FILING OF EVIDENCE ON APPEAL IN TRADE-MARK OPPOSITION PROCEEDINGS WILL NOW BE IMPOSSIBLE IN CERTAIN CASES, FEDERAL COURT RULES

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A recent decision of the Federal Court of Canada has set aside a long standing assumption that new evidence could always be filed before the Trial Division of the Federal Court of Canada on appeal of decisions rendered by the Trade Marks Opposition Board (*Primax Computer Corp.* v. *Primax Electronic (U.S.A.) Inc.*, T-665-95, June 27, 1995, reported at (1995), 62 C.P.R. (3d) 75 (Federal Court, Trial Division, Denault, J.); upon Motion, the Federal Court of Appeal has rejected the appeal of this decision on December 15, 1995).

Under Subsection 56(1) of Canada's *Trade-Marks Act* (R.S.C. 1985, c. T-13), an appeal lies to the Trial Division of the Federal Court from any decision of the Registrar (whether it be from one or the other of the Registrar's administrative Sections i.e. the Opposition Board or the Section 45 Expungement Division) within two months from the date on which notice of the decision is dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months. Furthermore, Subsection 56(5) of the Act states: "On an appeal under Subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar".

The decision of the Registrar from which an appeal lies under Section 56 is one which involves a judicial determination of a practical question of fact and does not involve the exercise of the Registrar's discretion. Where the Registrar has gone wrong, it is open to the Court to substitute its conclusion for that of the Registrar (see *Oshawa Group Ltd.* v. *Registrar of Trade Marks and Creative Resources Co. Ltd.* (1982), 61 C.P.R. (2d) 29, per Heald J. at 36. See also *Benson & Hedges (Canada) Ltd.* v. *St. Regis Tobacco Corp.,* (1969) S.C.R. 192; *Beverly Bedding & Upholstery Co.* ***v.*** *Regal Bedding & Upholstering Co.* (1982), 60 C.P.R. (2d) 70).

When no new evidence is adduced under Subsection 56(5), the Federal Court will allow the appeal only if the appellant succeeds in showing that the Registrar has made an error. Indeed, the Court will always consider with caution any appeal from a decision of the Registrar since the latter is generally considered to be an expert or specialist in trade-mark matters. However, in cases where new evidence is introduced in accordance with Subsection 56(5) of the Act, the Court will render its decision by means of a trial "de novo" since it has to consider all the evidence presented before the Registrar and additional evidence submitted for the purpose of the appeal (which was obviously not before the Registrar)(see *Saks & Co.* v. *Registrar of Trade Marks et al.* (1989), 24 C.P.R. (3d) 49 (F.C.T.D., Addy J.)).

Up until recently, it has always been understood that in an appeal from a decision of the Opposition Board, it was permitted to any party, whether appellant or respondent, in all circumstances, to file fresh evidence on appeal, if for whatever reason, it did not or was unable to file such evidence before the Board. This interpretation was based on the words used in Subsection 56(5) of the Act as interpreted before June 1995.

In rendering his decision in *Primax Computer Corp.* v. *Primax Electronic (U.S.A.) Inc.*, a case where neither party had filed evidence before the Opposition Board, Mr. Justice Denault considered that use by Parliament in Subsection 56(5) of the Trade-Marks Act of the words "in addition to that adduced before the Registrar" meant that in order to file evidence on appeal before the Federal Court, evidence must have been filed before the Registrar (Mr. Justice Denault did not mention from which party such evidence must have originated).

Mr. Justice Denault wrote at pages 80-81 of his decision: "In light of the specific language of this provision, which is clear and imperative, the appellant was barred on March 31, 1995, and even more so now, from filing evidence in this court in support of its opposition since there was no evidence adduced before the Registrar. It seems apparent that Parliament intended to confer upon the Registrar the task of evaluating the evidence put forth by a party opposing the registration of a trade mark whereas this court, as an appeal court in these matters, is authorized by the legislation to accept additional evidence to that adduced before the Registrar. Thus, in the present case, the appellant does not have the right to file evidence on appeal since none has been filed in the original proceeding before the Registrar".

Mr. Justice Denault's ruling raises interesting issues: where no evidence was filed before the Opposition Board, no party can file evidence on appeal; when only the respondent has filed evidence before the Opposition Board, will the appellant be allowed to file evidence "in addition to that adduced

before the Registrar", thus placing it in a better position before the Court only because of the other side's actions before the Board?

Mr. Justice Denault's decision has important consequences for trade-mark practitioners: contrary to what was always assumed regarding interpretation of Subsection 56(5) of the Act, one must now understand that in order to file evidence on appeal, evidence (from whatever party) must have been filed before the Opposition Board. Up until Mr. Justice Denault's ruling, it has often been a party's decision not to file evidence before the Opposition Board for strategic reasons in order to file evidence on appeal before the Federal Court. This avenue now seems to be closed (especially for the opponent who must file its evidence first before the Board) and prudence would now invite a party to file at least some evidence (whether relevant or not) before the Board in order to enable it, if need be, to file "evidence in addition to that adduced before the Registrar" before the Federal Court.

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