MOOTNESS ISSUE EXAMINED BY FEDERAL COURT IN APPEAL FROM OPPOSITION BOARD'S DECISION

BARRY GAMACHE*
ROBIC, LLP
LAWYERS, PATENT & TRADEMARK AGENTS

In a decision that applied the brakes to a trade-mark dispute between a Canadian federation of associations of professional engineers and an American fabric company, Canada's Federal Court declined to hear an appeal against a decision by Canada's Trade-mark Opposition Board involving a trade-mark that was withdrawn during the appeal process. In doing so, the Court examined the doctrine of mootness as it applies to trade-mark matters (*Engineers Canada/Ingénieurs Canada v MMI-IPCO, LLC*, 2015 FC 839 (F.C., Brown J., July 9, 2015)).

On October 15, 2007, the Respondent MMI-IPCO, LLC ("MMI-IPCO" or the "Respondent"), a fabric company from the U.S., applied to register a design trade-mark that included the words "polartec eco-engineering" (the "trade-mark") for various textile fabrics to be used in the manufacture of clothing, home furnishings, upholstery, furniture, housewares, furnishings, carpets, floor coverings, wall coverings, curtains, furniture covers, blankets, pillows, bed linens, bath linens and kitchen linens as well as textile fabric piece goods sold as a component of clothing, namely coats, jackets, parkas, raincoats, pullovers, shirts and other similar clothing products.

Further to the Registrar's decision to advertise MMI-IPCO's trade-mark for opposition purposes, Engineers Canada/Ingénieurs Canada ("Engineers Canada" or the "Appellant") filed a statement of opposition against MMI-IPCO's trade-mark application on the basis that the Respondent was not registered to practice engineering in any jurisdiction in Canada, nor did it employ licensed engineers in any Canadian jurisdiction. For that reason, the Appellant alleged that the trade-mark was deceptively misdescriptive.

Engineers Canada's opposition was considered by the Trade-marks Opposition Board (the "Board") and on June 12, 2014, the Board determined that MMI-IPCO's trade-mark was not deceptively misdescriptive; it also found the mark to be distinctive. Engineers Canada's opposition was therefore dismissed.

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*Lawyer of ROBIC, LLP, a firm of lawyers, patent and trade-mark agents. Published under the title *Canada Court Rules Use of Company Name Distinct From Use as Trade*-Mark (2015) 29:8 World Intellectual Property Report. Publication 142.299.

Engineers Canada appealed the Board's decision on August 12, 2014 under section 56 of Canada's *Trade-marks Act*, R.S.C. 1985, c. T-13, (the "Act").

As allowed also by section 56 of the Act, both parties filed substantial additional evidence before the Court and the matter was set to be heard by the Court on June 1st, 2015.

However, on May 14, 2015, the Respondent MMI-IPCO wrote a letter to the Registrar of Trade-marks advising it that it was withdrawing its application for the registration of its trade-mark. The Respondent therefore took the position that the Appellant's appeal was moot and that, in any event, it would not be appearing at the hearing of the appeal scheduled for June 1st, 2015.

The Court advised Engineers Canada that the issue of mootness would be front and centre at the hearing of June 1st as a decision on this issue would most likely decide the fate of the appeal.

The Appellant argued that its appeal was not moot and that even if it was, the Court should exercise its discretion to hear the appeal nonetheless.

In its analysis, the Court referred to the test provided by the Supreme Court of Canada in *Borowski v Canada (AG)*, [1989] 1 SCR 342 ("*Borowski*"). In *Borowski*, the Supreme Court examined the doctrine of mootness and described the process to determine whether mootness applies in a specific case. According to the Supreme Court, when mootness is alleged, it is necessary to determine what is the fate of the tangible and concrete dispute between the parties. Has this dispute disappeared and the issues between the parties become academic? In other words, is there still a "live controversy" between the parties that requires the Court's intervention?

The Court also referred to the 1998 Federal Court case of *Dura Undercushions Ltd. v BASF Corp* (1998), 154 FTR 233 ("*Dura*") where a materially similar situation was examined. In *Dura*, a trade-mark application was opposed and further to the Board's decision to reject the opposition, an appeal was launched to have the Board's decision set aside. During the appeal to the Federal Court from the Registrar's decision, the Respondent in *Dura* abandoned its trade-mark application. The Court concluded that the appeal was moot and declined to exercise its discretion to hear it.

The decision in *Dura* was considered relevant to dispose of Engineers Canada's arguments. Just like the case in *Dura* in 1998, the Court decided there was no live controversy between the parties since there was no longer a live trade-mark application that gave rise to a dispute.

Engineers Canada argued that a tangible dispute remained between the parties, namely whether MMI-IPCO's trade-mark was deceptively misdescriptive and thus likely to mislead the public when in use. However, since the question of use was distinct from the issue of registration, the Court made it clear that any decision on an

application to *register* a trade-mark could not be a decision on the separate and specific issue of *use* of the same trade-mark. Only a successful infringement action could deal with the issue of use raised by the Appellant.

Engineers Canada further argued that without the Court's willingness to hear its appeal, this would create a situation where the incorrect decision of the Board would survive and be relied upon by those whose interests are adverse to Engineers Canada. On this point, the Court concluded that the Appellant's concerns appeared to be unfounded as any future dispute would be decided on the particular merits of any case and in accordance with the Act.

In any event, the Court emphasized that its conclusion on mootness was not in any way a finding that the Board's decision was correctly decided.

Despite the Court's conclusion on mootness, the Appellant urged the Court to exercise its discretion and hear the appeal nonetheless. While this could technically be done, in the Court's view, the circumstances of the case were not such as to invite a departure from the usual practice of declining to hear a moot issue. Moreover, the extensive record in this case and the absence of an adversarial context lead the Court to decline to exercise its discretion in favour of the Appellant. In any event, the interests of judicial economy did not favour hearing the merits of the case since the unique circumstances of the litigation between the parties no longer existed.

This case raises interesting issues. While a trade-mark owner who forcefully defends his or her rights obviously wishes to have the last word concerning any trade-mark dispute, the circumstances of a case may not always allow this despite the presence of valid arguments. This case makes clear that the withdrawal of a trade-mark application during the appeal process leaves the unsuccessful opponent with very little options. While each case is unique and must be decided on its own merits, the presence of an unfavorable decision as part of the body of the case law can certainly be an area of concern for trade-mark owners. However, the policy issues raised by the doctrine of mootness appear to override these concerns. In some cases, it does appear that an opponent to a trade-mark application cannot always have the last word.

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ROBIC, LLP
www.robic.ca
info@robic.com

MONTREAL
1001 Square-Victoria - Bloc E - 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: +1 514 987-6242 Fax: +1 514 845-7874

QUEBEC
2828 Laurier Boulevard, Tower 1, Suite 925
Quebec, Quebec, Canada G1V 0B9
Tel.: +1 418 653-1888 Fax.: +1 418 653-0006

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www.robic.ca
info@robic.com

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