *Federal Courts Rules* makes it clear that an Order is not made or effective until it has been reduced in writing and is signed by the judicial officer making it.

392. (1) The Court may dispose of any matter that is the subject-matter of a hearing by signing an order.	392. (1) La Cour peut statuer sur toute question qui fait l'objet d'une instruction en signant une ordonnance.
(2) Unless it provides otherwise, an order is effective from the time that it is endorsed in writing and signed by the presiding judge or prothonotary or, in the case of an order given orally from the bench in circumstances that render it impracticable to endorse a written copy of the order, at the time it is made.	(2) Sauf disposition contraire de l'ordonnance, celle-ci prend effet au moment où elle est consignée et signée par le juge ou le protonotaire qui préside ou, dans le cas d'une ordonnance rendue oralement en audience publique dans des circonstances telles qu'il est en pratique impossible de la consigner, au moment où elle est rendue.

[16] In this instance, no Order was signed or became effective until the date the Reasons and the Order were formally issued.

[17] In my view this Court is not required or entitled to review this matter *de novo.* However, if that had been required, for the reasons set out below, I would have reached the same conclusion and made the same orders as were made by Prothonotary Lafrenière based on the materials before him.

[18] The orders made by Prothonotary Lafrenière extending time and ordering costs were discretionary orders: *Solvay Pharma Inc. v. Apotex Inc*., 2007 FC 407 [*Solvay Pharma*], paras. 13 and 23. As such, his orders should not be disturbed unless they are clearly wrong in the sense that the exercise of discretion by the Prothonotary was based upon a wrong principle or a misapprehension of the facts: *Solvay Pharma*, para. 13.

[19] Prothonotary Lafrenière applied the appropriate test for an extension of time under the *Federal Courts Rules*, namely that set out in *Canada (Attorney General) v. Hennelly* (1999), 244 N.R. 399 (F.C.A.) [*Hennelly*]. An extension should not be granted unless four conditions are met: (1) that there has been a continuing intention to pursue the application, (2) that the application has some merit, (3) that no prejudice arises to the respondent from the delay, and (4) that a reasonable explanation for the delay exists.

[20] The Respondent argues that the affidavits filed by Stenner and CIBC in support of their applications for an extension failed to specifically set out a reason for the delay, failed to establish that there was any intrinsic worth to the proposed cross-examinations, and failed to establish evidence of the merits of the expungement applications. Prothonotary Lafrenière found otherwise.

[21] The position taken by the Respondent appears to be based on the premise that the supporting affidavit on its face must set out the reason for the delay and make some statement to support the merits of the initial application. This premise ignores the fact that often, as in this case, there are documents attached as exhibits to the affidavit. They too are evidence that is required to be

considered when adjudicating the motion. In fact, a bald statement that the application has merit or that there is a reason for the delay without more is unlikely to satisfy the Court that an extension is warranted.

[22] Here the correspondence attached to the supporting affidavits established quite clearly the reason for the delay. It was not necessary to set out the obvious in the body of the affidavit. The correspondence attached as exhibits to the affidavits, as summarized above, establishes that there was a continuing intention on the part of Stenner and CIBC to cross-examine 12 of the deponents. It is also clear that they were attempting to time those examinations in a cooperative way with counsel for Stenner Financial. When counsel for Stenner Financial advised that he would be insisting on strict compliance with the Rules, it was 3:09 p.m. on Friday April 11, 2008. In order to serve valid Directions to Attend on the 12 personal deponents Stenner and CIBC would have to serve all of them within the next one hour and 41 minutes. The correspondence and the past history of cooperation provide the entire explanation as to the reasons for delay. Further, the Applicants moved quickly when advised that Stenner Financial was insistent on strict compliance to bring their motions to the Court.

[23] Stenner Financial also complains that the motion material failed to set out that the expungement application has "some merit". Counsel also argued that Prothonotary Lafrenière applied a different standard than required by *Hennelly* when he held that "there is, at the very least an arguable case that the STENNER trade-mark is not distinctive". I find counsel's submission to be

without merit. If anything, the Prothonotary imposed a slightly higher requirement on the Applicants than *Hennelly* requires when he looked to see if they had an arguable case.

[24] Stenner Financial also submitted that there was nothing in the affidavits or the exhibits from which the Prothonotary could reach his conclusion that the case had some merit. It is submitted that this was an error of law. That position entails accepting that the Court and Prothonotary turn a blind eye to the material in the court record on these applications. There is ample support for the proposition that this Court may take into consideration materials in its own file. See for example *Apotex v. Wellcome Foundation Ltd*., [2003] F.C.J. 1551 at para. 10 and Rule 363 which expressly makes this clear. A review of the materials filed to date in these applications quickly leads one to the view that there is some merit in the applications, that is to say, these applications are not clearly frivolous or obviously without merit.

[25] Lastly, it was argued that once Stenner and CIBC had to seek leave of this Court to extend the time for cross-examinations, they then had to show that there was some intrinsic worth to that process. Counsel cited and relies on *President Asian Enterprises Inc. v. President Group Realty Ltd*., [1997] F.C.J. 389, aff'd [1997] F.C.J. 631 [*President Asian*]; *Kurniewicz v. Canada (Minister of Manpower and Immigration)*, [1974] F.C.J. 922; *Azatian v. Canada (Minister of Citizenship and Immigration)*, [1996] F.C.J. 932; *Vlahou v. Canada (Minister of Manpower and Immigration)*, [1977] F.C.J. 27; *Taylor Made Golf Co. v. 1110314 Ontario Inc. (c.o.b. Selection Sales)*, [1998] F.C.J. 681; and *Fibremann Inc. v. Rocky Mountain Spring (Icewater 02)*, [2005] F.C.J. 1238 [*Fibremann*].

[26] None of these cases support the position being advanced. Many, such as *President Asian* deal with a situation before the Rules were amended. In those earlier cases leave of the Court was required to cross-examine on an affidavit filed in support of an application. Rule 91 is clear that no such consent is now required.

[27] *Fibremann* does not involve an extension at all. Rather, it was an application to set aside an *ex parte* order of default judgment. The test in such cases is much different than that for an extension of time. Most importantly, the Federal Court of Appeal in *Hennelly* set out the four criteria to be considered before an extension is to be granted. The Court of Appeal makes no mention of any requirement that the applicant establish that there is some merit to the proposed examination if the extension is granted.

[28] In summary, Prothonotary Lafrenière did not exercise his discretion based on a wrong principle or on a misapprehension of the facts.

[29] As to the position advanced by Stenner Financial that the Prothonotary erred in ordering that these matters continue as specially managed proceedings, Rule 384 is a complete answer to this concern. Further, where, as here, the litigation appears to have hit a bump in the road, that is an appropriate course of action to be taken to ensure that the interests of justice are served and that the litigation proceeds in an orderly way to its final disposition.

[30] Prothonotary Lafrenière's order as to costs was also attacked. His reasons for making that order are the following:

> The Respondent unreasonably refused to consent to an extension of the deadline for completing cross-examinations or to facilitate cross-examinations. It also unfairly set up procedural obstacles, under the guise of "strict compliance with the rules", in a clear attempt to extract concessions from the Applicants. Such tactics are inappropriate and should not be condoned.
> The most important consideration when determining whether to grant an extension of time is the interests of justice. On the evidence before me, the Respondent ought to properly have acceded to the Applicants' reasonable requests. In the exercise of my discretion, I am satisfied that the motion for extension of time should be granted, with costs to the Applicants in any event of the cause.

In my view Prothonotary Lafrenière was not clearly wrong in this exercise of his discretion with respect to the award of costs and this Court will not disturb his ruling.

[31] Both CIBC and Stenner are seeking their costs of this appeal, payable forthwith by the Respondent in any event of the cause. In my view, the grounds advanced in this appeal were entirely without merit and this appeal ought not to have been brought. Accordingly, it is appropriate that the Applicants have their costs of this appeal in any event of the cause, and that those costs be payable forthwith.

ORDER

THIS COURT ORDERS that:

1. This appeal of the Order of Prothonotary Lafrenière dated May 2, 2008, extending the time for cross-examinations is dismissed; and

2. Costs of this appeal are fixed in the amount of $2500 and are payable by the Respondent to each Applicant forthwith and in any event of the cause.

"Russel W. Zinn"
Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-2216-07
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PLACE OF HEARING:	Vancouver, BC
DATE OF HEARING:	May 12, 2008
REASONS FOR ORDER AND ORDER:	ZINN J.
DATED:	May 16, 2008

APPEARANCES:

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