

Federal Court of Appeal



Cour d'appel fédérale

Date: 20110505

Docket: A-347-10

Citation: 2011 FCA 151

**CORAM: SHARLOW J.A.
DAWSON J.A.
LAYDEN-STEVENSON J.A.**

BETWEEN:

BBM CANADA

Appellant

and

RESEARCH IN MOTION LIMITED

Respondent

Heard at Toronto, Ontario, on January 18, 2011.

Judgment delivered at Ottawa, Ontario, on May 5, 2011.

REASONS FOR JUDGMENT BY:

DAWSON J.A.

CONCURRED IN BY:

**SHARLOW J.A.
LAYDEN-STEVENSON J.A.**

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REASONS FOR JUDGMENT

DAWSON J.A.

[1] The issue to be decided on this appeal is whether a claim made in the Federal Court for damages and other relief flowing from trade-mark infringement, depreciation of goodwill and passing off may be brought by way of an application made under Part 5 of the *Federal Courts Rules*, SOR/98-106 (Rules). If not, it follows that such a claim can only be brought as an action under Part 4 of the *Federal Courts Rules*.

The Facts

[2] The appellant, BBM Canada, filed a notice of application in the Federal Court in which it claimed that the respondent, Research in Motion Limited, had infringed certain registered trademarks owned by the appellant. The appellant sought damages, declaratory and injunctive relief for infringement, depreciation of goodwill and passing off and relied upon subsections 7(b) and (c) and sections 20, 22 and 53.2 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (Act).

[3] The respondent moved for an order dismissing the application on jurisdictional grounds, without prejudice to the right of the appellant to raise the same issues in an action. The respondent argued that the Federal Court lacked jurisdiction to decide the issues raised by BBM Canada in a proceeding commenced by notice of application.

[4] A judge of the Federal Court (Judge) ordered that the “proceeding shall proceed as an action” under Part 4 of the *Federal Courts Rules* (2010 FC 986). He further ordered that the “notice of application is hereby amended pursuant to Rule 59(b) and shall serve as a Statement of Claim.” Finally, the Judge set a schedule for the filing of “an amended originating document entitled Statement of Claim” and a statement of defence, and ordered that the matter be specially managed.

The Judge’s Decision

[5] The hearing before the Judge proceeded in an unusual fashion. The Judge explains this, and his rationale for making the order under appeal, in his reasons in the following way:

1. These are the reasons for the Order issued in these proceedings on September 27, 2010. No reasons were provided at the time that the Order was

granted since it was expected that the parties had essentially consented to the Order and would get on with the matter. However, I have since been advised that the Applicant has filed an appeal, therefore these reasons are provided to assist the parties and the Court that may hear the appeal.

[...]

5. I had read the materials submitted by both parties and was satisfied that these proceedings should proceed by way of an action. Rule 61(1) of this Court provides that all proceedings shall be commenced by way of an action unless, in accordance with Rule 61(4) there is specific statutory provision that a proceeding can be commenced otherwise, for instance by way of an application. An example of such a specific provision can be found in the *Copyright Act*, RSC 1985, c. C-42, section 34(4):

Summary proceedings

Requête ou action

(4) The following proceedings may be commenced or proceeded with by way of application or action and shall, in the case of an application, be heard and determined without delay and in a summary way:

- (a) proceedings for infringement of copyright or moral rights;
- (b) proceedings taken under section 44.1, 44.2 or 44.4; and
- (c) proceedings taken in respect of
 - (i) a tariff certified by the Board under Part VII or VIII, or
 - (ii) agreements referred to in section 70.12.

(4) Les procédures suivantes peuvent être engagées ou continuées par une requête ou une action :

- a) les procédures pour violation du droit d'auteur ou des droits moraux;
 - b) les procédures visées aux articles 44.1, 44.2 ou 44.4;
 - c) les procédures relatives aux tarifs homologués par la Commission en vertu des parties VII et VIII ou aux ententes visées à l'article 70.12.
- Le tribunal statue sur les requêtes sans délai et suivant une procédure sommaire.

6. The *Trade-Marks Act* makes specific provision for an application to be made where there has been an interim seizure of wares by Customs Officers (section 53.2) [*sic*]. Proceedings to expunge a registration of a trade-mark can be commenced by way of an action, counterclaim in an action or application (section 58). Section 55 gives the Federal Court jurisdiction to hear “*any action or proceeding*” for the enforcement of any right under the Act. This is the section that is applicable when proceedings are instituted that allege infringement and unfair competition. Section 55 specifically refers to an action. It also refers to a

proceeding but, unlike the *Copyright Act*, makes no specific provision that the proceeding be commenced and conducted by way of an application.

7. At the hearing of the motion I expressed to Counsel for the Applicant my belief that the proceeding should be taken by way of an action where pleadings could be exchanged, including a Defence and issues defined. I asked Counsel why he wanted to proceed by way of an application. No good answer was provided. Counsel simply said that he believed that he properly could proceed by way of an application. I asked whether he believed if an application would be quicker and if so, offered to have the action case managed to see that this could be done. I asked whether he wanted an interlocutory injunction and pointed out that this could be done within an action. No response was given.

8. Counsel for the Respondent pointed out that the Notice of Application was very detailed and could easily be re-titled as a Statement of Claim. I asked Counsel for the Respondent whether a Defence, and counter-claim if so advanced, would be filed within a fixed period of time and he agreed that it would.

9. At this stage I adjourned the hearing for a few minutes to allow Counsel to draft an Order consistent with these discussions. Within a few minutes the terms of an Order in handwritten form were provided to the Registrar who provided them to me in chambers. My understanding was that the parties had consented to an Order as set out therefore the Order was typed out, signed by me and issued.

10. Later that same day the Court received a letter from Counsel for the Applicant stating that his consent was only “as to form”. Believing that, in any event, the parties were content to proceed in the manner provided by the Order, I amended the Order to state that the consent was “as to form”.

11. The Order is consistent with my disposition of the matter, it is most appropriate to proceed by way of an action, a fixed time limit for a Defence is provided and the matter is to be case managed. [emphasis added]

The Standard of Review

[6] The parties did not make submissions with respect to the standard of review. To determine the applicable standard of review one must first discern the basis of the Judge's order. Did the Judge decide the proceeding could not, as a matter of law, be commenced and continued by notice of application? Alternatively, did the Judge decide that the proceeding could be commenced either by way of application or action but that, in the exercise of his discretion, it was most appropriate for the matter to proceed by way of an action?

[7] As I read the Judge's reasons he did conclude, at paragraphs 5 and 6 of his reasons, that proceedings that allege infringement and unfair competition cannot be commenced by notice of application because no provision of the Act requires or permits this. I reach this conclusion on the basis of the Judge's language in paragraphs 5 and 6 of his reasons and because the motion to strike before the Judge was based solely on the ground that the Federal Court lacked jurisdiction to determine the issues before it in a proceeding commenced by notice of application.

[8] The question of whether a proceeding that alleges infringement and unfair competition may be initiated by a notice of application is a pure question of law. The Judge's decision on this question is reviewable on the standard of correctness (*Housen v. Nikolaisen*, [2002] 2 S.C.R. 235 at paragraphs 8 and 9).

The Positions of the Parties

[9] The positions of the parties may be briefly summarized as follows.

[10] The appellant submits that prior to the enactment of the *Federal Courts Rules* in 1998, Rule 702(7) of the predecessor rules required a proceeding such as the present one to be commenced by way of an action. This is because Rule 702 stated:

*Copyright, Trade Mark and Industrial
Design Matters*

702. (1) Proceedings under section 22 of the *Industrial Design Act* shall be instituted in accordance with subsection (1) of that section.

(2) Proceedings under section 23 of the *Industrial Design Act* shall be instituted by originating motion.

(3) Proceedings under subsection 57(4) of the *Copyright Act* shall be instituted by originating motion.

(4) Proceedings under paragraph 50(10)(c) of the *Trade-marks Act* shall be instituted by originating motion

(5) Proceedings under section 56 of the *Trade-marks Act* shall be instituted in accordance with subsection (2) thereof.

(6) Proceedings under section 57 of the *Trade-marks Act* shall be instituted in accordance with section 58 of that Act.

*Questions relatives aux droits
d'auteur, marques de commerce et
dessins industriels*

702. (1) Les procédures prévues à l'article 22 de la *Loi sur les dessins industriels et les étiquettes syndicales* doivent être engagées conformément au paragraphe (1) de cet article.

(2) Les procédures prévues à l'article 23 de la *Loi sur les dessins industriels* doivent être engagées par requête introductive d'instance.

(3) Les procédures prévues au paragraphe 57(4) de la *Loi sur le droit d'auteur* doivent être engagées par requête introductive d'instance.

(4) Les procédures prévues à l'alinéa 50(10)c) de la *Loi sur les marques de commerce* doivent être engagées par requête introductive d'instance.

(5) Les procédures prévues par l'article 56 de la *Loi sur les marques de commerce* doivent être engagées en conformité du paragraphe (2) de cet article.

(6) Les procédures prévues par l'article 57 de la *Loi sur les marques de commerce* doivent être engagées en conformité de l'article 58 de cette Loi.

(7) An application to the Court under one of the statutes referred to in this Rule other than those to which reference has been specially made in this Rule shall be instituted by statement of claim or declaration.
[emphasis added]

(7) Les demandes faites à la Cour en vertu de l'une des lois mentionnées dans la présente règle, à l'exception des demandes faisant l'objet d'une mention spéciale dans la présente règle, doivent être formulées par *statement of claim* ou par déclaration.
[Non souligné dans l'original.]

[11] However, the appellant argues, a new regime was implemented in 1998. When the relevant provisions of the Act and the Rules are read together, proceedings brought under section 53.2 of the Act may be brought either by application or by action.

[12] In opposition, the respondent submits that the causes of action advanced by BBM Canada may only proceed by way of action under Part 4 of the Rules. The respondent argues that the application process is exceptional; proceedings may only be brought by application where the subject matter of the litigation is expressly enumerated in Rule 300. Nothing in the Act, or any other Act of Parliament, requires or permits proceedings for trade-mark infringement, depreciation of goodwill or passing off to be brought by way of an application.

Consideration of the Issue

i. The Scheme of the Rules: Actions, Applications and Appeals

[13] Consideration of the issue begins with the overall scheme of the Rules. Rule 61 provides that there are three modes by which a proceeding may be initiated under the Rules. Proceedings may be initiated by way of an action, an application or an appeal. Rule 61 states:

Commencement of Proceedings
Manner of Bringing Proceeding

Actions

61. (1) Subject to subsection (4), a proceeding referred to in rule 169 shall be brought as an action.

Applications

(2) Subject to subsection (4), a proceeding referred to in rule 300 shall be brought as an application.

Appeals

(3) A proceeding referred to in rule 335 shall be brought as an appeal.

Exception

(4) Where by or under an Act of Parliament a person is given the option of bringing a proceeding referred to in rule 169 or 300 as either an action or an application, the person may commence the proceeding as an action or as an application.

Introduction de l'instance
Mode d'introduction

Actions

61. (1) Sous réserve du paragraphe (4), l'instance visée à la règle 169 est introduite par voie d'action.

Demandes

(2) Sous réserve du paragraphe (4), l'instance visée à la règle 300 est introduite par voie de demande.

Appels

(3) L'instance visée à la règle 335 est introduite par voie d'appel.

Choix du demandeur

(4) Lorsque l'instance visée aux règles 169 ou 300 est engagée sous le régime d'une loi fédérale ou d'un texte d'application de celle-ci qui en permet l'introduction par voie d'action ou de demande, le demandeur peut l'introduire de l'une ou l'autre de ces façons.

[14] Rule 61 in turn refers to Rules 169, 300 and 335, which set out the circumstances in which each initiating mode is applicable. For example, Rule 335, referred to in Rule 61(3), states that Part 6 of the Rules applies to appeals to the Federal Court of Appeal from the Federal Court and the Tax Court of Canada, and also to appeals to the Court brought under an Act of Parliament. It is common ground that Part 6 of the Rules has no application to the present proceeding.

[15] At issue in the present case is the proper application of Rules 169 and 300, which deal respectively with actions and applications.

ii. Rules 169 and 300

[16] Rule 169 provides:

PART 4
ACTIONS
Application of this Part

169. This Part applies to all proceedings that are not applications or appeals, including

(a) references under section 18 of the *Citizenship Act*;

(b) applications under subsection 33(1) of the *Marine Liability Act*; and

(c) any other proceedings required or permitted by or under an Act of Parliament to be brought as an action.

PARTIE 4
ACTIONS
Champ d'application

169. La présente partie s'applique aux instances, autres que les demandes et les appels, et notamment :

a) aux renvois visés à l'article 18 de la *Loi sur la citoyenneté*;

b) aux demandes faites en vertu du paragraphe 33(1) de la *Loi sur la responsabilité en matière maritime*;

c) aux instances introduites par voie d'action sous le régime d'une loi fédérale ou de ses textes d'application.

[17] The scope of Part 4 of the Rules is residual. Matters not properly initiated by an application or an appeal are to be initiated by an action. As will be seen, the Rules do contemplate the situation where Parliament affords a choice to a litigant of proceeding either by way of application or action. Rule 169(c) clarifies that where Parliament has afforded such a choice, a proceeding may be initiated by way of an action.

[18] It follows from the wording of Rule 169 and the residual nature of Part 4 of the Rules that the issue to be determined in the present case depends upon the proper scope and application of Rule 300 and Part 5 of the Rules.

[19] Rule 300 states:

PART 5
APPLICATIONS
Application of this Part

300. This Part applies to

- (a) applications for judicial review of administrative action, including applications under section 18.1 or 28 of the Act, unless the Court directs under subsection 18.4(2) of the Act that the application be treated and proceeded with as an action;
- (b) proceedings required or permitted by or under an Act of Parliament to be brought by application, motion, originating notice of motion, originating summons or petition or to be determined in a summary way, other than applications under subsection 33(1) of the *Marine Liability Act*;
- (c) appeals under subsection 14(5) of the *Citizenship Act*;
- (d) appeals under section 56 of the *Trade-marks Act*;
- (e) references from a tribunal under rule 320;
- (f) requests under the Commercial Arbitration Code brought pursuant to subsection 324(1);
- (g) proceedings transferred to the Court under subsection 3(3) or 5(3) of the *Divorce Act*; and
- (h) applications for registration, recognition or enforcement of a foreign judgment brought under rules 327 to 334. [emphasis added]

PARTIE 5
DEMANDES
Champ d'application

300. La présente partie s'applique :

- a) aux demandes de contrôle judiciaire de mesures administratives, y compris les demandes présentées en vertu des articles 18.1 ou 28 de la Loi, à moins que la Cour n'ordonne, en vertu du paragraphe 18.4(2) de la Loi, de les instruire comme des actions;
- b) aux instances engagées sous le régime d'une loi fédérale ou d'un texte d'application de celle-ci qui en prévoit ou en autorise l'introduction par voie de demande, de requête, d'avis de requête introductif d'instance, d'assignation introductive d'instance ou de pétition, ou le règlement par procédure sommaire, à l'exception des demandes faites en vertu du paragraphe 33(1) de la *Loi sur la responsabilité en matière maritime*;
- c) aux appels interjetés en vertu du paragraphe 14(5) de la *Loi sur la citoyenneté*;
- d) aux appels interjetés en vertu de l'article 56 de la *Loi sur les marques de commerce*;
- e) aux renvois d'un office fédéral en vertu de la règle 320;
- f) aux demandes présentées en vertu du Code d'arbitrage commercial qui sont visées au paragraphe 324(1);
- g) aux actions renvoyées à la Cour en vertu des paragraphes 3(3) ou 5(3) de la *Loi sur le divorce*;
- h) aux demandes pour l'enregistrement, la reconnaissance ou l'exécution d'un jugement étranger visées aux règles 327 à 334. [Non souligné dans l'original.]

[20] For the purpose of this appeal, the only relevant portion of Rule 300 is paragraph (b). This, in turn, requires determination of the following question: is the proceeding at issue one that is required or permitted (“prévoit ou en autorise”) by the Act to be brought by application? If so, the proceeding at issue could properly be commenced by application.

iii. What does the Act require or permit?

[21] Sections 52 to 61 of the Act fall under the heading “Legal Proceedings.” It is from these provisions that Parliament’s intent with respect to the initiation of legal proceedings brought under the Act must be ascertained.

[22] It is well-established that statutory interpretation requires consideration of the ordinary meaning of the words used and their statutory context. This was explained by the Supreme Court in *Canada Trustco Mortgage Co. v. Canada*, [2005] 2 S.C.R. 601 at paragraph 10 and reiterated in *Celgene Corp. v. Canada (Attorney General)*, 2011 SCC 1 at paragraph 21. In that case the Supreme Court quoted from and commented on *Canada Trustco* as follows:

21. [...]:

It has been long established as a matter of statutory interpretation that “the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament”: see *65302 British Columbia Ltd. v. Canada*, [1999] 3 S.C.R. 804, at para. 50. The interpretation of a statutory provision must be made according to a textual, contextual and purposive analysis to find a meaning that is harmonious with the Act as a whole. When the words of a provision are precise and unequivocal, the ordinary meaning of the words play a dominant role in the interpretive process. On the other hand, where the words can support more than one reasonable meaning, the

ordinary meaning of the words plays a lesser role. The relative effects of ordinary meaning, context and purpose on the interpretive process may vary, but in all cases the court must seek to read the provisions of an Act as a harmonious whole. [para. 10.]

The words, if clear, will dominate; if not, they yield to an interpretation that best meets the overriding purpose of the statute. [emphasis added]

iv. The statutory text and context

[23] The present proceeding is said to be brought pursuant to section 53.2 of the Act.

Section 53.2 allows a court to grant relief where the Act has been violated. It provides:

53.2 Where a court is satisfied, on application of any interested person, that any act has been done contrary to this Act, the court may make any order that it considers appropriate in the circumstances, including an order providing for relief by way of injunction and the recovery of damages or profits and for the destruction, exportation or other disposition of any offending wares, packages, labels and advertising material and of any dies used in connection therewith.
[emphasis added]

53.2 Lorsqu'il est convaincu, sur demande de toute personne intéressée, qu'un acte a été accompli contrairement à la présente loi, le tribunal peut rendre les ordonnances qu'il juge indiquées, notamment pour réparation par voie d'injonction ou par recouvrement de dommages-intérêts ou de profits, pour l'imposition de dommages punitifs, ou encore pour la disposition par destruction, exportation ou autrement des marchandises, colis, étiquettes et matériel publicitaire contrevenant à la présente loi et de toutes matrices employées à leur égard. [Non souligné dans l'original.]

[24] This provision is silent as to how such proceedings are to be initiated. While the section does refer to the “application of any interested person” (demande de toute personne intéressée) for the reasons set out below I agree with the respondent that, in this context, the word “application” is used in the sense of a formal request and not in the sense of a legal proceeding commenced by a notice of application. Because section 53.2 is silent on how proceedings contemplated by this section are to be initiated, regard must be had to the statutory context in order to determine Parliament’s intent.

The intention to be given is the one that “best meets the overriding purpose” of the Act (*Celgene* at paragraph 21).

[25] Turning to the statutory context, sections 52 to 61 of the Act are set out in the Appendix to these reasons. The following points describe the statutory context provided by those provisions:

1. Section 52 contains definitions applicable to sections 53 to 53.2 of the Act. “Court” is defined to mean the Federal Court or the superior court of a province. It follows that sections 53 to 53.2 of the Act must be read in the context that Parliament intended that proceedings referenced in these sections could be brought in various courts, each potentially with distinct rules of procedure. None of the other defined terms are relevant to the present issue.
2. Section 53 allows proceedings for the interim custody of wares to be brought “on application of any interested person” where the distribution of the wares would be contrary to the Act. Subsection 53(5) gives guidance as to how such an application is to be made. It “may be made in an action or otherwise, and either on notice or *ex parte*.”
3. Section 53.1 allows a proceeding to be brought “on application by the owner of a registered trade-mark” directing the relevant minister to detain wares. Subsection 53.1(2) directs that such a proceeding “may be made in an action or otherwise, and either on notice or *ex parte*, except that it must always be made on notice to the Minister.”

4. Section 53.2, relied upon by the appellant, allows a court to grant relief where it is satisfied that any act has been done contrary to the Act. While the provision gives a non-exhaustive list of remedies that may be awarded, the provision is silent about how such a proceeding may be initiated.
5. Section 55 of the Act confirms the jurisdiction of the Federal Court “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.” This contemplates that proceedings may be commenced in the Federal Court both by action or application. It does not limit the Court’s jurisdiction to proceedings brought by an action.
6. Section 56 provides for an appeal to the Federal Court from any decision of the Registrar. Subsection 56(2) specifies that any appeal shall be made by notice of appeal. That said, Rule 300(d) states that Part 5 of the Rules, the application procedure, applies to appeals under section 56 of the Act.
7. Section 57 confirms the exclusive jurisdiction of the Federal Court to order that any entry in the register be struck out or amended. Section 58 provides that such application shall be made by way of an originating notice of motion (now known as a notice of application), by counter-claim in an action for the infringement of the trade-mark or by statement of claim in an action claiming additional relief. This evidences an intent to allow a party seeking to strike out or amend an entry in the register to have a choice as to how the proceeding may be initiated: on application or by action where additional relief is sought.

[26] From this context, the following conclusions may be drawn:

1. The phrase “on application” used throughout sections 53, 53.1, 53.2 and 57 should be read in the sense of a formal request and not in the sense of proceeding initiated by a notice of application. This conclusion follows from the fact that sections 53, 53.1 and 57 (when read with section 58) contemplate “applications” being brought by way of actions. Reading the phrase “on application” as referring to a proceeding initiated by way of a notice of application would be contrary to the express provisions of sections 53, 53.1 and 57 (when read with section 58).
2. This part of the Act details four specific types of proceedings that may be commenced:
 - a. proceedings for interim custody under section 53
 - b. proceedings for detention by the minister under section 53.1
 - c. appeals from decisions of the Registrar under section 56
 - d. proceedings to strike out or amend entries in the register under sections 57 and 58.

The Act and the Rules expressly specify the routes available for instituting these four proceedings.

3. Section 53.2 of the Act confers a broader remedial power, allowing courts to make any order considered appropriate where satisfied that “any act has been done contrary to this Act.” In this case, the Act is silent as to how such proceedings are to be initiated.

[27] How is such silence to be interpreted? By its silence did Parliament intend that proceedings claiming relief as a result of actions contrary to the Act were permitted to be brought either by application or action? Alternatively, by its silence did Parliament intend that such proceedings could only be brought by way of action? The interpretation to be selected is the one that meets the overriding purpose of the statute.

[28] The Act serves two purposes: to protect consumers and to facilitate the effective branding of goods (see *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 S.C.R. 772 at paragraphs 21 to 23). The purpose of that portion of the Act that follows under the heading “Legal Proceedings” is to provide legal redress for violations of the Act. In my view, the purpose of the Act in general, and the “Legal Proceedings” section in particular, is best met by an interpretation that promotes access to the courts that is as expeditious and proportionate as possible. To facilitate expeditious and proportionate access to justice, section 53.2 of the Act should be interpreted as permitting proceedings to be brought either by application or by action. This would allow access in an appropriate case to the more summary application process. Nothing in the wording of the Act precludes this interpretation.

[29] I also find support for this interpretation in *Chilian v. Augdome Corp.* (1991), 2 O.R. (3d) 696, a decision of the Ontario Court of Appeal. At issue in *Chilian* was whether a proceeding seeking relief under section 247 of the *Business Corporations Act, 1982*, S.O. 1982, c. 4 (the oppression remedy) should have been commenced by application, not action. Section 247 allowed

various entities to “apply to the court for an order under this section.” The applicable rules of court were Rule 14.02 (O. Reg. 711/89, s. 13) and Rule 14.05(2) (O. Reg. 711/89, s. 14) which provided:

14.02 Every proceeding in the court shall be by action, except where a statute or these rules provide otherwise.

[...]

14.05(2) A proceeding may be commenced by an application to the Ontario Court (General Division) or to a judge of that court, if a statute so authorizes.

[30] Thus, the applicable rules before the Court in *Chilian* were similar to the relevant rules of the Federal Court.

[31] At paragraph 39 of its reasons the Ontario Court of Appeal concluded that “where a statute merely enables a person to ‘apply’ to a court for specified relief, the law does not mandate one particular form of proceeding—application or action.” Where neither form of proceeding is mandated, either is permitted. Parenthetically, I note that following *Chilian*, proceedings for infringement can be commenced by notice of application in Ontario.

[32] In reaching the conclusion that proceedings claiming relief for violation of the Act may be brought either by way of action or application I have considered the respondent’s argument that this interpretation renders section 58 and subsections 53(5) and 53.1(2) redundant. In my view, the specific procedural choices offered in subsections 53(5) and 53.1(2) of the Act were inserted for greater certainty so as to ensure that in every jurisdiction an expeditious procedure would be available for proceedings that may well be of an urgent and time sensitive nature. The specific

procedures detailed in subsection 56(2) and section 58 of the Act relate to proceeding solely within the jurisdiction of the Federal Court and establish procedures relevant to specific statutory remedies for challenging decisions of the Registrar or entries in the register. Interpreting section 53.2 of the Act to allow proceedings to be brought either by application or action does not render those provisions redundant.

[33] Finally, I have considered the respondent's submission that proceedings for trade-mark infringement, depreciation of goodwill and passing off are too complex to be determined by application. There are two responses to this submission.

[34] First, not all such proceedings are so complex that they are not amenable to determination by application. This is evidenced by *PharmaCommunications Holdings Inc. v. Avencia International Inc.*, 2008 FC 828, 67 C.P.R. (4th) 387; aff'd 2009 FCA 144, 392 N.R. 197. There, an applicant moved by way of application for a declaration and a permanent injunction in respect of its claim that the respondent had engaged in statutory passing off. The matter proceeded to conclusion without any apparent objection that the application had been improperly commenced.

[35] Second, the fact that a litigant may generally choose to proceed by way of action or application does not mean that every case is amenable to adjudication by application. In any particular case, circumstances such as the relief sought, the extent credibility is in issue or the need for discovery may make it inappropriate for a proceeding to be commenced by application. In light of this, motions may be brought challenging the appropriateness of proceeding by application. For

example, without deciding the point, it may be possible to move for an order converting an application to an action. See, for example *Havana House Cigar & Tobacco Merchants Ltd. v. Worldwide Tobacco Distribution Inc.*, (2008), 73 C.P.R. (4th) 131 (F.C. Proth.) where an application brought under section 34 of the *Copyright Act*, cited in the reasons of the Judge, was ordered to proceed as an action. Motions may also be brought under Rule 316. While Rule 57 provides that an originating document shall not be set aside only because a different originating document should have been used, there may be, at the least, cost consequences for choosing an inappropriate originating document.

Conclusion

[36] For these reasons, I would allow the appeal, set aside the amended order of the Federal Court dated September 27, 2010 (except insofar as it orders this matter to be referred to case management), and dismiss the motion of the respondent Research in Motion Limited for an order dismissing the application for lack of jurisdiction. As the appellant has not asked for costs, none should be awarded. Because the issue of the appropriateness of this particular matter proceeding by way of application has not been addressed, I would clarify that this disposition does not preclude the respondent from later moving for such relief as may be required as a result of the proceeding being commenced by way of application.

“Eleanor R. Dawson”

J.A.

“I agree

K. Sharlow J.A.”

“I agree

Carolyn Layden-Stevenson J.A.”

APPENDIX

Sections 52 to 61 of the *Trade-marks Act* are as follows:

52. In sections 53 to 53.3,

“court”

« tribunal »

“court” means the Federal Court or the superior court of a province;

“duties”

« droits »

“duties” has the same meaning as in the *Customs Act*;

“Minister”

« ministre »

“Minister” means the Minister of Public Safety and Emergency Preparedness;

“release”

« dédouanement »

“release” has the same meaning as in the *Customs Act*.

Proceedings for interim custody

53. (1) Where a court is satisfied, on application of any interested person, that any registered trade-mark or any trade-name has been applied to any wares that have been imported into Canada or are about to be distributed in Canada in such a manner that the distribution of the wares would be contrary to this Act, or that any indication of a place of origin has been unlawfully applied to any wares, the court may make an order for the interim custody of the wares, pending a final determination of the legality of their

52. Les définitions qui suivent s’appliquent aux articles 53 à 53.3.

« dédouanement »

“release”

« dédouanement » S’entend au sens de la *Loi sur les douanes*.

« droits »

“duties”

« droits » S’entend au sens de la *Loi sur les douanes*.

« ministre »

“Minister”

« ministre » Le ministre de la Sécurité publique et de la Protection civile.

« tribunal »

“court”

« tribunal » La Cour fédérale ou la cour supérieure d’une province.

Rétention provisoire de marchandises faisant l’objet de contraventions

53. (1) S’il est convaincu, sur demande de toute personne intéressée, qu’une marque de commerce déposée ou un nom commercial a été appliqué à des marchandises importées au Canada ou qui sont sur le point d’être distribuées au Canada de telle façon que la distribution de ces marchandises serait contraire à la présente loi, ou qu’une indication de lieu d’origine a été illégalement appliquée à des marchandises, le tribunal peut rendre une ordonnance décrétant la rétention provisoire des marchandises, en

importation or distribution in an action commenced within such time as is prescribed by the order.

Security

(2) Before making an order under subsection (1), the court may require the applicant to furnish security, in an amount fixed by the court, to answer any damages that may by reason of the order be sustained by the owner, importer or consignee of the wares and for any amount that may become chargeable against the wares while they remain in custody under the order.

Lien for charges

(3) Where, by the judgment in any action under this section finally determining the legality of the importation or distribution of the wares, their importation or distribution is forbidden, either absolutely or on condition, any lien for charges against them that arose prior to the date of an order made under this section has effect only so far as may be consistent with the due execution of the judgment.

Prohibition of imports

(4) Where in any action under this section the court finds that the importation is or the distribution would be contrary to this Act, it may make an order prohibiting the future importation of wares to which the trade-mark, trade-name or indication of origin has been applied.

attendant un prononcé final sur la légalité de leur importation ou distribution, dans une action intentée dans le délai prescrit par l'ordonnance.

Garantie

(2) Avant de rendre une ordonnance sous le régime du paragraphe (1), le tribunal peut exiger du demandeur qu'il fournisse une garantie, au montant fixé par le tribunal, destinée à répondre de tous dommages que le propriétaire, l'importateur ou le consignataire des marchandises peut subir en raison de l'ordonnance, et couvrant tout montant susceptible de devenir imputable aux marchandises pendant qu'elles demeurent sous rétention selon l'ordonnance.

Privilège pour charges

(3) Lorsque, aux termes du jugement dans une action intentée aux termes du présent article déterminant de façon définitive la légalité de l'importation ou de la distribution des marchandises, l'importation ou la distribution en est interdite soit absolument, soit de façon conditionnelle, un privilège couvrant des charges contre ces marchandises ayant pris naissance avant la date d'une ordonnance rendue sous le régime du présent article n'a d'effet que dans la mesure compatible avec l'exécution du jugement.

Importations interdites

(4) Lorsque, au cours de l'action, le tribunal trouve que cette importation est contraire à la présente loi, ou que cette distribution serait contraire à la présente loi, il peut rendre une ordonnance prohibant l'importation future de marchandises auxquelles a été

How application made

(5) An application referred to in subsection (1) may be made in an action or otherwise, and either on notice or *ex parte*.

Limitation

(6) No proceedings may be taken under subsection (1) for the interim custody of wares by the Minister if proceedings for the detention of the wares by the Minister may be taken under section 53.1.

Proceedings for detention by Minister

53.1 (1) Where a court is satisfied, on application by the owner of a registered trade-mark, that any wares to which the trade-mark has been applied are about to be imported into Canada or have been imported into Canada but have not yet been released, and that the distribution of the wares in Canada would be contrary to this Act, the court may make an order

- (a) directing the Minister to take reasonable measures, on the basis of information reasonably required by the Minister and provided by the applicant, to detain the wares;
- (b) directing the Minister to notify the applicant and the owner or importer of the wares, forthwith after detaining them, of the detention and the reasons therefor; and
- (c) providing for such other matters as the court considers appropriate.

How application made

(2) An application referred to in subsection (1) may be made in an

appliquée cette marque de commerce, ce nom commercial ou cette indication de lieu d'origine.

Demandes

(5) La demande prévue au paragraphe (1) peut être faite dans une action ou autrement, et soit sur avis, soit *ex parte*.

Restriction

(6) Dans le cas où une procédure peut être engagée en vertu de l'article 53.1 pour la détention de marchandises par le ministre, il n'est pas possible d'intenter l'action prévue au paragraphe (1) pour la rétention provisoire par le Ministre.

Ordonnance visant le ministre

53.1 (1) S'il est convaincu, sur demande du propriétaire d'une marque de commerce, que des marchandises auxquelles a été appliquée une marque de commerce sont sur le point d'être importées au Canada ou ont été importées au Canada sans être dédouanées et que la distribution de ces marchandises serait contraire à la présente loi, le tribunal peut :

- a) ordonner au ministre de prendre, sur la foi de renseignements que celui-ci a valablement exigés du demandeur, toutes mesures raisonnables pour détenir les marchandises;
- b) ordonner au ministre d'aviser sans délai le demandeur et le propriétaire ou l'importateur des marchandises de leur détention en mentionnant ses motifs;
- c) prévoir, dans l'ordonnance, toute autre mesure qu'il juge indiquée.

Demande

(2) La demande est faite dans une action ou toute autre procédure, sur avis

action or otherwise, and either on notice or *ex parte*, except that it must always be made on notice to the Minister.

Court may require security

(3) Before making an order under subsection (1), the court may require the applicant to furnish security, in an amount fixed by the court,

(a) to cover duties, storage and handling charges, and any other amount that may become chargeable against the wares; and

(b) to answer any damages that may by reason of the order be sustained by the owner, importer or consignee of the wares.

Application for directions

(4) The Minister may apply to the court for directions in implementing an order made under subsection (1).

Minister may allow inspection

(5) The Minister may give the applicant or the importer of the detained wares an opportunity to inspect them for the purpose of substantiating or refuting, as the case may be, the applicant's claim. Where applicant fails to commence an action

(6) Unless an order made under subsection (1) provides otherwise, the Minister shall, subject to the Customs Act and to any other Act of Parliament that prohibits, controls or regulates the importation or exportation of goods, release the wares without further notice to the applicant if, two weeks after the applicant has been notified under paragraph (1)(b), the Minister has not been notified that an action has been commenced for a final determination by the court of the legality of the

adressé au ministre et, pour toute autre personne, soit sur avis, soit *ex parte*.

Garantie

(3) Avant de rendre l'ordonnance, le tribunal peut obliger le demandeur à fournir une garantie, d'un montant déterminé par le tribunal, en vue de couvrir les droits, les frais de transport et d'entreposage, et autres ainsi que les dommages que peut subir, du fait de l'ordonnance, le propriétaire, l'importateur ou le consignataire des marchandises.

Demande d'instructions

(4) Le ministre peut s'adresser au tribunal pour obtenir des instructions quant à l'application de l'ordonnance.

Permission du ministre d'inspecter

(5) Le ministre peut donner au demandeur ou à l'importateur la possibilité d'inspecter les marchandises en détention afin de justifier ou de réfuter les prétentions du demandeur.

Obligations du demandeur

(6) Sauf disposition contraire d'une ordonnance rendue en vertu du paragraphe (1) et sous réserve de la Loi sur les douanes ou de toute autre loi fédérale prohibant, contrôlant ou réglementant les importations ou les exportations, le ministre dédouane les marchandises, sans autre avis au demandeur, si, dans les deux semaines qui suivent la notification prévue à l'alinéa (1)b), il n'a pas été avisé qu'une action a été engagée pour que le tribunal se prononce sur la légalité de

importation or distribution of the wares.

Where court finds in plaintiff's favour

(7) Where, in an action commenced under this section, the court finds that the importation is or the distribution would be contrary to this Act, the court may make any order that it considers appropriate in the circumstances, including an order that the wares be destroyed or exported, or that they be delivered up to the plaintiff as the plaintiff's property absolutely.

Power of court to grant relief

53.2 Where a court is satisfied, on application of any interested person, that any act has been done contrary to this Act, the court may make any order that it considers appropriate in the circumstances, including an order providing for relief by way of injunction and the recovery of damages or profits and for the destruction, exportation or other disposition of any offending wares, packages, labels and advertising material and of any dies used in connection therewith.

Re-exportation of wares

53.3 Where in any proceeding under section 53.1 or 53.2 the court finds (a) that wares bearing a registered trade-mark have been imported into Canada in such manner that the distribution of the wares in Canada would be contrary to this Act, and (b) that the registered trade-mark has, without the consent of the owner, been applied to those wares with the intent of

l'importation ou de la distribution des marchandises.

Destruction ou restitution des marchandises

(7) Lorsque, au cours d'une action intentée sous le régime du présent article, il conclut que l'importation est, ou que la distribution serait, contraire à la présente loi, le tribunal peut rendre toute ordonnance qu'il juge indiquée, notamment quant à leur destruction ou à leur restitution au demandeur en toute propriété.

Pouvoir du tribunal d'accorder une réparation

53.2 Lorsqu'il est convaincu, sur demande de toute personne intéressée, qu'un acte a été accompli contrairement à la présente loi, le tribunal peut rendre les ordonnances qu'il juge indiquées, notamment pour réparation par voie d'injonction ou par recouvrement de dommages-intérêts ou de profits, pour l'imposition de dommages punitifs, ou encore pour la disposition par destruction, exportation ou autrement des marchandises, colis, étiquettes et matériel publicitaire contrevenant à la présente loi et de toutes matrices employées à leur égard.

Réexportation des marchandises

53.3 Dans les procédures engagées en vertu des articles 53.1 ou 53.2, le tribunal ne peut, en vertu de ces articles, sauf dans des circonstances exceptionnelles, rendre une ordonnance prévoyant l'exportation en l'état de marchandises s'il conclut : a) d'une part, que les marchandises,

counterfeiting or imitating the trade-mark, or of deceiving the public and inducing them to believe that the wares were made with the consent of the owner,

the court may not, other than in exceptional circumstances, make an order under that section requiring or permitting the wares to be exported in an unaltered state.

Evidence

54. (1) Evidence of any document in the official custody of the Registrar or of any extract therefrom may be given by the production of a copy thereof purporting to be certified to be true by the Registrar.

(2) A copy of any entry in the register purporting to be certified to be true by the Registrar is evidence of the facts set out therein.

(3) A copy of the record of the registration of a trade-mark purporting to be certified to be true by the Registrar is evidence of the facts set out therein and that the person named therein as owner is the registered owner of the trade-mark for the purposes and within the territorial area therein defined.

(4) A copy of any entry made or documents filed under the authority of any Act in force before July 1, 1954 relating to trade-marks, certified under the authority of that Act, is admissible in evidence and has the same probative force as a copy certified by the Registrar under this Act as provided in

portant une marque de commerce déposée, ont été importées de telle façon que leur distribution au Canada serait contraire à la présente loi;
b) d'autre part, que la marque a été appliquée sans le consentement du propriétaire et avec l'intention de la contrefaire ou de l'imiter, ou de tromper le public et de le porter à croire que les marchandises ont été fabriquées avec le consentement du propriétaire.

Preuve

54. (1) La preuve d'un document, ou d'un extrait d'un document, en la garde officielle du registraire peut être fournie par la production d'une copie du document ou de l'extrait, donnée comme étant certifiée conforme par le registraire.

(2) Une copie de toute inscription dans le registre, donnée comme étant certifiée conforme par le registraire, fait foi des faits y énoncés.

(3) Une copie de l'inscription de l'enregistrement d'une marque de commerce, donnée comme étant certifiée conforme par le registraire, fait foi des faits y énoncés et de ce que la personne y nommée comme propriétaire est le propriétaire inscrit de cette marque de commerce aux fins et dans la région territoriale qui y sont indiquées.

(4) Une copie d'une inscription faite ou de documents produits sous l'autorité de toute loi relative aux marques de commerce jusqu'ici en vigueur, certifiée en vertu d'une telle loi, est admissible en preuve et a la même force probante qu'une copie certifiée

this section.

Jurisdiction of Federal Court

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.

Appeal

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.

Procedure

(2) An appeal under subsection (1) shall be made by way of notice of appeal filed with the Registrar and in the Federal Court.

Notice to owner

(3) The appellant shall, within the time limited or allowed by subsection (1), send a copy of the notice by registered mail to the registered owner of any trade-mark that has been referred to by the Registrar in the decision complained of and to every other person who was entitled to notice of the decision.

Public notice

(4) The Federal Court may direct that public notice of the hearing of an appeal under subsection (1) and of the matters at issue therein be given in such manner as it deems proper.

par le registraire aux termes de la présente loi, ainsi qu'il est prévu au présent article.

Jurisdiction de la Cour fédérale

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.

Appel

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.

Procédure

(2) L'appel est interjeté au moyen d'un avis d'appel produit au bureau du registraire et à la Cour fédérale.

Avis au propriétaire

(3) L'appelant envoie, dans le délai établi ou accordé par le paragraphe (1), par courrier recommandé, une copie de l'avis au propriétaire inscrit de toute marque de commerce que le registraire a mentionnée dans la décision sur laquelle porte la plainte et à toute autre personne qui avait droit à un avis de cette décision.

Avis public

(4) Le tribunal peut ordonner qu'un avis public de l'audition de l'appel et des matières en litige dans cet appel

Additional evidence

(5) 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.

Exclusive jurisdiction of Federal Court

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 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.

Restriction

(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.

How proceedings instituted

58. An application under section 57 shall be made either by the filing of an originating notice of motion, by counter-claim in an action for the infringement of the trade-mark, or by statement of claim in an action claiming additional relief under this Act.

Notice to set out grounds

59. (1) Where an appeal is taken under section 56 by the filing of a notice of appeal, or an application is made under section 57 by the filing of an

soit donné de la manière qu'il juge opportune.

Preuve additionnelle

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

Jurisdiction exclusive de la Cour fédérale

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 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.

Restriction

(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.

Comment sont intentées les procédures

58. Une demande prévue à l'article 57 est faite par la production d'un avis de requête, par une demande reconventionnelle dans une action pour usurpation de la marque de commerce ou par un exposé de réclamation dans une action demandant un redressement additionnel en vertu de la présente loi.

L'avis indique les motifs

59. (1) Lorsqu'un appel est porté sous

originating notice of motion, the notice shall set out full particulars of the grounds on which relief is sought.

Reply

(2) Any person on whom a copy of the notice described in subsection (1) has been served and who intends to contest the appeal or application, as the case may be, shall file and serve within the prescribed time or such further time as the court may allow a reply setting out full particulars of the grounds on which he relies.

Hearing

(3) The proceedings on an appeal or application shall be heard and determined summarily on evidence adduced by affidavit unless the court otherwise directs, in which event it may order that any procedure permitted by its rules and practice be made available to the parties, including the introduction of oral evidence generally or in respect of one or more issues specified in the order.

Registrar to transmit documents

60. (1) Subject to subsection (2), when any appeal or application has been made to the Federal Court under any of the provisions of this Act, the Registrar shall, at the request of any of the parties to the proceedings and on the payment of the prescribed fee, transmit to the Court all documents on file in the Registrar's office relating to the matters in question in those proceedings, or copies of those documents certified by the Registrar.

le régime de l'article 56 par la production d'un avis d'appel, ou qu'une demande est faite selon l'article 57 par la production d'un avis de requête, l'avis indique tous les détails des motifs sur lesquels la demande de redressement est fondée.

Réplique

(2) Toute personne à qui a été signifiée une copie de cet avis, et qui entend contester l'appel ou la demande, selon le cas, produit et signifie, dans le délai prescrit ou tel nouveau délai accordé par le tribunal, une réplique indiquant tous les détails des motifs sur lesquels elle se fonde.

Audition

(3) Les procédures sont entendues et décidées par voie sommaire sur une preuve produite par affidavit, à moins que le tribunal n'en ordonne autrement, auquel cas il peut prescrire que toute procédure permise par ses règles et sa pratique soit rendue disponible aux parties, y compris l'introduction d'une preuve orale d'une façon générale ou à l'égard d'une ou de plusieurs questions spécifiées dans l'ordonnance.

Le registraire transmet les documents

60. (1) Sous réserve du paragraphe (2), lorsqu'un appel ou une demande a été présenté à la Cour fédérale en vertu de l'une des dispositions de la présente loi, le registraire transmet à ce tribunal, à la requête de toute partie à ces procédures et sur paiement du droit prescrit, tous les documents versés aux archives de son bureau quant aux questions en jeu dans ces procédures ou des copies de ces documents par lui certifiées.

Register of registered users

(2) The transmission of documents on which entries in the register required to be kept under paragraph 26(1)(b) are based is subject to the provisions of subsection 50(6) of the *Trade-marks Act*, as it read immediately before section 69 of the Intellectual Property Law Improvement Act came into force.

Judgments to be filed

61. An officer of the Registry of the Federal Court shall file with the Registrar a certified copy of every judgment or order made by the Federal Court, the Federal Court of Appeal or the Supreme Court of Canada relating to any trade-mark on the register.

Registre des usagers inscrits

(2) La divulgation des documents sur lesquels s'appuient les inscriptions figurant dans le registre prévu à l'alinéa 26(1)b est régie par le paragraphe 50(6) de la *Loi sur les marques de commerce*, dans sa version antérieure à l'entrée en vigueur de l'article 69 de la Loi d'actualisation du droit de la propriété intellectuelle.

Production des jugements

61. Un fonctionnaire du greffé de la Cour fédérale produit au registraire une copie certifiée de tout jugement ou de toute ordonnance de la Cour fédérale, de la Cour d'appel fédérale ou de la Cour suprême du Canada relativement à une marque de commerce figurant au registre.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

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LAYDEN-STEVENSON J.A.

DATED: May 5, 2011

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