

Federal Court



Cour fédérale

Date: 20100830

Docket: T-1184-09

Citation: 2010 FC 859

Ottawa, Ontario, August 30, 2010

**PRESENT:** The Honourable Mr. Justice O'Keefe

**BETWEEN:**

**INDIGO BOOKS & MUSIC INC.**

**Applicant**

**and**

**C. & J. CLARK INTERNATIONAL LIMITED**

**Respondent**

**REASONS FOR JUDGMENT AND JUDGMENT**

[1] This is an application pursuant to section 18.1 of the *Federal Courts Act*, R.S.C. 1985, c. F-7, for judicial review of a decision of the Trade-marks Opposition Board (the Board) made under the authority of the Registrar of Trade-marks (the Registrar) refusing to grant the applicant (Indigo) leave to file an amended statements of opposition in opposition proceedings commenced by Indigo in respect of the respondent's (Clarks') applications to register the trade-marks INDIGO and INDIGO BY CLARKS.

[2] Indigo seeks an order:

1. Quashing or setting aside the Board's decision;
2. Directing the Board to allow Indigo to file the amended statements of opposition;
3. In the alternative, referring Indigo's request for leave back to the Board for reconsideration independently of Indigo's request for an extension of time to file supplementary evidence;
4. Granting Indigo its costs of this application; and
5. Awarding such further and other relief as counsel may request and this Honourable Court may permit.

### **Background**

[3] On May 1, 2005, Indigo filed statements of opposition pursuant to subsection 38(1) of the *Trade-marks Act*, R.S.C. 1985, c. T-13, as amended, (the Act) in respect of Clarks' applications to register the trade-marks INDIGO (Application No. 1,191,731) and INDIGO BY CLARKS (Application No. 1,191,732), for use in Canada in association with footwear.

[4] The grounds of opposition included, *inter alia*, allegations that Clarks' trade marks are (i) confusing with Indigo's INDIGO and INDIGO-formative trade-mark registrations, applications or trade names; and (ii) Clarks' trade-marks are not distinctive and are not adapted to distinguish the wares of Clarks from the wares and services of Indigo. The first ground was based on paragraph 12(1)(d), subsections 16(3) and 30(i) and paragraphs 38(2)(a, b, c) of the Act. The second ground was based on section 2 (definition of distinctive) and paragraph 38(2)(d) of the Act.

[5] On September 13, 2005, Clarks filed counterstatements pursuant to subsection 38(6) of the Act. On May 11, 2006 and May 30, 2007, Indigo and Clarks filed affidavit evidence, respectively, under Rules 41 and 42 of the *Trade-marks Regulations* (the Regulations). Indigo conducted one cross-examination in respect of Clarks' evidence on April 17, 2008.

[6] The Registrar called for the filing of written arguments in the opposition by December 26, 2008. That due date was extended by four months to April 26, 2009.

[7] Indigo asserts the parties were attempting to negotiate between March 26, 2008 and April 10, 2009.

[8] On April 20, 2009, when it had become apparent that there would not be a settlement, Indigo wrote to the Registrar requesting that pursuant to sections 40 and 44 of the Regulations, the Registrar grant Indigo:

1. Leave to file the amended statements of opposition attached to the April 20, 2009 letter; and
2. An extension of time of two months until June 20, 2009, to file supplementary evidence in support of the amendments to the statements of opposition.

[9] The proposed amendments pleaded a new ground of opposition based on a combination of subsection 30(i) and section 22 of the Act, namely, that Clarks could not have been satisfied that it was entitled to use INDIGO or INDIGO BY CLARKS in Canada in association with footwear

because such use would have the effect of depreciating the value of the goodwill attaching to Indigo's registered INDIGO trade-marks.

[10] In October of 2008, this Court issued its decision in *Parmalat Canada Inc. v. Sysco Corp.*, 2008 FC 1104, 69 C.P.R. (4th) 349, which held for the first time that an opponent can rely upon section 22 of the Act in the context of a subsection 30(i) ground of opposition. Indigo specifically referred to the *Parmalat* decision in its April 20, 2009 letter and to its prior settlement discussions with Clarks to explain why these requests for leave had not been made earlier.

[11] On April 24, 2009, Clarks responded to the Registrar arguing against the granting of leave. Indigo sent a reply to the Registrar on May 1, 2009.

### **Board's Decision**

[12] On June 22, 2009, the Board, under the authority of the Registrar, issued a decision letter to both Indigo and Clarks refusing to grant the leave requested by Indigo.

[13] As set out in the Practice in Trade-mark Opposition Proceedings (the Practice Notice), the Board would only grant leave to amend a statement of opposition or to file additional evidence if satisfied that it is in the interests of justice to do so having regard to all the surrounding circumstances including the following:

1. The stage the opposition proceeding has reached;

2. Why the amendment was not made or the evidence not filed earlier;
3. The importance of the amendment or the evidence; and
4. The prejudice which will be suffered by the other party.

[14] The Board considered Indigo's argument that prior to the *Parmalat* above decision, there was considerable doubt among trade-mark lawyers whether section 22 could be pleaded in the context of a subsection 30(i) ground of opposition. The Board also considered Indigo's submission that the parties were engaged in settlement negotiations as an additional reason for the late amendment. However, the Board agreed with Clarks that it was far too late in the proceeding for Indigo to seek leave to both add a new ground of opposition and file additional evidence.

[15] The Board also agreed with Clarks' submission that there was nothing preventing Indigo from including the ground based on a combination of section 22 and subsection 30(i) in the original statement of opposition in 2005. In the alternative, Indigo could have sought leave to amend two years earlier than it did, after the decision of the Supreme Court of Canada in *Veuve Clicquot Ponsardin c. Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 S.C.R. 824, wherein the possibility of pleading section 22 was discussed. Indigo's inability to provide sufficient reasons for not seeking leave earlier, combined with the significant prejudice that would be suffered by Clarks outweighed the importance of the proposed new ground in the Board's view.

[16] The Board thus concluded that it was not in the interests of justice to grant the leave requested.

## **Issues**

[17] Indigo is not seeking judicial review of the Board's decision refusing to grant Indigo an extension of time to file supplementary evidence. As such, the only decision in question is the Board's refusal to permit Indigo to amend its statements of opposition.

[18] The following issues are to be determined:

1. Can the Court review the Board's interlocutory decision?
2. If so, what is the appropriate standard of review?
3. Did the Board commit a reviewable error?

## **Applicant's Written Submissions**

[19] Indigo submits that special circumstances exist which warrant the Court's review of the Board's refusal to grant leave, notwithstanding that the decision was interlocutory in nature. Such special circumstances exist because the impugned interlocutory decision is finally dispositive of a substantive right of one of the parties.

[20] Indigo submits that the Board's decision was fundamentally premised on a number of legal errors outlined below and to that extent, is reviewable on the standard of correctness. However, even if the Board could properly refuse the request on the basis of timing alone, its decision to do so

would not be justified in any event. Therefore, the Board's decision should be set aside whether reviewed on the standard of reasonableness or correctness or both.

[21] Fundamentally, the Board erred in failing to consider Indigo's request for leave to amend its statements of opposition as distinct from its request for leave to file supplementary evidence. The Board's decision was based on it being too late to file new evidence. This tainted its consideration of the other request which three of the four factors favoured granting. For example, simply allowing the amendment without evidence could not possibly prejudice Clarks.

[22] Second, the Board erred in not considering Indigo's explanation for the delay. Whether or not Indigo was prevented from pleading the section 22 ground originally is not relevant. What is relevant is Indigo's explanation for the delay, namely, the belief that the ground would be rejected by the Board until the *Parmalat* decision.

[23] Third, the Board erred by stating that the Supreme Court discussed the possibility of pleading section 22 as a ground of opposition in *Veuve Clicquot* above. The Supreme Court did not.

[24] Fourth, the Board misapprehended the prejudice to the parties. In the context of the distinct request to amend Indigo's statements of opposition, Clarks may want to amend its written arguments but doing so would not delay the hearing as the hearing has not been scheduled and would likely be months away in any event. It would not create a significant delay or expense to

Clarks. Yet, the Board failed to consider that if the request was refused, Indigo would be unable to raise the section 22 ground in any subsequent appeal to this Court.

[25] Finally, the Board failed to consider Indigo's concern that refusing to allow it to include the section 22 ground would result in inconsistent decisions being issued by the Board in respect of other INDIGO trade-marks filed by Clarks and opposed by Indigo. Indeed, Indigo has opposed two other INDIGO applications by Clarks and has included the section 22 ground in each opposition.

### **Respondent's Written Submissions**

[26] Clarks submits that there are no special circumstances in this case that would support the Court reviewing the interlocutory decision of the Board. Indigo suggests that special circumstances exist merely because it was refused the opportunity to add a new ground of opposition. If this were true, every interlocutory decision in respect of a new ground would be a special circumstance. The *Parmalat* above decision which found a special circumstance was significantly different from the present case. In addition, Indigo has other remedies available to it. Indigo can, at any time, commence an action against Clarks for a breach of any rights Indigo may enjoy under section 22 or, after registration by Clarks, for expungement based on an allegation pursuant to section 22.

[27] Clarks submits that the jurisprudence has already determined the appropriate standard of review, namely, reasonableness. This was a decision where the Registrar applied her own procedure as set out in the Practice Notice and came to a discretionary decision.



[28] The Board's decision was not only reasonable, it was also correct says Clarks. As a preliminary point, Clarks points out that the Practice Notice makes clear that no requests for further extensions of time will generally be granted where a previous extension of time has already been granted as it was here.

[29] Looking at the factors, the Board was correct and certainly justified in its finding that it was far too late in the proceedings. It had been nearly four years since Indigo commenced its opposition. As regards the second factor (Indigo's explanation), there was no case law which stated that a party could not rely on a combination of section 22 and subsection 30(i) as a ground of opposition. Besides, after *Veuve Clicquot* above, it was not uncommon for opponents to include that ground of opposition. Indigo's failure to do so reflects a choice. Indigo's claim that it was unable to include the ground until the *Parmalat* above decision has no merit. Even if that were true, over six months passed between the issuance of *Parmalat* and Indigo's request. Nor should Indigo be able to rely on alleged overtures of settlement that it made to Clarks. Those discussions are privileged and confidential. It would be perverse if Indigo could use them to secure a tactical advantage.

[30] Finally, the Board's conclusion on the fourth factor (prejudice) was justified. Clarks would be prejudiced by Indigo's waiting until the eleventh hour to file its request. Clarks would face costs in regards to revising its pleadings and arguments, preparing any evidence and conducting any cross-examinations. The delays that would no doubt result if the request was granted would push back the date of the hearing. Conversely, any prejudice felt by Indigo is self-inflicted by waiting so long.

[31] Indigo's argument that refusal to allow the additional ground of opposition could lead to inconsistencies is without merit. No oppositions had been filed at the time of the Board's decision.

### **Analysis and Decision**

#### [32] **Issue 1**

##### Can the Court review the Board's interlocutory decision?

The Board's refusal to grant leave to Indigo to amend its statements of opposition was an interlocutory decision. It took place within the process leading up to an opposition hearing which has not yet taken place.

[33] The exercise of the Court's supervisory jurisdiction is discretionary. Courts will often refuse to entertain requests for judicial review of interim or interlocutory decisions because such proceedings have the effect of fragmenting and protracting administrative proceedings. Refusal is also justified on the grounds that the completion of the administrative process may render the matter moot (see *Canadian Pacific Ltd. v. Matsqui Indian Band*, [1995] 1 S.C.R. 3, [1995] S.C.J. No. 1 (QL), paragraphs 34 to 36, Brown, D. J. M., and J. M. Evans. *Judicial Review of Administrative Action in Canada*, 1998 (loose-leaf ed. updated September 2009), at pp. 3:4300).

[34] Upon judicial review of the tribunal's final decision, there are ways that an applicant may obtain remedies for an unlawful interlocutory decision without offending the doctrine of collateral

attack. For example, the tribunal's interlocutory decision may have rendered the administrative process unfair.

[35] At times, courts will allow an applicant to proceed with a judicial review of an interlocutory decision immediately. The general rule is that such interlocutory decisions will not be judicially reviewed unless there are special circumstances (see *Szczeka c. Canada (Minister of Employment and Immigration)*, 116 D.L.R. (4th) 333, [1993] F.C.J. No. 934 (Q.L.) and *Parmalat* above, at paragraph 21). The Federal Court of Appeal has recently cautioned that judicial review of interlocutory decisions should only be undertaken in the "most exceptional of circumstances" (see *Greater Moncton International Airport Authority v. Public Service Alliance of Canada*, 2008 FCA 68, [2008] F.C.J. No. 312 (QL) at paragraph 1).

[36] Special circumstances will exist where, at the end of the proceedings, no other appropriate remedy exists (see *Szczeka* above). In all material respects, this reflects inquiries into the availability of an adequate alternative remedy which arise in other contexts where courts consider their discretion to refuse judicial review (see *Brown and Evans*, above, at pp 3:2000, see also *Harelkin v. University of Regina*, [1979] 2 S.C.R. 561, 96 D.L.R. (3d) 14 and *Canadian Pacific Ltd.* above).

[37] I now turn to an examination of whether Indigo has an adequate alternative remedy.

[38] At the end of proceedings, Indigo cannot seek judicial review but must engage the statutory right to appeal decisions of the Registrar to this Court under section 56 of the Act. As discussed below, in the context of appeals of trade-mark opposition decisions, such appeals are limited in scope to issues found in the statements of opposition. The substance or procedural effects of the Board's interlocutory decision to refuse Indigo's request to add a ground of opposition could not be reviewed.

[39] In *Parmalat* above, the applicant, Parmalat, had similarly sought leave to amend its statement of opposition and in particular, sought to include the additional ground of depreciation based on section 22 and subsection 30(i) of the Act. The Board member framed the issue to be resolved as a strictly legal one: whether section 22 can be pleaded as a ground of opposition. The Board member then conducted an analysis and concluded that complaints of depreciation under section 22 were outside the scope of the limited grounds of opposition listed in subsection 38(2). In essence, section 22 determinations were determined to be outside the jurisdiction of the Registrar in the context of opposition proceedings and Parmalat's request was denied. Mr. Justice Lemieux, in allowing Parmalat's application for judicial review of the Board's interlocutory decision held:

24 In my view, there exist special circumstances, in the context of oppositions to register trademarks under the *Act*, which justify, in this case, an immediate judicial review of a decision not to grant leave to add a new ground of opposition. The reason for this view is that at the end of an opposition proceeding, which is an appeal to this Court, under section 56 of the *Act* at the first appeal level there does not exist an adequate remedy other than the course of action taken here by Parmalat.

25 The jurisprudence of this Court in matters of trade-mark oppositions under the *Act* is to the effect the Federal Court does not

have jurisdiction to deal with an issue not found in the statement of opposition....

[40] After an analysis of the decision of Mr. Justice McKeown in *McDonald's Corp. v. Coffee Hut Stores Ltd.*, 76 F.T.R. 281 (F.C.T.D.), [1994] F.C.J. No. 638 (QL), Mr. Justice Lemeux concluded:

27 These decisions are to the effect Parmalat on a section 56 appeal from a finding of the TMOB could not raise the section 22 issue (see also *Mattel Inc. v. 3894207 Canada Inc.*, [2002] F.C.J. No. 1196, 2002 FCT 919).

[41] Indigo argues that it is facing the same situation as the applicant in *Parmalat*. Even though the question answered by the Board in this case was not jurisdictional as it was in *Parmalat*, the inadequacy of the remedy contained in section 56 affects Indigo in precisely the same way.

[42] Clarks concedes that the scope of section 56 appeals is limited to grounds raised before the Registrar but counters that there are other adequate remedies available to Indigo in this specific case in the form of alternative judicial proceedings under the Act.

[43] Actions have been determined to be more appropriate than judicial review where complex factual issues are required to be resolved (see *Bank of Montreal v. Canada (Minister of Agriculture)*, 241 N.R. 198 (C.A.), [1999] F.C.J. No. 697 (C.A.) (QL), *Alberta Commercial Fishermen Assn. v. Opportunity (Municipal District) No. 17*, 289 A.R. 47 (Q.B.), [2001] A.J. No. 459 (Q.B.) (QL)).

[44] There are two alternative judicial proceedings available to Indigo. First, Indigo can commence an action at any time against Clarks, alleging that Clarks' use of the subject marks is a breach of any rights Indigo may enjoy under section 22. Second, to the extent that Indigo is unsuccessful in the oppositions and Clarks' trade-mark applications proceed to registration, Indigo could commence a proceeding in the Court for expungement of any such registrations pursuant to section 57 of the Act, based again on an allegation pursuant to section 22. These are appropriate remedies to any breaches of a substantive right under section 22. I would agree that these are appropriate realistic remedies.

[45] Arguably, the above mentioned actions provide a more appropriate method of defending alleged rights under section 22 than opposition proceedings. As discussed by the Supreme Court in *Veuve Clicquot* above, a section 22 plaintiff has to show that the defendant has already used the mark in a manner that is likely to depreciate the value of the goodwill attaching to the plaintiff's trade-mark (paragraphs 46, 47, 56 to 61). Thus, section 22 is premised on an analysis of what a defendant has done, not what a defendant proposes to do, such as in the context of most opposition proceedings. Reiterating this point, the Supreme Court stated specifically that the linkage between the defendant's use and the plaintiff's goodwill, which is the third element of a section 22 claim, is a matter of "evidence not speculation" (paragraph 60).

[46] Thus, while the limited scope of section 56 appeals may give rise to special circumstances facilitating immediate judicial review in some cases, in this case, Indigo has adequate, and likely preferable, alternative remedies for enforcing rights under section 22.

[47] In *Parmalat* above, the Registrar's decision was quashed because the tribunal misstated the issue before it by finding that the Board had no jurisdiction to inquire into issues of depreciation and then found that section 22 of the Act was not a proper ground of opposition.

[48] In my view, the applicant has not established special circumstances that would justify the judicial review of this interlocutory decision. The fact that the Registrar did not allow the amendments does not automatically result in special circumstances being established. As noted earlier, the facts of some cases when an amendment is denied, may provide special circumstances so as to allow the judicial review of the interlocutory decision to proceed. That is not the case in the present proceeding as the Registrar dealt with the issues before it and exercised its discretion to deny the motion.

[49] Given the adequate alternative remedies available to Indigo, I would decline to proceed with judicial review of the Board's interlocutory decision.

[50] The application for judicial review is therefore dismissed with costs to the respondent.

**JUDGMENT**

[51] **IT IS ORDERED that** the application for judicial review is dismissed with costs to the respondent.

“John A. O’Keefe”

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Judge



## ANNEX

**Relevant Statutory Provisions**

*Trade-marks Act*, R.S.C. 1985, c. T-1

2. In this Act,

...

“distinctive”, in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them;

4.(1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

6.(1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause

2. Les définitions qui suivent s’appliquent à la présente loi.

...

« distinctive » Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée par son propriétaire, des marchandises ou services d’autres propriétaires, ou qui est adaptée à les distinguer ainsi.

4.(1) Une marque de commerce est réputée employée en liaison avec des marchandises si, lors du transfert de la propriété ou de la possession de ces marchandises, dans la pratique normale du commerce, elle est apposée sur les marchandises mêmes ou sur les colis dans lesquels ces marchandises sont distribuées, ou si elle est, de toute autre manière, liée aux marchandises à tel point qu’avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

6.(1) Pour l’application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un

confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

autre nom commercial si l'emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.

...

...

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

(b) the length of time the trade-marks or trade-names have been in use;

b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;

(c) the nature of the wares, services or business;

c) le genre de marchandises, services ou entreprises;

(d) the nature of the trade; and

d) la nature du commerce;

(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou

	dans les idées qu'ils suggèrent.
12.(1) Subject to section 13, a trade-mark is registrable if it is not	12.(1) Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :
...	...
(d) confusing with a registered trade-mark;	d) elle crée de la confusion avec une marque de commerce déposée;
16.	16.
...	...
(3) Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the wares or services specified in the application, unless at the date of filing of the application it was confusing with	(3) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des marchandises ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion :
(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;	a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;
(b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or	b) soit avec une marque de commerce à l'égard de laquelle une demande d'enregistrement a été antérieurement produite au Canada par une autre personne;
(c) a trade-name that had been previously used in Canada by	c) soit avec un nom commercial antérieurement employé au

any other person.

Canada par une autre personne.

22.(1) No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.

22.(1) Nul ne peut employer une marque de commerce déposée par une autre personne d'une manière susceptible d'entraîner la diminution de la valeur de l'achalandage attaché à cette marque de commerce.

(2) In any action in respect of a use of a trade-mark contrary to subsection (1), the court may decline to order the recovery of damages or profits and may permit the defendant to continue to sell wares marked with the trade-mark that were in his possession or under his control at the time notice was given to him that the owner of the registered trade-mark complained of the use of the trade-mark.

(2) Dans toute action concernant un emploi contraire au paragraphe (1), le tribunal peut refuser d'ordonner le recouvrement de dommages-intérêts ou de profits, et permettre au défendeur de continuer à vendre toutes marchandises revêtues de cette marque de commerce qui étaient en sa possession ou sous son contrôle lorsque avis lui a été donné que le propriétaire de la marque de commerce déposée se plaignait de cet emploi.

30. An applicant for the registration of a trade-mark shall file with the Registrar an application containing

30. Quiconque sollicite l'enregistrement d'une marque de commerce produit au bureau du registraire une demande renfermant :

...

...

(i) a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the wares or services described in the application.

i) une déclaration portant que le requérant est convaincu qu'il a droit d'employer la marque de commerce au Canada en liaison avec les marchandises ou services décrits dans la demande.

38.(1) Within two months after the advertisement of an application for the registration of a trade-mark, any person may, on payment of the prescribed fee, file a statement of opposition with the Registrar.

(2) A statement of opposition may be based on any of the following grounds:

(a) that the application does not conform to the requirements of section 30;

(b) that the trade-mark is not registrable;

(c) that the applicant is not the person entitled to registration of the trade-mark; or

(d) that the trade-mark is not distinctive.

...

56.(1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

38.(1) Toute personne peut, dans le délai de deux mois à compter de l'annonce de la demande, et sur paiement du droit prescrit, produire au bureau du registraire une déclaration d'opposition.

(2) Cette opposition peut être fondée sur l'un des motifs suivants :

a) la demande ne satisfait pas aux exigences de l'article 30;

b) la marque de commerce n'est pas enregistrable;

c) le requérant n'est pas la personne ayant droit à l'enregistrement;

d) la marque de commerce n'est pas distinctive.

...

56.(1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.

*Trade-marks Regulations, SOR/96-195*

40. No amendment to a statement of opposition or counter statement shall be allowed except with leave of the Registrar and on such terms as the Registrar determines to be appropriate.

40. La modification d'une déclaration d'opposition ou d'une contre-déclaration n'est admise qu'avec la permission du registraire aux conditions qu'il estime indiquées.

41.(1) Within four months after service of the counter statement, the opponent shall

41.(1) Dans les quatre mois suivant la signification de la contre-déclaration, l'opposant :

(a) submit to the Registrar, by way of affidavit or statutory declaration, or in accordance with section 54 of the Act, the evidence that the opponent is relying on to support the opposition, or a statement that the opponent does not wish to submit evidence; and

a) soumet au registraire, par voie d'affidavit ou de déclaration solennelle ou conformément à l'article 54 de la Loi, la preuve sur laquelle il s'appuie ou une déclaration énonçant son désir de ne pas le faire;

(b) serve the applicant, where evidence is submitted, with a copy of the evidence or, where the opponent does not wish to submit evidence, with a copy of a statement that the opponent does not wish to submit evidence.

b) s'il soumet cette preuve, en signifie copie au requérant, sinon lui signifie copie de la déclaration.

(2) Where the opponent does not submit either the evidence under subsection 38(7) of the Act or a statement that the opponent does not wish to submit evidence, within the time set out in subsection (1), the opposition shall be deemed to have been withdrawn for the purposes of subsection 38(7.1) of the Act.

(2) Pour l'application du paragraphe 38(7.1) de la Loi, l'opposition est réputée retirée si, dans le délai visé au paragraphe (1), l'opposant omet de soumettre la preuve visée au paragraphe 38(7) de la Loi ou une déclaration énonçant son désir de ne pas le faire.

42.(1) Within four months after service of the opponent's evidence or statement referred to in paragraph 41(1)(a), the applicant shall

(a) submit to the Registrar by way of affidavit or statutory declaration, or in accordance with section 54 of the Act, the evidence that the applicant is relying on to support the application, or a statement that the applicant does not wish to submit evidence; and

(b) serve the opponent, where evidence is submitted, with a copy of the evidence or, where the applicant does not wish to submit evidence, with a copy of a statement that the applicant does not wish to submit evidence.

(2) Where the applicant does not submit either the evidence under subsection 38(7) of the Act or a statement that the applicant does not wish to submit evidence, within the time set out in subsection (1), the application shall be deemed to have been abandoned for the purposes of subsection 38(7.2) of the Act.

44.(1) No further evidence shall be adduced by any party except with leave of the Registrar and on such terms as the Registrar determines to be appropriate.

(2) Before giving notice in

42.(1) Dans les quatre mois suivant la signification de la preuve de l'opposant ou de la déclaration visée à l'alinéa 41(1)a), le requérant :

a) soumet au registraire la preuve, par voie d'affidavit ou de déclaration solennelle ou conformément à l'article 54 de la Loi, sur laquelle il s'appuie, ou une déclaration énonçant son désir de ne pas le faire;

b) s'il soumet cette preuve, en signifie copie à l'opposant, sinon lui signifie copie de la déclaration.

(2) Pour l'application du paragraphe 38(7.2) de la Loi, la demande est réputée abandonnée si, dans le délai visé au paragraphe (1), le requérant omet de soumettre la preuve visée au paragraphe 38(7) de la Loi ou une déclaration énonçant son désir de ne pas le faire.

44.(1) Aucune autre preuve ne peut être produite par les parties, sauf avec la permission du registraire aux conditions qu'il juge indiquées.

(2) Avant de donner un avis aux

accordance with subsection 46(1), the Registrar may, on the application of any party and on such terms as the Registrar may direct, order the cross-examination under oath of any affiant or declarant on an affidavit or declaration that has been filed with the Registrar and is being relied on as evidence in the opposition.

(3) A cross-examination ordered pursuant to subsection (2) shall be held at a time, date and place and before a person agreed to by the parties or, in the absence of an agreement, as designated by the Registrar.

(4) A transcript of the cross-examination and exhibits to the cross-examination, and any documents or material undertaken to be submitted by the party whose affiant or declarant is being cross-examined, shall be filed with the Registrar by the party conducting the cross-examination, within the time fixed by the Registrar.

(5) If an affiant or declarant declines or fails to attend for cross-examination, the affidavit or declaration shall not be part of the evidence and shall be returned to the party who filed it.

termes du paragraphe 46(1), le registraire peut, à la demande d'une partie et aux conditions qu'il fixe, ordonner le contre-interrogatoire sous serment de l'auteur de tout affidavit ou déclaration solennelle produit au bureau du registraire à titre de preuve dans l'opposition.

(3) Le contre-interrogatoire ordonné en vertu du paragraphe (2) se tient aux date, heure et lieu et devant la personne dont ont convenu les parties ou, faute d'accord entre celles-ci, qu'a désignés le registraire.

(4) La transcription du contre-interrogatoire et les pièces connexes, ainsi que tout document ou matériel que s'est engagée à fournir la partie pour le compte de laquelle l'auteur de l'affidavit ou de la déclaration solennelle subit le contre-interrogatoire, sont produits au bureau du registraire par la partie qui procède au contre-interrogatoire, dans le délai fixé par le registraire.

(5) Si l'auteur de l'affidavit ou de la déclaration solennelle refuse ou omet de se présenter au contre-interrogatoire, son affidavit ou sa déclaration solennelle ne fait pas partie de la preuve et est retourné à la partie qui l'a produit.



**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1185-09

**STYLE OF CAUSE:** INDIGO BOOKS & MUSIC INC.

- and -

**PLACE OF HEARING:** C. & J. CLARK INTERNATIONAL LIMITED  
Toronto, Ontario

**DATE OF HEARING:** March 1, 2010

**REASONS FOR JUDGMENT  
AND JUDGMENT OF:** O'KEEFE J.

**DATED:** August 30, 2010

**APPEARANCES:**

John H. Simpson FOR THE APPLICANT

Steven B. Garland FOR THE RESPONDENT

**SOLICITORS OF RECORD:**

Bereskin & Parr LLP FOR THE APPLICANT  
Toronto, Ontario

Smart & Biggar FOR THE RESPONDENT  
Ottawa, Ontario