

JUDICIAL REVIEW AND OFFICIAL MARKS

By
Catherine Bergeron*
LEGER ROBIC RICHARD, Lawyers,
ROBIC, Patent & Trademark Agents
Centre CDP Capital
1001 Square-Victoria - Bloc E – 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: (514) 987 6242 - Fax: (514) 845 7874
info@robic.com – www.robic.ca

FileNET Corp. v. Canada (Registrar of Trade-marks), 2002 FCA 418 (Federal Court of Appeal; coram Sharlow, Linden and Sexton, J.A.)

On October 29, 2002, the Federal Court of Appeal upheld the trial judge's decision dismissing an application for judicial review of the decision of the Registrar of Trade-marks (hereinafter "Registrar") to accept for publication and to publish notice (pursuant to subparagraph 9(1)(n)(iii) of the *Trade-marks Act*, R.S.C., 1985, c. T-13, "the Act") of the Crown's adoption and use of the mark "Netfile & design" (hereinafter "Netfile") as an official mark.

Facts

FileNet Corporation (hereinafter "Applicant") is the licensee of FileNet Canada Inc., owner of the trade-mark "FileNet" since 1989, for use in association with "computer hardware, software and peripherals; automated office systems for the storage, retrieval, handling and processing of business documents". In May 1999, Canada Customs and Revenue Agency (hereinafter "Respondent") chose the name "Netfile" (and "Impônet" in French) for a new program permitting the filing of individual tax returns through the Internet.

On August 30, 1999, the Respondent submitted a request to the Registrar that public notice be given of the mark "Netfile" pursuant to subparagraph 9(1)(n)(iii) of the Act, which mark had been first visible on the Respondent's Web site the next day, i.e. August 31, 1999. On December 29, 1999, the Registrar gave public notice of the "Netfile" official mark.

© LEGER ROBIC RICHARD / ROBIC, 2002.

* Of the law firm LEGER ROBIC RICHARD, g.p. and of the patent and trademark agency firm ROBIC, g.p. Published in the *World Trademark Law Reporter*. Publication 293.002.

Federal Court, Trial Division

Four issues were before the trial judge : (1) Should this proceeding be brought as an appeal or a judicial review? (2) Is the Applicant directly affected by the adoption of the official mark so to have the standing to bring this judicial review application? (3) Is the validity of a notice given under subparagraph 9(1)(n)(iii) dependent upon the adoption or use of the mark in question by the public authority? (4) If so, at what point in time must the adoption and use have occurred? Had the Respondent adopted and used the "Netfile" mark by that time?

The trial judge ruled these four issues as follows :

(1) In light of the decision *Maple Leaf Meats Inc. v. Consorzio Del Prosciutto Di Parma* ((2000), 9 C.P.R. (4th) 485 (F.C.T.D.; O'Keefe J.)), the present proceeding should be brought before the Court as a judicial review pursuant to section 18.1 of the *Federal Court Act* (R.S.C., 1985, c. F-7). In order to have standing to pursue an appeal under subsection 56(1) of the Act, the appellant has to be a party to the proceedings before the Registrar; in the present case, the Applicant was not a party to the matter before the Registrar.

(2) Despite the Respondent's argument to the effect that the issuance by the Registrar of a notice of use and adoption does not affect third parties' rights in respect of pre-existing use of a mark, the Applicant has shown that it is directly affected by the adoption of the official mark by the Respondent and that it has standing to bring the present judicial review application. The Applicant's future difficulty to expand because of the adoption of the official mark and the possible confusion between the official mark and the Applicant's mark could affect the Applicant.

(3) Adoption and use of an official mark by a public authority are crucial elements with respect to its "validity". Therefore, if the Registrar is misled on issues related to the notions of adoption and use, then the official mark is "invalid" and can be declared ineffective to give rise to any rights, protection or prohibitions.

(4) The Respondent had to show that it adopted and used the official mark in Canada before the Registrar's notice of the mark's adoption and use on December 29, 1999. The Respondent successfully met its burden; even if the services could only be provided after public notice of the adoption and use,

the mark was sufficiently advertised and accessed on the Respondent's Web site prior to the date of notice.

Federal Court of Appeal

With respect to issues one and two, J. Sharlow confirmed that the Registrar's decision could not be appealed by the Applicant under section 56 of the Act, but that the Applicant had the status to challenge the section 9 notice by way of a judicial review application.

The Court of Appeal also stated the statutory criteria to be met by any applicant requesting a public notice of adoption and use of a mark : the applicant must be a public authority and it must adopt and use the official mark. If these criteria are met, the Registrar has no discretion to refuse a request under section 9 to give public notice of the adoption and use of an official mark. In case of judicial review, the applicant that requested the public notice has the burden of proving that the official mark was adopted and used by the date of the public notice. On that point, the Federal Court of Appeal concurred with the trial judge and stated that the use, consisting of advertising the mark on the Respondent's Web site, was a sufficient use.

The judge finally comments on the issue of adoption. In his view, the question of adoption of an official mark is a question of fact which should not be assessed in the light of formal documents constituting evidence of a "formal" adoption; the adoption is sufficiently proved, unless cogent reasons to the contrary, by the sole request to the Registrar to give public notice.

It is certainly to be noted how the question of use was evaded by both the trial and appeal divisions. The trial judge seems to apply the definition of "use" provided by the Act to trade-marks only, without any "necessary application to official marks". On its part, the Federal Court of Appeal does not address the issue at all but still concludes that the Respondent established sufficient use even though tax returns could not be filed until January 2000, in other words, even though the services could not have been performed at the date of public notice. These decisions could be interpreted as to confirm that use of an official mark is not to be established in a strictly "trade-mark sense", but in a much broader sense.

