Federal Court  Cour fédérale

Date: 20140620

Docket: T-1036-13

Citation: 2014 FC 594

Montréal, Quebec, June 20, 2014

PRESENT: Prothonotary Richard Morneau

BETWEEN:

BAUER HOCKEY CORP.

Applicant

and

EASTON SPORTS CANADA INC.

Respondent

and

SPORT MASKA INC.
DBA REEBOK-CCM HOCKEY

Proposed Intervener

ORDER AND REASONS

[1] The Court is seized with a motion by Reebok-CCM Hockey (CCM) under rule 109 of the *Federal Courts Rules* (the rules) for leave to intervene in the instant judicial review application initiated by Bauer Hockey Corp. (Bauer) against Easton Sports Canada Inc. (Easton).

[2] Said application was launched by Bauer in order to appeal the decision of the Registrar of Trade-marks dated April 5, 2013 which granted Easton's request to expunge from the registry, pursuant to sections 4 and 45 of the *Trade-marks Act*, RSC (1985), c T-13, Bauer trade-mark registration no. 361,722 (the '722 mark) entitled Skate's eyestay & design (the Appeal).

[3] CCM justifies its interests to intervene in the Appeal for essentially the following grounds.

[4] It notes that Bauer in a different file, to wit file T-311-12, has taken action against it for precisely an alleged infringement of the '722 mark. Consequently, the fate of the Appeal will directly impact CCM.

[5] In addition is the fact that further to a purchase agreement between Bauer and Easton, where the former purchased in part the latter, said entities have expressed their mutual intention to settle the Appeal under the scenario where Easton will not file any evidence and will not proceed to examine any affiant of Bauer.

[6] At paragraphs 32 to 34 of its written representations, CCM identifies as follows its interests to intervene in the within Appeal:

> 32. Should the Registrar's decision be upheld, and the SKATE'S EYESTAY Design registration is expunged, Bauer will be unable to continue to assert trade-mark infringement or depreciation of goodwill in the SKATE'S EYESTAY Design against Reebok-CCM Hockey [in file T-311-12].
>
> 33. However, should Bauer be successful in having the Registrar's decision set aside, Canadian Trade-mark Registration TMA361,722 for the SKATE'S EYESTAY Design would remain on the Register, and Bauer may continue with its action for infringement, and depreciation of goodwill against Reebok-CCM Hockey on the basis of the registration.
>
> 34. Reebok-CCM Hockey will be subjected to further litigation on the basis of a registration which has already been ordered expunged. It is clear that Reebok-CCM Hockey's rights may be adversely affected by the outcome of this appeal.

Analysis

[7] One has to conclude at the end of the day that if CCM is allowed to intervene, it would in fact and in law be squarely replacing Easton, it would substitute itself for the latter as a respondent in the Appeal and would argue fully against the position put forth by Bauer.

[8] However, in *Canada (Attorney General) v Siemens Enterprises Communications Inc.*, 2011 FCA 250 at paragraph 4 (*Siemens*), and although in that case other facts not present here militated against granting the remedy sought therein, the Federal Court of Appeal clearly indicated as follows that rule 109 should not be used in order to allow a proposed intervener to act in place of an existing respondent:

> [4] By its motion, WAS is attempting to substitute itself for Siemens as the respondent in this judicial review application. WAS seeks to challenge the application under a proposed order of the Court which would, for all intents and purposes, grant it a status equivalent to that of a respondent in these proceedings. The rules permitting interventions are intended to provide a means by which

> persons who are not parties to the proceedings may nevertheless assist the Court in the determination of a factual or legal issue related to the proceedings (Rule 109(2)*b*) of the *Federal Courts Rules*). These rules are not to be used in order to replace a respondent by an intervener, nor are they a mechanism which allows a person to correct its failure to protect its own position in a timely basis.
>
> [My emphasis.]

[9] CCM argues nevertheless that fairness and the interests of justice require that the Court be provided here with the views and participation of CCM so that it would be presented with both sides of the coin.

[10] That setting might facilitate the work of the Court on the merits. However, as pointed out by Bauer, my colleague Prothonotary Tabib in an intellectual property matter, albeit a patent one, has pointed out as follows at paragraphs 23, 31, 34 and 35 the fact that a case can move and be heard without an opposing side being present:

> [23] . . . Accordingly, I find that the fact that there will be no party on the appeal to actively defend the merits of the Board's decision does not constitute a factor justifying granting leave to Novozymes to intervene in this case.
>
> . . .
>
> [31] The only argument submitted by Novozymes on this criteria is based on comments made by the Court in *Canadian Schenley Distilleries Ltd. v. Canada's Manitoba Distillery Ltd.*, (1975), 25 C.P.R. (2d) 1, and *Bally Schuhfabriken AG/Bally's Shoe Factories Ltd. v. Big Blue Jeans Ltd./Ltée*, (1992), 41 C.P.R. (3d) 205, about the difficulties faced by a Judge on appeal of a decision where no party appears to defend its merits. While the Court's work may be made easier by the intervention of an active respondent, Novozymes' counsel has not drawn my attention to any case where the desirability of having an actively involved respondent was considered as justifying granting intervenor status.

> . . .
>
> [34] Can the Court hear and decide the cause on its merits without the proposed intervenor?
>
> [35] I have no hesitation in answering this last question in the affirmative. As mentioned above, while the Court's work would be made easier by the active involvement of a respondent, such an involvement is not necessary for the Court to fulfil its role in this matter.
>
> (*Genencor International, Inc. v Canada (Commissioner of Patents)*, 2007 FC 376 (*Genencor*))

[11] Bauer also argues, and I agree, that it is of the uppermost importance that its settlement of the Appeal with Easton be respected, and that said result be not jeopardized by having CCM replace and substitute itself for Easton.

[12] In referring to the case of *Meredith & Finlayson v Canada (Registrar of Trade Marks)* (1991), 40 CPR (3d) 409, at page 412, CCM argues also that there is in the Appeal a public interest component which supports its intervention. However, I prefer the following position of my colleague in *Genencor*, *supra*, at paragraph 16, where she sees no public interest in a debate between private parties which involves whether a registration is maintained or not:

> [16] Genencor appears to concede the existence of a justiciable issue, but contests the existence of a veritable public interest. I agree. Novozymes relies on the general statement that there is a public interest in ensuring that untenable or invalid intellectual property registrations are not maintained. That may be so and may justify interventions by some third parties in some circumstances, where the issues to be determined go to the interpretation of legislation or issues of principle, but Novozymes has not suggested that any such issues arise in this appeal with respect to the correctness of the Board's determination of anticipation. As far as the record before me suggests, the issues involved in this appeal are fairly common questions involving the application of known legal principles to the facts of the case. There is no public interest

> involved in the subject matter of Novozymes' proposed intervention.
>
> [My emphasis.]

[13] Moreover, Bauer stresses that in the T-311-12 action, CCM raised in its counterclaim, filed two days after the motion under study, the alleged invalidity of the '722 mark for basically the same reasons which have been retained by the Registrar whose decision is under attack in the Appeal. In said file T-311-12, where CCM is already fully participating, Bauer argues in addition in its defence to the counterclaim that CCM cannot go against the registration of the '722 mark by virtue of a transaction agreement concluded in 1989 between CCM and the predecessors in title of Bauer. It would appear that said argument by Bauer would not be possible to make against CCM in the Appeal should the latter be granted intervener status.

[14] Recently, Justice Stratas, sitting as a single judge of the Federal Court of Appeal, has enunciated as follows an update of the factors to consider as to whether a proposed intervener should be granted such status:

> [11] To summarize, in my view, the following considerations should guide whether intervener status should be granted:
>
> I. Has the proposed intervener complied with the specific procedural requirements in Rule 109(2)? Is the evidence offered in support detailed and well-particularized? If the answer to either of these questions is no, the Court cannot adequately assess the remaining considerations and so it must deny intervener status. If the answer to both of these questions is yes, the Court can adequately assess the remaining considerations and assess whether, on balance, intervener status should be granted,
>
> II. Does the proposed intervener have a genuine interest in the matter before the Court such that the Court can be assured that the proposed intervener

> has the necessary knowledge, skills and resources and will dedicate them to the matter before the Court?
>
> III. In participating in this appeal in the way it proposes, will the proposed intervener advance different and valuable insights and perspectives that will actually further the Court's determination of the matter?
>
> IV. Is it in the interests of justice that intervention be permitted? For example, has the matter assumed such a public, important and complex dimension that the Court needs to be exposed to perspectives beyond those offered by the particular parties before the Court? Has the proposed intervener been involved in earlier proceedings in the matter?
>
> V. Is the proposed intervention inconsistent with the imperatives in Rule 3, namely securing "the just, most expeditious and least expensive determination of every proceeding on its merits"? Are there terms that should be attached to the intervention that would advance the imperatives in Rule 3?
>
> (*Attorney General of Canada v Pictou Landing Band Council and Marina Beadle*, 2014 FCA 21 at paragraph 11 (*Pictou Landing*))

[15] In taking for granted, without deciding however on this aspect, that *Pictou Landing* applies in a private intellectual property matter as here, and although said case put aside the requirement found in *Canadian Union of Public Employees (Airline Division) v Canadian Airlines International Ltd.*, [2000] FCJ No. 220 as to whether there is an apparent lack of any other reasonable or efficient means to submit the question to the Court, the Court here nevertheless considers in the result that the reasons above and the full debate already ongoing in file T-311-12 – a dynamic not present in *Pictou Landing* - bring it to estimate that criteria III, IV and V of *Pictou Landing* are not met even though one must conclude that the first two criteria of said case are fulfilled.

[16] As a result, I do not consider that on balance CCM should be granted intervener status in the Appeal which is well under way.

[17] Consequently, CCM's motion will be denied, the whole with costs in favour solely of Bauer since Easton has not participated in the instant motion.

ORDER

CCM's motion is denied, the whole with costs in favour solely of Bauer since Easton has not participated in the instant motion.

"Richard Morneau"
Prothonotary

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-1036-13
STYLE OF CAUSE:	BAUER HOCKEY CORP. v EASTON SPORTS CANADA INC. and SPORT MASKA INC. DBA REEBOK-CCM HOCKEY
PLACE OF HEARING:	MONTRÉAL, QUEBEC
DATE OF HEARING:	JUNE 17, 2014
ORDER AND REASONS:	MORNEAU P.
DATED:	JUNE 20, 2014

APPEARANCES:

François Guay Ekaterina Tsimberis	FOR THE APPLICANT
Christopher C. Van Barr	FOR THE PROPOSED INTERVENER

SOLICITORS OF RECORD:

Smart & Biggar Montréal, Quebec	FOR THE APPLICANT
Gowling Lafleur Henderson LLP Ottawa, Ontario	FOR THE PROPOSED INTERVENER