

Federal Court



Cour fédérale

Date: 20110202

Docket: T-233-10

Citation: 2011 FC 118

[UNREVISED ENGLISH CERTIFIED TRANSLATION]

Ottawa, Ontario, February 2, 2011

PRESENT: The Honourable Madam Justice Bédard

BETWEEN:

LE MASSIF INC.

Applicant

and

**STATION TOURISTIQUE MASSIF DU
SUD (1993) INC.**

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is appeal, presented in accordance with subsection 56(1) of the *Trade-marks Act*, R.S., 1985, c. T-13 (Act), of a decision dated December 9, 2009, by a member of the Trade-marks Opposition Board (Board) refusing the application for the registration of the trade-mark submitted by the applicant.

[2] At the beginning of the hearing, I informed the parties that the proceeding's originating document was irregular in that it noted that it was an application for judicial review in accordance with sections 18 *et seq.* of the *Federal Courts Act* (FCA) and not an appeal under subsection 56(1) of the Act and Rule 300 of the *Federal Courts Rules*, SOR/98-106 (Rules). However, it is useful to note that, in their respective memorandums, the parties properly identified the proceeding as being an appeal of the Board's decision and not an application for judicial review, which would have been inadmissible under section 18.5 of the FCA in any case. Counsel for the applicant made an oral motion based on Rules 56 and 57 of the Rules and counsel for the respondent did not object to the motion.

[3] Rule 57 of the Rules stipulates the following: "An originating document shall not be set aside only on the ground that a different originating document should have been used." This is clearly a case in which, in my opinion, Rule 57 must apply. A similar situation occurred, albeit in a different context, in *Chu v. Canada (Minister of Citizenship and Immigration)*, 2003 FCT 174, 120 A.C.W.S. (3d) 567, and Justice Snider allowed the application for judicial review to be converted into an appeal. As I indicated during the hearing, the application for judicial review filed by the applicant in this proceeding is therefore converted into an appeal of the Board's decision dated December 9, 2009, and the style of cause is amended to strike the Registrar of Trade-marks as respondent.

Background

[4] Le Massif inc. (applicant) operates a ski resort in the Charlevoix region. The evidence shows that the applicant was incorporated in 2002 and that it acquired the business operated under the

le Massif trade name in 2002. The evidence also shows that, before 2002, the ski resort was operated by the Société de développement du Massif de Petite-Rivière-Saint-François.

[5] On March 31, 2004, the applicant filed an application to register the trade-mark “LE MASSIF” based on its use of this name in Canada since at least 1982 in offering wares and services related to the operation of a tourist ski resort. On May 5, 2004, the applicant requested that the review of its application be expedited. The application for registration was published in the *Trade-Marks Journal* on September 1, 2004.

[6] On January 28, 2005, the company Station Touristique Massif du Sud (1993) inc. (respondent) filed a statement of opposition based on the following grounds:

- The application does not meet the requirements of paragraph 30(a) of the Act in that it does not include a statement in ordinary commercial terms of the specific wares and services in association with which the mark has been used;
- The application does not meet the requirements of paragraph 30(b) of the Act in that the trade-mark for which registration is sought has not been used in Canada by the applicant since 1982, as stated in its application for registration;
- The trade-mark is not registrable under paragraph 12(1)(b) of the Act because the mark for which registration is sought [TRANSLATION] “describes an aspect that is often associated with the wares and services described in the application [that is,] [t]he word “massif” is a word that designates in the broader tourism industry products and services related to

mountain activities, such as downhill skiing, snowboarding, hiking and other outdoor sports and recreational activities”;

- The trade-mark is a mark of which the adoption is prohibited by section 10;
- The trade-mark is not distinctive of the wares and services mentioned in the application (subsection 38(2) and section 2 of the Act).

[7] The parties then submitted their respective evidence and the transcript of certain cross-examinations of affiants. The respondent also produced a written argument.

[8] After a hearing, the Board rendered a decision on December 9, 2009, allowing the respondent’s opposition based on non-compliance with paragraph 30(*b*) of the Act and refusing the applicant’s application for registration. The Board found that the application for registration was not compliant with paragraph 30(*b*) of the Act because it did not describe the use of the mark by the applicant’s predecessor in title during the period claimed, that is, since at least 1982.

[9] The Board also refused to accept the affidavit of Jean-Luc Brassard, the ski resort spokesperson, as expert evidence. The Board found that Mr. Brassard, whose affidavit contained his opinion on the fame and distinctiveness of the mark, was not an expert in trade-marks, marketing or any other subject qualifying him to give the opinion sought. Even if the Board had recognized his expertise, it would not have accepted his opinion because Mr. Brassard did not have the necessary independence to form an opinion as an expert witness because he has worked for the applicant since 2005.

Issues

[10] The applicant's criticisms of the Board's decision raise the following two issues:

- 1) Did the Board base its decision on a ground of opposition that was not raised by the respondent in its opposition and, if such is the case, did it act beyond its jurisdiction or render an unreasonable decision?
- 2) Did the Board err in deciding to not accept the testimony of Mr. Brassard as an expert?

[11] For the following reasons, I believe that the first issue must receive an affirmative response. As this finding is determinative of the outcome of this appeal, it is unnecessary for me to discuss the second issue.

Applicable standard of review

[12] The respondent argued that, in the absence of new evidence, the standard of review that the Court must apply with respect to the Board's decision is reasonableness, and it cited *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145, 180 F.T.R. 99 (*Molson Breweries*). The applicant, which had not addressed the standard of review in its memorandum, stated that it was in agreement with the respondent's statement.

[13] In *Molson Breweries*, Justice Rothstein described the standard of review that must apply to Registrar decisions when no new evidence is produced before the Court as follows:

51 . . . Even though there is an express appeal provision in the *Trade-marks Act* to the Federal Court, expertise on the part of the Registrar has been recognized as requiring some deference. Having regard to the Registrar's expertise, in the absence of additional evidence adduced in the Trial Division, I am of the opinion that decisions of the Registrar, whether of fact, law or discretion, within his area of expertise, are to be reviewed on a standard of reasonableness *simpliciter*. However, where additional evidence is adduced in the Trial Division that would have materially affected the Registrar's findings of fact or the exercise of his discretion, the Trial Division judge must come to his or her own conclusion as to the correctness of the Registrar's decision.

[14] With respect, I think the first issue concerns the jurisdiction and authority conferred on the Registrar by the Act, and the decision by the Board, which acted on behalf of the Registrar, must be reviewed on the standard of correctness. In *Dunsmuir v. New Brunswick*, 2008 SCC 9, [2008] 1 S.C.R. 190, the Supreme Court described the standard of review applicable to jurisdiction questions as follows, at paragraph 59:

Administrative bodies must also be correct in their determinations of true questions of jurisdiction or *vires*. . . . “Jurisdiction” is intended in the narrow sense of whether or not the tribunal had the authority to make the inquiry. In other words, true jurisdiction questions arise where the tribunal must explicitly determine whether its statutory grant of power gives it the authority to decide a particular matter. The tribunal must interpret the grant of authority correctly or its action will be found to be *ultra vires* or to constitute a wrongful decline of jurisdiction: D. J. M. Brown and J. M. Evans, *Judicial Review of Administrative Action in Canada* (loose-leaf), at pp. 14-3 to 14-6. . . .

[15] I believe that these principles must apply in this case, even if this is an appeal and not a judicial review. I also wish to specify that my findings would have been the same if I had applied the standard of reasonableness.

Positions of the parties

[16] The applicant claims that the Board based its decision on a non-compliance with paragraph 30(b) of the Act, which is different from that raised in the respondent's opposition. It alleges that, in support of its opposition, the respondent raised a lack of evidence on the mark's use since 1982 and not the applicant's failure to indicate in its application for registration the use of the trade-mark by its predecessor in title. The applicant's counsel insisted on the fact that the respondent never raised or cited the absence of a reference to the applicant's predecessor in title in the application for registration.

[17] The applicant maintains that, in doing so, the Board acted beyond its jurisdiction and exceeded the authority conferred on it by the Act by refusing its application for registration on a ground that was not raised in the statement of opposition.

[18] The respondent contends that the ground of opposition accepted by the Board was included in its statement of opposition and that it was raised in a satisfactory and detailed manner. The respondent submits that its opposition, which is based on a non-compliance with paragraph 30(b) of the Act, had two aspects: lack of a reference to the predecessor in title in the application for registration and lack of evidence on the mark's use since the date of use claimed, that is, since 1982. The respondent contends that it was not required to particularize its statement of opposition because the non-compliance of the application for registration due to a failure to identify the predecessor in title is apparent simply by reading the application for registration and that its statement of opposition must be read in conjunction with the application for registration and paragraph 30(b) of the Act.

Reasons

[19] I feel, for the following reasons, that the Board committed an error that warrants the intervention of the Court.

[20] The opposition process is set out in section 38 of the Act:

Statement of opposition

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.

Grounds

(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.

Content

(3) A statement of opposition shall set out

Déclaration d'opposition

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.

Motifs

(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.

Teneur

(3) La déclaration d'opposition indique :

(a) the grounds of opposition in sufficient detail to enable the applicant to reply thereto; and

(b) the address of the opponent's principal office or place of business in Canada, if any, and if the opponent has no office or place of business in Canada, the address of his principal office or place of business abroad and the name and address in Canada of a person or firm on whom service of any document in respect of the opposition may be made with the same effect as if it had been served on the opponent himself.

Frivolous opposition

(4) If the Registrar considers that the opposition does not raise a substantial issue for decision, he shall reject it and shall give notice of his decision to the opponent.

Substantial issue

(5) If the Registrar considers that the opposition raises a substantial issue for decision, he shall forward a copy of the statement of opposition to the applicant.

Counter statement

(6) The applicant shall file a counter statement with the Registrar and serve a copy on the opponent in the prescribed

a) les motifs de l'opposition, avec détails suffisants pour permettre au requérant d'y répondre;

b) l'adresse du principal bureau ou siège d'affaires de l'opposant au Canada, le cas échéant, et, si l'opposant n'a ni bureau ni siège d'affaires au Canada, l'adresse de son principal bureau ou siège d'affaires à l'étranger et les nom et adresse, au Canada, d'une personne ou firme à qui tout document concernant l'opposition peut être signifié avec le même effet que s'il était signifié à l'opposant lui-même.

Opposition futile

(4) Si le registraire estime que l'opposition ne soulève pas une question sérieuse pour décision, il la rejette et donne avis de sa décision à l'opposant.

Objection sérieuse

(5) Si le registraire est d'avis que l'opposition soulève une question sérieuse pour décision, il fait parvenir une copie de la déclaration d'opposition au requérant.

Contre-déclaration

(6) Le requérant doit produire auprès du registraire une contre-déclaration et en signifier, dans le délai prescrit

manner and within the prescribed time after a copy of the statement of opposition has been served on the applicant.

après qu'une déclaration d'opposition lui a été envoyée, copie à l'opposant de la manière prescrite.

Evidence and hearing

Preuve et audition

(7) Both the opponent and the applicant shall be given an opportunity, in the prescribed manner, to submit evidence and to make representations to the Registrar unless

(7) Il est fourni, de la manière prescrite, à l'opposant et au requérant l'occasion de soumettre la preuve sur laquelle ils s'appuient et de se faire entendre par le registraire, sauf dans les cas suivants :

(a) the opposition is withdrawn or deemed under subsection (7.1) to have been withdrawn; or

a) l'opposition est retirée, ou réputée l'être, au titre du paragraphe (7.1);

(b) the application is abandoned or deemed under subsection (7.2) to have been abandoned.

b) la demande est abandonnée, ou réputée l'être, au titre du paragraphe (7.2).

...

[...]

Decision

Décision

(8) After considering the evidence and representations of the opponent and the applicant, the Registrar shall refuse the application or reject the opposition and notify the parties of the decision and the reasons for the decision.

(8) Après avoir examiné la preuve et les observations des parties, le registraire repousse la demande ou rejette l'opposition et notifie aux parties sa décision ainsi que ses motifs.

[21] The respondent claims that its statement of opposition included the ground on which the Board based its decision. I do not think the material in the record supports this submission. It is true that the respondent based one of its grounds of opposition on a non-compliance with

paragraph 30(b) of the Act, but the basis of its opposition concerned the use of the mark since 1982, not the identity of the user of the mark or the applicant's failure to mention the name of its predecessor in title in its application for registration.

[22] The respondent contends that the wording of its opposition was broad enough to include the ground on the failure to refer to the predecessor and that on the lack of evidence on the mark's use since the date of use claimed in the application. At first glance, this proposal appears reasonable. In its statement of opposition, the respondent stated its opposition as follows based on paragraph 30(b) of the Act:

[TRANSLATION]

. . . application number 1,212,361 does not meet the requirements of paragraph 30(b) of the Act in that the trade-mark for which registration is sought has not been used in Canada by the Applicant, such as described in its application for registration, since 1982.

[23] However, the respondent chose to submit a written argument detailing its grounds of opposition. In its argument, it assessed and commented on Marc Deschamps' affidavit, the exhibits submitted in support of his affidavit and the transcript of his cross-examination, among other things. Mr. Deschamps has participated in operating the applicant's ski resort since 2002; he was director of the Société de développement du Massif de Petite-Rivière-Saint-François from 1982 to 2000 and has been the applicant's administrator since 2003. Mr. Deschamps' cross-examination concerned the periods the trade-mark was used in association with the wares and services covered by the application without any distinction as to the identity of the mark's user. In its argument, the comments made by the respondent on the evidence in the record also address the dates the mark was used in association with the wares and services, but no comment was made as to the user of the

mark (the applicant or its predecessor in title). After discussing the evidence, the respondent articulated its opposition as follows:

[TRANSLATION]

7. ARGUMENT

The following is an overview of the opponent's arguments. The opponent will complete its arguments and expand on them during the hearing.

1. Content of the application for registration

First, as mentioned in the opponent's statement of opposition, the applicant's application for registration does not meet the requirements of section 30 of the *Trade-marks Act* in that the mark for which registration is sought has not been used in Canada by the applicant since the date indicated in its application for registration, that is, 1982, in relation to the products and services described in the application.

In fact, during Marc Deschamps' cross-examination, he candidly admitted that almost all of the wares and services described in the application had not been used since 1982. See section entitled "Cross-examination of Marc Deschamps" in this written argument.

As mentioned above, this ground of opposition alone, which concerned the admissions of Mr. Deschamps, is enough to refuse the application for registration, which contained irregularities from the time it was produced.

(Emphasis added.)

[24] In my opinion, it is apparent from the respondent's written argument that its opposition, which was based on paragraph 30(b) of the Act, had not two, but only one ground of opposition, and that this ground did not concern the failure to mention the applicant's predecessor in title, but rather the lack of evidence on the mark's use during the period claimed.

[25] It is also apparent from the following passage of the decision that it was the Board, and not the parties, that raised the fact that the application for registration did not specify the name of the predecessor in title. The Board also indicated that, given its decision in this respect, it was unnecessary to rule on the respondent's opposition:

[32] According to the Opponent, the gaps in the evidence of use presented at paragraphs 6 to 17 of Mr. Deschamps's affidavit, as well as his admissions under cross-examination, demonstrate that the evidence is clearly inconsistent with the alleged use of the Mark by the Applicant since 1982. During the hearing, the Applicant's agent correctly pointed out that the Applicant did not bear the initial burden of proving use of the Mark in association with the wares and services listed in the application since the date of first use claimed. In any case, the Applicant's agent submitted that the evidence demonstrates use of the Mark by the Applicant and its predecessor in title since the date of first use claimed in the application.

...

[35] It has been clearly established in the case law that an application for registration shall identify any predecessor(s) in title that have used the applied for trade-mark. . . .

[36] The application for registration does not describe the use of the Mark by the Applicant's predecessor in title during the period of use claimed in the application, a fact I pointed out to the parties during the hearing. The Applicant's failure to list the name of its predecessor in title in the application for registration means that the application is not compliant with paragraph 30(b) of the Act. Accordingly, it is not necessary for me to consider the parties' submissions on the evidence of use to find that the Applicant's evidence is clearly inconsistent with its claimed used of the Mark in association with the wares and services identified in the application since at least as early as 1982.

[37] In view of the above, I find that the Opponent has failed to meet its burden of proof with respect to the ground of opposition based on non-compliance with paragraph 30(b) of the Act.

[26] Subsection 38(3) of the Act requires the statement of opposition to set out the grounds of opposition with "sufficient detail to enable the applicant to reply thereto". In this case, the statement

must be read in light of the details that were given by the respondent in its argument. As this argument refers to only one ground of opposition set out in paragraph 30(b) and this ground has nothing to do with an irregularity in the application for registration, I believe that the Board allowed the opposition based on a ground that was not raised by the respondent.

[27] It is settled law that the Board is not authorized to allow an opposition on the basis of a ground that has not been raised by the opposing party. In *Imperial Developments Ltd. v. Imperial Oil Ltd.*, 26 A.C.W.S. (2d) 155, 79 C.P.R. (2d) 12 (Justice Muldoon), the Court stated that an organization such as the Registrar of Trade-Marks is a creature of statute and that it has no inherent or extrinsic jurisdiction in its constituting legislation. The Court also stated that the Registrar called on to dispose of an opposition could not base its decision on a ground that had not been stated in the statement of opposition.

[28] More recently, in *Procter & Gamble Inc. v. Colgate-Palmolive Canada Inc.*, 2010 FC 231, 364 F.T.R. 288, at paragraph 26, Justice Boivin also adopted this jurisprudential principle:

. . . The Respondent submits it is settled law that there is no jurisdiction to deal with an issue not found in a Statement of Opposition and this Court does not have jurisdiction to entertain issues that were not raised before the Board (*McDonald's Corp. v. Coffee Hut Stores Ltd.*, (1994), 76 F.T.R. 281, 55 C.P.R. (3d) 463, aff'd (1996), 199 N.R. 106, 68 C.P.R. (3d) 168 (F.C.A.)). I agree with the Respondent. . . .

[29] I agree with these principles. In this case, even if the Board refused the application for registration on the basis of a failure to meet the requirements of paragraph 30(b) of the Act and the respondent's opposition had also been based on the failure to respect this paragraph, the

respondent's opposition referred to a "failure" that is different from that on which the Board based its decision.

[30] In accordance with section 37 of the Act, the Registrar has the authority to refuse, on the Registrar's own motion, an application for registration that does not meet the requirements of section 30 of the Act. A reading of subsection 37(1) together with subsection 39(1) of the Act demonstrates, however, that this power can only be exercised before the application is advertised.

These provisions are as follows:

When applications to be refused

37. (1) The Registrar shall refuse an application for the registration of a trade-mark if he is satisfied that

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

...

and where the Registrar is not so satisfied, he shall cause the application to be advertised in the manner prescribed.

Notice to applicant

(2) The Registrar shall not refuse any application without first notifying the applicant of his objections thereto and his reasons for those objections, and giving the applicant adequate opportunity to answer those objections.

Demandes rejetées

37. (1) Le registraire rejette une demande d'enregistrement d'une marque de commerce s'il est convaincu que, selon le cas :

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

[...]

Lorsque le registraire n'est pas ainsi convaincu, il fait annoncer la demande de la manière prescrite.

Avis au requérant

(2) Le registraire ne peut rejeter une demande sans, au préalable, avoir fait connaître au requérant ses objections, avec les motifs pertinents, et lui avoir donné une occasion convenable d'y répondre.

Doubtful cases

(3) Where the Registrar, by reason of a registered trade-mark, is in doubt whether the trade-mark claimed in the application is registrable, he shall, by registered letter, notify the owner of the registered trade-mark of the advertisement of the application.

Cas douteux

(3) Lorsque, en raison d'une marque de commerce déposée, le registraire a des doutes sur la question de savoir si la marque de commerce indiquée dans la demande est enregistrable, il notifie, par courrier recommandé, l'annonce de la demande au propriétaire de la marque de commerce déposée.

When application to be allowed

39. (1) When an application for the registration of a trade-mark either has not been opposed and the time for the filing of a statement of opposition has expired or it has been opposed and the opposition has been decided in favour of the applicant, the Registrar shall allow the application or, if an appeal is taken, shall act in accordance with the final judgment given in the appeal.

Quand la demande est admise

39. (1) Lorsqu'une demande n'a pas fait l'objet d'une opposition et que le délai prévu pour la production d'une déclaration d'opposition est expiré, ou lorsqu'il y a eu opposition et que celle-ci a été décidée en faveur du requérant, le registraire l'admet ou, en cas d'appel, il se conforme au jugement définitif rendu en l'espèce.

[31] According to subsection 39(1), after the advertisement of the application for registration, the Registrar's authority is strictly directed: the Registrar may either allow the application for registration (if the application has not been opposed) or dispose of the opposition.

[32] In this case, the irregularity of the application for registration was apparent even before the Registrar had advertised it. On May 5, 2004, the applicant's counsel filed, with the Registrar, a request to expedite the review accompanied by a statement signed by the applicant's president, Daniel Gauthier. In his statement, Mr. Gauthier clearly identified the applicant's predecessor in title and indicated that the trade-mark had been used by the applicant's predecessor in title starting in 1982, and by the applicant itself since 2002. This statement therefore contained information showing the application's irregularity. The Registrar did not identify the irregularity and advertised the application for registration on September 1, 2004. The Registrar was then bound by the statement of opposition and could refuse the application only on grounds raised by the opponent.

[33] For all of these reasons, I believe that the Board acted beyond its jurisdiction in allowing the opposition based on a non-compliance with paragraph 30(b) on the basis of a ground that was different from that raised by the respondent.

[34] Given this finding, it is unnecessary for me to rule on the second ground of appeal.

JUDGMENT

THE COURT ORDERS AND ADJUDGES that

1. The application for judicial review be converted into an appeal of the Board's decision dated December 9, 2009.
2. The style of cause be amended and the Registrar of Trade-marks be struck as respondent.
3. The appeal be allowed, the Board's decision be set aside and the matter be referred to another Board member for redetermination on the grounds of opposition raised by the respondent.

WITH COSTS.

“Marie-Josée Bédard”

Judge

Certified true translation
Janine Anderson, Translator

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-233-10

STYLE OF CAUSE: LE MASSIF INC. v. STATION TOURISTIQUE
MASSIF DU SUD (1993) INC.

PLACE OF HEARING: Québec, Quebec

DATE OF HEARING: January 18, 2011

**REASONS FOR JUDGMENT
AND JUDGMENT:** Bédard J.

DATED: February 2, 2011

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