

Federal Court



Cour fédérale

**Date: 20131211**

**Docket: T-791-13**

**Citation: 2013 FC 1245**

**Ottawa, Ontario, December 11, 2013**

**PRESENT: The Honourable Mr. Justice Zinn**

**BETWEEN:**

**299614 ALBERTA LTD.**

**Applicant**

**and**

**FRESH HEMP FOODS LTD.**

**Respondent**

**REASONS FOR JUDGMENT AND JUDGMENT**

[1] This is an appeal under section 56(1) of the *Trade-marks Act*, RSC 1985, c T-13 [Act], of a decision by the Registrar of Trade-marks [Registrar] to allow the Respondent's trade-mark application and to register the mark.

[2] It is clear that the Registrar erroneously allowed and registered the trade-mark because it thought that the opposition had been withdrawn, when it had itself acknowledged receipt of the

opposition evidence. As a consequence, the Respondent was granted rights that it would not otherwise have had, simply because of an error by the Registrar.

[3] The determinative issue is whether this application was initiated under the correct section of the *Act*. I find that these proceedings have been improperly brought under section 56 of the *Act* and that the only way to remove a trade-mark from the register is to initiate expungement proceedings under section 57.

[4] The relevant statutory provisions are sections 55, 56 and 57 of the *Act*:

55. The Federal Court has jurisdiction to entertain any action or proceeding for the enforcement of any of the provisions of this Act or of any right or remedy conferred or defined thereby.

55. La Cour fédérale peut connaître de toute action ou procédure en vue de l'application de la présente loi ou d'un droit ou recours conféré ou défini par celle-ci.

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.

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.

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...

57. (1) The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground

57. (1) La Cour fédérale a une compétence initiale exclusive, sur demande du registraire ou de toute personne intéressée, pour ordonner qu'une inscription dans le registre soit biffée ou modifiée, parce que, à

that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

la date de cette demande, l'inscription figurant au registre n'exprime ou ne définit pas exactement les droits existants de la personne paraissant être le propriétaire inscrit de la marque.

(2) No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.

(2) Personne n'a le droit d'intenter, en vertu du présent article, des procédures mettant en question une décision rendue par le registraire, de laquelle cette personne avait reçu un avis formel et dont elle avait le droit d'interjeter appel.

[5] The Applicant submits that the decisions by the Registrar to allow the trade-mark application and subsequently to register the trade-mark ought to be set aside, and the trade-mark removed from the registry pursuant to subsection 56(1) and section 55 of the *Act*. It submits that section 56 is the appropriate manner for proceeding because the decisions to allow the trade-mark application and register the trade-mark constitute decisions within the meaning of "any decision of the Registrar" as set out in that section. It says that a proceeding under section 57 would not be appropriate because s. 57(2) prohibits a proceeding under section 57 where the applicant was given express notice of a decision of the Registrar and there is a right of appeal. It says that having received notice of the decision on March 15, 2013, and having not exhausted its right of appeal under section 56, no claim can properly be brought under s. 57.

[6] The Respondent submits that once a trade-mark is registered, it can only be expunged under section 57: *Sadhu Singh Hamdard Trust v Registrar of Trade-Marks*, 2007 FCA 355 at para 23 [*Sadhu*]. Expunging a registered mark is not a remedy that is available under section 56. I agree.

[7] The Federal Court of Appeal in *Sadhu* unambiguously stated at paragraph 23 that “once the trade-mark is registered, it can only be challenged on substantive grounds under section 57.” There is no right of appeal under section 56 once the trade-mark is registered.

[8] I do not accept the Applicant’s submission that the previous decision of the Court of Appeal in *Ault Foods Ltd v Canada (Registrar of Trademarks)*, [1993] 1 FC 319 [*Ault Foods*] is on all-fours with this case and permits the Court to set aside the Registrar’s decision to accept and register the mark. As noted by the Respondent, it is clear from paragraph 10 of the Reasons in *Sadhu* that while the trade-mark application in *Ault Foods* had been accepted, the trade-mark had not yet been registered. That is a significantly different situation than here where the trade-mark has been registered.

[9] Furthermore, as was noted by the Court of Appeal in *Sadhu* at paragraph 24: “The differences between an appeal under section 56 and an action for expungement under section 57 are real and substantial.” Therefore, there are substantive reasons why a trade-mark should only be struck from the register through proceedings under section 57. One example that the Court in *Sadhu* provided is that the result of a section 57 proceeding is binding against the world, and not only binding as between the parties.

[10] Although it may be regrettable that the Applicant has no cost-effective and expeditious way to correct the Registrar’s error, section 56 of the *Act* simply does not provide this Court with jurisdiction to remove a trade-mark from the register. That can only be done under section 57.

[11] The Applicant contends that it would be barred from proceeding under section 57 by virtue of subsection 57(2) which reads: “No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.” I agree with the Respondent that there is no such impediment. Since there is no right to appeal under section 56 to begin with, subsection 57(2) would not operate to bar the Applicant from initiating expungement proceedings.

[12] The Respondent is entitled to its costs. The Respondent asked the Court for an opportunity to make submissions on quantum after this decision was rendered. It is understood that offers may have been exchanged. The Respondent shall serve and file its written submissions as to costs within fourteen (14) days and the Applicant shall have a further period of seven (7) days to serve and file its reply.

**JUDGMENT**

**THIS COURT'S JUDGMENT is that** this application is dismissed, with costs payable to the Respondent. The Court reserves the right to fix the quantum of costs following receipt of submissions, in accordance with these Reasons.

"Russel W. Zinn"

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Judge

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

**DOCKET:** T-791-13

**STYLE OF CAUSE:** 299614 ALBERTA LTD. v FRESH HEMP FOODS LTD.

**PLACE OF HEARING:** VANCOUVER, B.C.

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

**DATED:** DECEMBER 11, 2013

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