

TRADE-MARKS

REGISTRATION

Appeal from Federal Court (F.C.) decision (2018 FC 316) setting aside Registrar of Trademarks (Registrar) decisions transferring DAYTON trademark from respondent Dayton Boot Co. Enterprises Ltd. (Dayton Enterprises) to respondent Red Cat Ltd. (Red Cat) and from Red Cat to appellant Hutchingame Growth Capital Corporation — Core of case herein multi-party dispute regarding ownership of DAYTON trademark — Dayton Enterprises, bootmaker, first registering trademark in 2011 — Parties executing asset acquisition agreement (Agreement) providing for sale of assets, including DAYTON trademark — Agreement unclear as to when title to assets passing to Red Cat — Dayton Enterprises asserting in 2015 breach of contract arising from Red Cat's failure to meet its financial obligations — Giving notice of its termination of Agreement, revoking its permission to use DAYTON trademark — Red Cat taking position that title to assets, including DAYTON trademark, had passed such that Dayton Enterprises was unsecured creditor of Red Cat's successor, Dayton Brands — Also alleging that Dayton Enterprises failing to meet its contractual obligations including required transfer of DAYTON trademark registration — Already assigning DAYTON trademark to appellant by way of agreement dated March 23, 2016 — Red Cat then applying to Registrar to have mark's registration amended to reflect that Red Cat purportedly holding title to it since May 2012 — Registrar never told that parties having material disagreement about ownership of trademark — Dayton Enterprises never signing documents formally assigning trademark to Red Cat — Registrar declining to provide relief on basis that Federal Court vested with exclusive jurisdiction to order Registrar to amend register — Dayton Enterprises applying before F.C. pursuant to *Federal Courts Act*, R.S.C., 1985, c. F-7, s. 18.1, *Trademarks Act*, R.S.C., 1985, c. T-13, s. 57(1) seeking, *inter alia*, declaration that Registrar erring in recording change in title to Red Cat, order setting aside Registrar's decision to record this change, directing it to correct register by restoring Dayton Enterprises as proper owner of DAYTON trademark — F.C. finding, *inter alia*, Red Cat taking unfair advantage of Registrar's *pro forma* approach, deliberately withholding material information from Registrar in order to effect change it would not otherwise have obtained — Main issue whether *Trademarks Act*, ss. 56, 57, *Federal Courts Act*, s. 18.1 appropriate basis on which to resolve legal issues in circumstances of present case — F.C. should have declined to proceed by way of judicial review in light of powers to order amendment of register granted to it by *Trademarks Act*, s. 57 — *Trademarks Act*, s. 56(1) providing that appeal lying with F.C. from any decision made by Registrar — Principles relating to right to appeal decision of Registrar under *Trademarks Act*, s. 9 could apply equally to Registrar's decision in this case to record change of ownership pursuant to *Trademarks Act*, s. 48 — That appeal avenue barred not necessarily meaning that Dayton Enterprises must now proceed by way of application for judicial review under *Federal Courts Act*, ss. 18, 18.1 — Appropriate procedural vehicle for amending register "application" pursuant to *Trademarks Act*, s. 57 — Since Dayton Enterprises did not have right to appeal Registrar's initial decision, application under s. 57 was open to it — As former registered owner of trademark, Dayton Enterprises undoubtedly interested person — Dayton Enterprises not required to proceed by way of judicial review — *Federal Courts Act*, s. 18.1 preserving discretionary nature of judicial review — Adequate alternative remedy one factor that may lead F.C. to exercise discretion, withhold relief — Alternative remedy having to be adequate to address applicant's grievance — On application for judicial review, availability of order requiring body to do anything it unlawfully failed or refused to do under *Federal Courts Act*, s. 18.1(3)(a) depending on body having power to do what it is ordered to do — Registrar not currently having statutory power to correct register — F.C. limited on judicial review to setting aside Registrar's decision, remitting issue of whether transfer should be registered to Registrar — *Federal Courts Act*, s. 20(1)(b), *Trademarks Act*, s. 57(1) offering more direct,

convenient route to achieving what Dayton Enterprises seeking — Proceeding in this manner more respectful of statutory scheme — Court herein not having jurisdiction to determine actual owner of registered trademark — F.C. had no choice but to stay proceedings under *Trademarks Act*, s. 57 until issue of ownership resolved by Supreme Court of British Columbia — Accuracy of register matter of public interest — For this reason, appropriate for Court to order Registrar to amend register to include notice informing public that ownership of trademark, validity of recorded entries in respect of transfers in dispute — F.C. decision quashed — Appeal allowed.

HUTCHINGAME GROWTH CAPITAL CORPORATION V. DAYTON BOOT CO. ENTERPRISES LTD. (A-115-18, 2019 FCA 152, Gauthier J.A., reasons for judgment dated May 16, 2019, 30 pp.)