



Date: 20001005

Docket: T-226-99

BETWEEN:

CANADA POST CORPORATION

Applicant

- and -

THE POST OFFICE

Respondent

REASONS FOR ORDER

TREMBLAY-LAMER J.:

[1] This is an appeal brought by the Applicant, Canada Post Corporation ("Canada Post") from the decision of the Registrar of Trade-marks rendered December 16, 1998, to give public notice of adoption and use by the Respondent, The Post Office, of the mark MAILSORT.

[2] The Respondent, filed an application with the Registrar of Trade-marks on August 18, 1998, requesting that pursuant to the provisions of subparagraph 9(1)(n)(iii) of the *Trade-marks Act*¹ (the *Act*), the Registrar give public notice that

¹ R.S.C 1985, c.T-10.

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the Post Office had adopted and used the MAILSORT mark for wares or services.

[3] The Registrar gave the requested notice of adoption and use of the MAILSORT mark by the Respondent in the Trade-mark Journal, December 16, 1998 edition.

[4] The Applicant, filed an appeal to the Federal Court of Canada under section 56 of the Act, of the Registrar's decision, by way of a Notice of Application filed on February 16, 1999.

[5] The Applicant filed a Notice of Motion on February 21, 2000, seeking leave of the Court to amend its Notice of Application to add judicial review as a procedural basis for challenging the validity of the Respondent's official mark.

[6] By order of Pinard J., dated March 29, 2000, the Applicant was granted leave to amend its Notice of Application to add judicial review pursuant to subsection 18.1(1) of the *Federal Court Act*² as a further procedural ground for setting aside the Registrar's decision.

² R.C.S. 1985, c.F-7.

[7] The Applicant was established in 1981 by an act of parliament as a successor of the Post Office department of the Government of Canada. Its objects are essentially to establish and operate a postal service, to manufacture and provide such products and services as are necessary or incidental to the postal service, and to provide other services that are capable of being conveniently provided in the course of carrying out the other objects of the corporation.

[8] The Respondent is a corporation incorporated pursuant to section 6 of the *British Post Office Act*, and assented to by Her Majesty, Queen Elizabeth II. It is wholly owned by the British Government, and its activities are overseen by a Minister of the British Crown.

[9] Under authority of Her Majesty, Queen Elizabeth II, the Respondent is able to carry on its activities using the title "Royal Mail" and the Crown and Royal Cypher. Under this authority, the Respondent has created a division called Royal Mail, which has created a further division called Royal Mail International.

[10] The Respondent, through Royal Mail, provides various postal services and wares, including mail sorting, storage, transport and delivery service to organizations that produce and handle large volumes of mail for delivery to the United Kingdom. These services operate under the name MAILSORT.

[11] The Respondent owns the trade-mark MAILSORT, and through its Royal Mail division licenses to others the ability to perform services and/or sell wares in association with that mark. Royal Mail International, a division of Royal Mail, is also authorized to use and to license trade-marks owned by the Respondent, including the MAILSORT mark.

[12] Royal Mail International offers services to customers around the world. To facilitate the provision of services internationally, the Respondent has incorporated a wholly-owned subsidiary in the United States, named Royal Mail U.S. Inc. Royal Mail U.S. Inc. is licensed to use and sublicense the MAILSORT mark.

SUBMISSIONS

[13] The Applicant submits that the Respondent is not a public authority in Canada. The Registrar of Trade-marks thus erred in accepting it as such and in giving public notice of the adoption and use of the trade-mark MAILSORT.

[14] Furthermore, the Applicant submits that the Respondent neither adopted nor used the above-noted mark for wares and services in Canada.

[15] The Applicant also contends that the Respondent's mark, MAILSORT, is or would be unlawful, and therefore cannot accrue to the benefit of the Respondent for the following reasons:

- (a) the Respondent's mark is confusing with the registered trade-marks owned by the Applicant,³ and as such use contravenes sections 19 and 20 of the *Act*;
- (b) use of the Respondent's mark is prohibited by paragraph 9(1)(d) and section 11 of the *Act*, in that having regard to the aforesaid trade-marks of the Applicant in addition to the official marks of the Applicant,⁴ such use would likely to lead to the belief that the wares and/or services in association with which the Respondent's mark is allegedly used, have received or are performed or sold under governmental patronage, approval or authority;
- (c) the use of the Respondent's mark does or would direct public attention to its wares, services or business in such a way as to cause confusion in Canada between its wares, services and business and the wares, services or business of the Applicant contrary to subsection 7(b) of the *Act*; and

³ See Schedule "A" of the Notice of Application, Applicant's Record, Vol. I at 8 -11.

⁴ See Schedule "B" of the Notice of Application, Applicant's Record, Vol I at 12.

- (d) the use of the Respondent's mark in association with its wares and services suggests that the wares or services have been authorized or approved by the Applicant, or are used in the business of the Applicant, or that they are of a kind similar or identical to wares or services provided or performed in the business of the Applicant. Such use is without the written consent of the Applicant and is thus contrary to subsection 58(1) and 58(2) of the *Canada Post Corporation Act*.

[16] The Respondent submits that to claim benefit of subparagraph 9(1)(n)(iii) of the *Act* the Respondent is not required to be a *Canadian* public authority, but simply a public authority using the mark in Canada.

[17] Furthermore, the Respondent contends that the Respondent "adopted and used" the MAILSORT mark prior to December 16, 1998 through its authorized Canadian licensees since approximately 1995.

[18] Lastly, the Respondent argues that "lawfulness" is not a ground recognized in law for challenging the Registrar's decision to give public notice of adoption and use of a mark pursuant to subparagraph 9(1)(n)(iii) of the *Act*.

ISSUES

1. Does the Applicant have standing to appeal, or seek judicial review of the Registrar's decision to give public notice of adoption and use by the Respondent of the mark MAILSORT?
2. Is the Respondent required to be a Canadian public authority for the purposes of subparagraph 9(1)(n)(iii) of the *Trade-marks Act*?
3. Has the Respondent adopted and used the MAILSORT mark prior to December 16, 1998?
4. Is the use of the MAILSORT mark by the Respondent unlawful (or would be unlawful) in Canada?

ANALYSIS

1. **Applicant's standing to appeal or seek judicial review of the Registrar's decision**

[19] There appears to be some uncertainty as to the appropriate procedure for challenging a decision of the Registrar to publish an alleged official mark.

[20] In *Canadian Olympic Association v. U.S.A. Hockey, Inc. et al*,⁵ Jerome A.C.J. underscored the lack of legislative authority for granting relief in the nature of the revocation of an official mark or the rescinding of the Registrar's decision to give public notice of the adoption and use of an official mark. Nevertheless, Jerome, A.C.J. held that "[a]ny remedy which the plaintiff might have had with respect to the Registrar's decision, assuming it had standing, was to launch an appeal".⁶

[21] More recently, in *Magnotta Winery v. Vintners Quality Alliance*,⁷ Reed J. stated that there appears to be two possible mechanisms for challenging a decision of the Registrar to publish an alleged official mark, namely an appeal under section 56 of the *Act*, or an application for judicial review pursuant to section 18.1 of the *Federal Court Act*. However, Reed J. did not express an opinion as to which mechanism would be more appropriate:

I return then to the question whether a judicial review application is in any event the appropriate procedure. It is my understanding that other applications have commenced actions by appeals under section 56 (e.g., T-2127-98). As noted above, it is not clear whether this is the correct procedure. Certainly, a judicial review application is well suited in which no notice has been given to an interested party and I note that courts have implied such requirements into legislative procedures when they have not been statutorily required. Counsel for the applicants is of the view that a section 18.1 judicial review application is more legally correct way to proceed. I have no doubt that what is correct will not be decided by this

⁵ (1997), 74 C.P.R. (3d) 348 (F.C.T.D.), aff'd. (1999), 3 C.P.R. (4th) 259 (F.C.A.).

⁶ *Ibid.* at 350 (F.C.T.D.).

⁷ (1999) 1 C.P.R. (4th) 68 at 77-78 (F.C.T.D.).

Court. It will be for the Court of Appeal to decide. There may, therefore, be merit in having applications instituted pursuant to both routes proceeding simultaneously.⁸

[22] With respect to the question of standing in this appeal, the Respondent relies on *Canadian Olympic Association v. U.S.A. Hockey, Inc. et al*⁹ and *Renaud Cointreau & Cie v. Cordon Bleu International Ltée*.¹⁰ Counsel for the Respondent argues that the Applicant does not have standing to request the present appeal given that it was not party to the notice given by the Registrar pursuant to subparagraph 9(1)(n)(iii) of the *Act*.

[23] In regard to the application for judicial review pursuant to subsection 18.1(1) of the *Federal Court Act*, the Respondent submits that the Applicant is not directly affected by the decision of the Registrar to give public notice of the Respondent's adoption and use of the MAILSORT mark. As support for this contention, counsel for the Respondent cites *Pharmascience Inc. v. Commissioner of Patents*.¹¹

⁸ *Ibid.* at 79.

⁹ *Supra* note 5 at 350 (F.C.T.D.).

¹⁰ (1992), 45 C.P.R.(3d) 374 at 378 (F.C.T.D.).

¹¹ (1998), 85 C.P.R. (3d) 59 (F.C.T.D.).

[24] On the issue of the right to appeal the Applicant submits that the *Renaud Cointreau & Cie v. Cordon Bleu International* decision relied upon by the Respondent can be distinguished from the case at bar. The *Cordon Bleu* case involved a section 45 proceeding wherein the Court held that only parties to the original section 45 proceeding can appeal that decision. Counsel argues that the present case is not a section 45 proceeding, but rather similar to a trade-mark opposition in that any party can oppose the registration of a trade-mark within two months of the publication of the mark in the Trade-mark Journal. Marks are published in the Journal for the purpose of allowing anyone the opportunity to challenge the decision of the Registrar of Trade-marks to publish those marks or to challenge the rights sought to be secured by the Applicant.

[25] With respect to the Applicant alleged lack of interest in this application for judicial review, the Applicant submits that it is directly affected by the decision of the Registrar. For more than a decade, the Applicant had been consistently and diligently opposing the registration of trade-marks incorporating the word "mail" where the associated products or services fall within the Applicant's field of business. In this regard, the Applicant cites a number of decisions of the Trade Marks Opposition Board where the Applicant was successful in opposing the registration of trade-marks with the term "mail".

[26] Moreover, the Respondent's mark MAILSORT, is of a form similar to many of the Applicant's marks, and is for use in association with a service similar to or identical to services provided by the Applicant. In the performance of its services and sales of its products, the Applicant has extensively used trade-marks and official marks incorporating MAIL. These marks have been used on a vast scale, such that every Canadian is repeatedly exposed to them year after year. The affidavits of Moreland, Hannah (1), Oldale(1) & (3), and Manor(1)¹² show that the Applicant's MAIL marks are, if not famous, at least well-known.

[27] In this regard, it should be remembered that the Applicant is in the mail business and the Respondent, in the sorting business. As a result, of the Respondent's mark, the Applicant is now unable to combine the words "mail" and "sort" in any context given that it may be likely to be mistaken for the Respondent's mark.

[28] Furthermore, the Applicant argues that contrary to the submission of the Respondent, the *Pharmascience*¹³ case is readily distinguishable from the present case.

¹² Applicant's Record at Tabs 8,12,19,20,22.

¹³ *Supra* note 11.

[29] The *Pharmascience* case involved two decisions of the Commissioner of Patents to allow Searle to file a patent application late and subsequently to amend the application. This Court held that *Pharmascience* was only indirectly affected by the decision and therefore lacked standing in its application for judicial review of the Commissioner of Patents decisions. It was pointed out that *Pharmascience* had a remedy under Rule 10 which would allow it to protest the grant of the patent to Searle and that *Pharmascience* could also challenge the resulting patent by bringing an action for a declaration of invalidity after the patent had been granted.

[30] Therefore, the Applicant submits that unlike the Applicant in *Pharmascience*, it has no mechanism for challenging the decision in issue apart from either an appeal pursuant to section 56 of the *Act* or judicial review pursuant to section 18.1 of the *Federal Court Act*. On that basis, the Applicant has instituted proceedings simultaneously both as an appeal under section 56 of the *Act* and as a judicial review.

[31] In my opinion, considering that the Applicant was not a party to the notice given by the Registrar, the judicial review route appears to be more appropriate but as did Reed J. in *Magnotta Winery*,¹⁴ I will leave this point to be decided by

¹⁴ *Supra* note 7.

the Court of Appeal. In any event, I am satisfied that the Applicant has both the standing to seek judicial review or to appeal the Registrar's decision.

[32] I agree with the Applicant that Canada Post has an interest in the Registrar's decision to accept MAILSORT as an official mark used by the Respondent. Canada Post operates a postal service, manufactures and provides products and services that are incidental to the postal service, and in this capacity has used numerous trade-marks incorporating the term MAIL.

[33] Moreover, it is worth noting that The Post Office applied to register MAILSORT as a trade-mark, Application no. 653,304 sometime before December 1991. Canada Post filed an initial statement of opposition in December 1991 and then several amended statements of opposition in 1992 and 1997. However, opposition proceedings never commenced as The Post Office withdrew its application.¹⁵

[34] Contrary to a trade-mark application, there is no requirement that public notice be given of a request to the Register for the publication of notice of the adoption and use of an official mark.¹⁶ Despite the Applicant's opposition to the

¹⁵ Applicant's Record, Vol. 9 at 4217.

¹⁶ *Magnotta Winery v. Vintners Quality Alliance*, *supra*, note 7 at 73.

registration of MAILSORT as a trade-mark, the Applicant was not advised of the request for the "registration" of an official mark.

[35] Furthermore, I do not accept the Respondent's argument that since the Applicant did not receive notice of the decision rendered by the Registrar pursuant to subparagraph 9(1)(n)(iii) of the Act, that the Applicant lacks standing to appeal the decision. The *Renaud Cointreau & Cie v. Cordon Bleu International* case does not stand for this proposition.

[36] *Renaud Cointreau & Cie v. Cordon Bleu International* dealt with an appeal from a section 45 decision of the Registrar of Trade-marks. A decision under section 45 is sent directly to the owner of the trade-mark registrant and any requesting party other than the Registrar of Trade-marks. In *Renaud Cointreau* there was no requesting party and as a result Pinard J. held that the appellants did not have standing to request an appeal.

[37] As pointed out by counsel for the Applicant, in the present case any party can oppose the registration of a trade-mark within two months of the publication of the mark in the trade-mark journal. The opposing party does not need to have been a party to the decision being appealed from.

[38] In light of these factors, I believe that the Applicant has standing to request the present appeal.

2. Under subparagraph 9(1)(n)(iii) of the *Trade-marks Act* does public authority refer to a Canadian public authority?

[39] In order for a mark to be a proper official mark pursuant to subparagraph 9(1)(n)(iii) of the *Act*, the official mark must have been "adopted and used by any public authority, in Canada as an official mark for wares or services".

[40] The *Act* does not define "public authority".

[41] The Applicant argues that pursuant to section 9 of the *Act*, it is not enough that an entity be a public authority, the entity must be a "Canadian" public authority.

[42] In my opinion, if the intent was to restrict the application to only "Canadian" public authorities, the legislator would have used the words Canadian public authority. I am unable to find either in English or in French that the words "in Canada" / "au Canada" would grammatically and in an ordinary meaning apply to public authority.

[43] In statutory interpretation, according to P.-A. Côté, words in a statute should be given their ordinary meanings:

As it is presumed that the legislator wishes to be understood by the citizen, the law is deemed to have been drafted in accordance with the rules of language in common use.

In particular, Parliament is presumed to use words in the same sense as would the "man in the street". The authorities refer frequently to this prototypical subject and to the ordinary meanings of words [...].¹⁷

[44] Therefore, on a plain reading of the section, I agree with the Respondent that the terms "public authority" is not restricted to Canadian public authority.

3. Adoption and use of the mark MAILSORT in Canada prior to the critical date

[45] For an official mark to be valid under subparagraph 9(1)(n)(iii) of the Act, a public authority must have adopted and used the mark in Canada prior to publication of the public notice.¹⁸ This Court also held that the mere publication of notice of adoption and use, is not conclusive of adoption and use.¹⁹

¹⁷ See, e.g., P.-A. Côté, *The Interpretation of Legislation in Canada*, 2nd ed. (Cowansville: Éditions Yvon Blais, 1991) at 219.

¹⁸ *Big Sisters Assn. of Ontario v. Big Brothers of Canada*, (1997), 75 C.P.R. (3d) 177 (F.C.T.D.) at 222.

¹⁹ *Id.*

[46] The Applicant first submits that it is clear from the evidence that the Respondent itself is not alleging that it actually used the mark in Canada. Any alleged use is through the Respondent's alleged licensees.

[47] The Applicant argues that there is no statutory authority to suggest that licensed use of an alleged official mark would accrue to the benefit of the owner of the official mark. Section 50 of the *Act*, which only applies to trade-marks, reads as follows:

For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares and services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

[48] The Respondent claims that although section 50 of the *Act* does not explicitly deal with trade-marks that its principle applies to official marks as well.

[49] The Respondent claims that Canadian licensees of the MAILSORT mark have used that mark in the provisions of wares and services with the consent and authority of The Post Office and that The Post Office had control over the character and quality of the wares and services provided by these Canadian licensees.

[50] I agree with the Applicant on this point. Section 50 of the *Act* provides that in certain situations the use of a trade-mark by a licensee will be deemed to be the use by the owner of the trade-mark. There is no reference to official marks.

[51] Moreover, subsection 9(2) of the *Act* specifically deals with the use of an official mark. Subsection 9(2) of the *Act* does permit another party to use an official mark but does not deem that use would accrue to the benefit of the owner of the official mark. Subsection 9(2) of the *Act* reads as follows:

9(2) Nothing in this section prevents the adoption, use or registration as a trade-mark or otherwise, in connection with a business, of any mark [...]

9.(2) Le présent article n'a pas pour effet d'empêcher l'adoption, l'emploi ou l'enregistrement, comme marque de commerce ou autrement, quant à une entreprise, d'une marque [...]

[52] I am of the view that subsection 9(2) of the *Act* provides a code for the use of official marks and I am unable to infer from the silence of the legislator the same legal effect as provided for trade-marks in section 50 of the *Act*.

[53] According to P.-A. Côté, in statutory interpretation, there exists a presumption against adding or deleting words in provisions:

Assuming a statute to be well drafted, an interpretation which adds to the terms of its provisions or deprives them of meaning is suspect.

Since the judge's task is to interpret the statute, not to create it, as a general rule, interpretation should not add to the terms of the law. Legislation is

deemed to be well drafted, and to express completely what the legislator wanted to say [...].²⁰

[54] In any event, even if such interpretation was possible, a careful review of the evidence adduced does not indicate any use of the mark MAILSORT in Canada by the Respondent nor by its alleged Canadian licensees prior to the notice published in the Trade-mark Journal on the December 16, 1998.

[55] The evidence demonstrates that there is a relationship between some Canadian companies in association with a service provided in Canada.

[56] There is evidence that Canadian companies provide a linehaul service for customers for the delivery of mail to the Respondent in the U.K.

[57] For instance, the Tennant affidavit (President of Key Mail, an alleged licensee of the Post Office) describes the service provided by Key Mail. Attached to the supplemental Tennant affidavit are a bundle of mailing docketts in respect to shipments of mail of one of Key Mail's customers, Numa Corp. which the Respondent claims demonstrate the use of the mark MAILSORT in

²⁰ P.-A. Côté, *supra* note 17 at 231.

Canada.²¹ I am unable to find that this constitutes evidence of the MAILSORT service.

[58] Mr. Tennant's company does not sort, tag or bag the mail. It transports the mail from one location in Canada to another and arranges for shipping.

[59] The Tennant affidavit also mentions that one of its customers based in Vancouver, CW Agencies, used MAILSORT in Canada, pre-sorting its mail bound for the U. K. in order to benefit from the MAILSORT discount.²² Yet, there are no invoices, nor mail dockets attesting to this fact.

[60] The Kavanagh affidavit (President of INT Access Inc.) refers to a Postal Services Agreement between DKM Direct (same company prior to a change of name) and Royal Mail. The agreement refers to DKM Direct as a customer of Royal Mail. However, there is no evidence that the Respondent is providing a service for INT Access in Canada. The Kavanagh affidavit also refers to a MAILSORT price guide. However, the guide relates only to the distribution of mail in the U.K.

²¹ Exhibit G, Applicant's Record, Vol. 9 at 4543-4551.

²² Respondent's Record at 3, para.11.

[61] The Moore affidavit refers to a bundle of invoices from Royal Mail to Canadian licensees with respect to mail delivery in Great Britain for mail processed in Canada.²³ However, these invoices are all dated 1999. Additionally, none of the invoices actually bears the mark MAILSORT as the maisort service is identified in the invoices by either MS1, MS2 or MS3.

[62] Consequently, based on the evidence presented, I am of the opinion, that the Respondent has not adopted and used the official mark, MAILSORT, in Canada as contemplated by subparagraph 9(1)(n)(iii) of the Act.

[63] Given my conclusion, I do not find it necessary to address the issues of improper licensing and "lawfulness" advanced by the Applicant.

²³ Exhibit E, Applicant's Record, Vol. 9 at 4508-4520.

CONCLUSION

[64] The appeal is granted. The Registrar erred in accepting that the Respondent has adopted and used the mark in Canada. The public notice of the official mark MAILSORT is ineffective to give rise to any rights or prohibitions under section 9 and 11 of the *Act*.

"Danièle Tremblay-Lamer"
JUDGE

OTTAWA, ONTARIO
October 5, 2000.

**FEDERAL COURT OF CANADA
TRIAL DIVISION**

NAMES OF SOLICITORS AND SOLICITORS ON THE RECORD

COURT FILE NO.: T-226-99
STYLE OF CAUSE: Canada Post Corporation v. The Post Office
PLACE OF HEARING: Ottawa, Ontario
DATE OF HEARING: September 5, 2000
REASONS FOR ORDER OF The Honourable Madam Justice Tremblay-Lamer
DATED: October 5, 2000

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230