

Federal Court



Cour fédérale

**Date: 20091015**

**Docket: T-1057-08**

**Citation: 2009 FC 1035**

**Ottawa, Ontario, October 15, 2009**

**PRESENT: The Honourable Madam Justice Simpson**

**BETWEEN:**

**MAPLE LEAF FOODS INC.**

**Applicant**

**and**

**CONSORZIO DEL PROSCIUTTO DI PARMA  
THE REGISTRAR OF TRADE-MARKS**

**Respondents**

**REASONS FOR JUDGMENT AND JUDGMENT**

[1] Maple Leaf Foods Inc. (Maple Leaf) produces a variety of food products including ham. It became the owner of a trademark (Registration No. TMA179637) for the word “PARMA” (the PARMA Word Mark) which was registered on November 26, 1971 for use in association with a variety of meats including ham. The Consorzio unsuccessfully challenged this trademark. Maple Leaf has also filed a trademark application (Application No. 0765376) for a proposed design mark

showing the word PARMA resting on a ribbon and topped with a crown (the PARMA Design Mark). The application for registration was filed on October 3, 1994 with a claim of proposed use in Canada. It remains outstanding.

[2] Against this background Maple Leaf seeks judicial review of a public notice given by the Registrar of Trade-marks (the Registrar) on February 11, 1998 (the Notice) under the *Trade-marks Act*, R.S.C 1985, c. T-13 (the Act). The Notice was predicated on the Registrar's view that the Respondent, Consorzio Del Prosciutto Di Parma (the Consorzio) was a public authority within the meaning of subparagraph 9(1)(n)(iii) of the Act. The Consorzio is a group of approximately 210 Italian ham producers in the province of Parma in Italy.

[3] The Notice dealt with the Consorzio's adoption and use of the PARMA Ducal Crown Design mark (the Consorzio Design Mark) as an official mark. The Notice was published in the Trade-marks Journal, Volume 45, Issue 2259 on February 11, 1998. Earlier, in 1984, the Consorzio had filed trademark applications based on the proposed use of the Consorzio Design Mark and for the word mark PARMA HAM. These applications remain active.

[4] On April 9, 1998, Maple Leaf appealed the Notice to the Federal Court, pursuant to subsection 56(1) of the Act. In the appeal, Maple Leaf sought declarations that the Consorzio was not a "public authority" and that the Notice was of no force and effect. The matter was heard over two days by Mr. Justice John A. O'Keefe, who issued a decision on November 28, 2000. At paras. 12-13, Justice O'Keefe described Maple Leaf's submission as follows:

The appellant submits that the consortium is not a public authority within the meaning of the Act. Case law has determined factors to be considered in this assessment:

whether the body is under a duty to the public;  
whether there exists a significant degree of governmental control; and  
whether there is any requirement to dedicate profit to public good rather than private benefit.

According to the appellant, the consortium does not meet these tests: it operates for private benefit, has no duty to the Canadian public and any governmental control is foreign governmental control. The Court should be cautious about recognizing a “foreign commercial trade organization” as a public authority.

[5] Justice O’Keefe held that Maple Leaf did not have standing to appeal the Notice. However, he did not foreclose the possibility of allowing Maple Leaf to apply for an extension of time to file a judicial review application, or to make a motion to convert its appeal to an application for judicial review. Given his disposition of the appeal on the issue of standing, Justice O’Keefe concluded that it was not necessary to decide whether the Consorzio was a public authority.

[6] On December 20, 2000, further to Justice O’Keefe’s decision, Maple Leaf moved for an order granting it leave to convert its appeal into a judicial review (the Motion to Convert) and for an extension of time to file a Notice of Application.

[7] On December 28, 2000, Maple Leaf also appealed Justice O’Keefe’s decision to the Federal Court of Appeal. The Consorzio filed a cross-appeal on the same day.

[8] On February 13, 2001, Maple Leaf sent the Federal Court a letter asking that its Motion to Convert be adjourned and made returnable on its request following the disposition of the appeal and cross-appeal. The letter noted that “[t]he resolution of the appeals may render the current motion moot” and that “[t]he parties hope to have the appeals heard together and as soon as practicable.” Prothonotary Lafrenière therefore adjourned the Motion to Convert *sine die*.

[9] However, on April 25, 2002, Maple Leaf discontinued its appeal and stated in a letter to the Court:

Based in part on recent developments in the law which approve the use of judicial review as the procedural avenue to challenge s. 9 official marks, the appellant is now of the view that the decision and reasons of Justice O’Keefe were correct.

[10] The Consorzio’s cross-appeal was heard on May 1, 2002 and dismissed with costs.

[11] Notwithstanding the discontinuance of its appeal, Maple Leaf never brought its Motion to Convert back on for a hearing.

[12] Instead, Maple Leaf commenced this application for judicial review on July 8, 2008, ten years after the Notice was given and seven years after Justice O’Keefe’s decision. These periods will be described as the “Gap.”

[13] During the Gap, the interpretation of the term “public authority” was altered by Madam Justice Anne Mactavish’s decision in *Canada Post*. On the basis of her decision, which was upheld on appeal, Maple Leaf wrote the Registrar and asked him to withdraw the Notice. The letter said:

It is now clear that a Public Authority must be under the control of the *Canadian* government; a party under the control of a foreign government does not qualify as a Public Authority under Section 9 of the Act. (**Canada Post Corp. vs. United States Postal Service (2005) 47 C.P.R. (4<sup>th</sup>) 117 (F.C.T.D.), affirmed (2007) 54 C.P.R. (4<sup>th</sup>) 121 (F.C.A.), leave to appeal to S.C.C. denied**)

[14] However, on February 5, 2008, the Registrar wrote to Maple Leaf informing it that the Consorzio’s official mark remained in good standing, and stating that:

the Registrar has no authority, after giving public notice of the adoption and use of an official mark by a public authority, to reconsider the decision to give public notice of adoption and use of the official mark [...]. Any remedies regarding the status of the cited official mark would be within the Federal Court’s jurisdiction.

[15] This response by the Registrar prompted the present application for judicial review of the Notice.

## **THE ISSUES AND ANALYSIS**

[16] Against this background the issues are as follows:

1. Is this application time-barred by s. 18.1(2) of the *Federal Courts Act* in the absence of a request for an extension of time?
2. Is the Applicant barred from prosecuting this application by the doctrine of *res judicata*?

3. Is the Applicant barred from prosecuting this application by the doctrine of abuse of process?
4. Did the Registrar commit a reviewable error in publishing the Notice?

**Issue 1            Timing**

[17] Maple Leaf's present Notice of Application for Judicial Review describes the Notice as the subject of this application for judicial review.

[18] However, in his oral submission and in his factum, counsel for Maple Leaf suggested that Maple Leaf was actually seeking judicial review of an ongoing problem, namely the Registrar's continuing refusal to withdraw the Notice after the Federal Court's decision in *Canada Post* made it clear that the Consorzio is not a public authority under the Act.

[19] Maple Leaf relied on *Krause v. Canada*, [1999] 2 F.C. 476, 86 A.C.W.S. (3d) 4 as authority for the proposition that the limitation under s. 18.1(2) of the *Federal Courts Act* does not apply in cases where "an application for judicial review is sought for an order in the nature of mandamus, prohibition or declaratory relief for redress against a state of affairs that is by its very nature continuing and on-going and is alleged to be invalid or unlawful."

[20] The difficulty is that *Krause* is not applicable on the facts of this case because, according to the Notice of Application, which has not been amended, it is the Notice and not the Registrar's

conduct which is the subject of the application for judicial review. Further, the Federal Court of Appeal has held that a notice of an official mark is a “decision” and that the 30-day time limitation period for judicial review applies: *Ontario Assn. of Architects v. Assn. of Architectural Technologists of Ontario*, [2003] 1 F.C. 331, 2002 FCA 218 (F.C.A.) at para. 32.

[21] Maple Leaf further says that, because Justice O’Keefe concluded that it is not a party to the Notice, it is not subject to the time limitation under s. 18.1(2), which refers to “the party directly affected.”

[22] However, in my view, Justice O’Keefe’s conclusion about Maple Leaf’s lack of standing on an appeal from the Notice is not relevant to a proper interpretation of subsection 18.1(2). Subsections 18.1(1) and (2) both deal with directly affected parties and there is no doubt that Maple Leaf is directly affected by the Notice. It therefore had thirty days from the giving of the Notice to seek judicial review. Failing that, it was obliged to seek an extension of time. It has not done so.

## **Issue 2      *Res Judicata***

[23] *Henderson v. Henderson* (1843), 3 Hare 100, 67 ER. 313 [*Henderson*] at 114-115 reads:

In trying this question I believe I state the rule of the Court correctly when I say that, where a given matter becomes the subject of litigation in, and of adjudication by, a Court of competent jurisdiction the Court requires the parties to that litigation to bring forward their whole case, and will not (except under special circumstances) permit the same parties to open the same subject of litigation in respect of matter which might have been brought forward as part of the subject in contest, but which was not brought forward, only because they

have, from negligence, inadvertence, or even accident, omitted part of their case. The plea of *res judicata* applies, except in special cases, not only to points upon which the Court was actually required by the parties to form an opinion and pronounce a judgment, but to every point which properly belonged to the subject of litigation, and which the parties, exercising reasonable diligence, might have brought forward at the time.

[24] The Consorzio argues that the requirements of the doctrine of *res judicata* outlined in

*Beattie v. The Queen*, 2001 FCA 30, at para. 19 are satisfied in this case. Those requirements are:

- (a) there must be a final decision of a court of competent jurisdiction in the prior action;
- (b) the parties to the subsequent litigation must have been parties to or privy with the parties to the prior action;
- (c) the cause of action in the prior action must not be separate and distinct; and
- (d) the basis of the cause of action in the subsequent action was argued or could have been argued in the prior action if the parties had exercised reasonable diligence.

[25] Having reviewed the originating document and the written submissions before Justice O’Keefe, as well as his description of Maple Leaf’s arguments on this issue in his decision, I am satisfied that items (b), (c) and (d) above are met. The problem is that Justice O’Keefe did not issue a final decision on the merits. He simply made it possible for Maple Leaf to take steps to obtain such a decision. For this reason, I have concluded that the doctrine of *res judicata* does not apply.

### **Issue 3 Abuse of Process**

[26] In *Sauve v. Canada*, 2002 FCT 721, 115 A.C.W.S. (3d) 205, at para. 19, the Court described the doctrine of abuse of process as follows:

- (1) it is a flexible doctrine, not limited to any set number of categories;
- (2) its purpose is a public policy purpose used to bar proceedings that are inconsistent with that purpose;



- (3) its application depends on the circumstances and is fact and context driven;
- (4) its aim is to protect litigants from abusive, vexatious or frivolous proceedings or otherwise prevent a miscarriage of justice;
- (5) a particular scheme of the rules of court may provide a special setting for its application.

[27] Although, as in this case, the plaintiff in *Sauve* had not had his claim adjudicated on the merits, Justice Lemieux found that the plaintiff's disregard of the Court's case management rules constituted an abuse of process. He noted particularly that the plaintiff had been given ample opportunity to advance his case to an adjudication on its merits and had provided no justifiable reason for failing to do so.

[28] The doctrine of abuse of process is applied to preserve the integrity of the court's process and procedure, and to prevent parties from conducting themselves in a manner which would bring the administration of justice into disrepute. In *Toronto (City) v. C.U.P.E (Local 79)*, [2003] 3 S.C.R.77, at para. 37, the Supreme Court of Canada noted some of the instances in which the doctrine has been applied:

Canadian courts have applied the doctrine of abuse of process to preclude relitigation in circumstances where the strict requirements of issue estoppel (typically the privity/mutuality requirements) are not met, but where allowing the litigation to proceed would nonetheless violate such principles as judicial economy, consistency, finality and the integrity of the administration of justice.

[29] In *C.U.P.E.*, at para. 38, the Court elaborated the relationship between *res judicata* and abuse of process by relitigation as follows:

It is true that the doctrine of abuse of process has been extended beyond the strict parameters of *res judicata* while borrowing much of

its rationales and some of its constraints. It is said to be more of an adjunct doctrine, defined in reaction to the settled rules of issue estoppel and cause of action estoppel, than an independent one (Lange, *supra*, at p. 344). The policy grounds supporting abuse of process by relitigation are the same as the essential policy grounds supporting issue estoppel (Lange, *supra*, at pp. 347-48):

The two policy grounds, namely, that there be an end to litigation and that no one should be twice vexed by the same cause, have been cited as policies in the application of abuse of process by relitigation. Other policy grounds have also been cited, namely, to preserve the courts' and the litigants' resources, to uphold the integrity of the legal system in order to avoid inconsistent results, and to protect the principle of finality so crucial to the proper administration of justice.

[30] Maple Leaf abandoned its appeal by a written request and abandoned its Motion to Convert by failing to bring it on for hearing after being granted an adjournment. The merits of Maple Leaf's claim that the Notice was invalid because a public authority under the Act had to be Canadian, could have been decided but was not, because for reasons which have not been explained, Maple Leaf chose not to proceed with its Motion to Convert. In these circumstances, the current application for judicial review of the Notice is an abuse of process.

#### **Issue 4            The Validity of the Notice**

[31] In view of my conclusion that this application is an abuse of process, it is not necessary to consider this issue.

**JUDGMENT**

**THIS COURT ORDERS AND ADJUDGES that**, for the reasons given above, the application is hereby dismissed with costs.

“Sandra J. Simpson”  
\_\_\_\_\_  
Judge

**FEDERAL COURT**

**NAME OF COUNSEL AND SOLICITORS OF RECORD**

**DOCKET:** T-1057-08

**STYLE OF CAUSE:** MAPLE LEAF FOODS INC.  
APPLICANT  
and  
CONSORZIO DEL PROSCIUTTO DI PARMA  
THE REGISTRAR OF TRADE-MARKS  
RESPONDENTS

**PLACE OF HEARING:** Toronto, Ontario

**DATE OF HEARING:** May 5, 2009

**REASONS FOR:** SIMPSON, J.

**DATED:** October 15, 2009

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