

Federal Court



Cour fédérale

Date: 20120424

**Dockets: T-1640-10
T-1641-10**

Citation: 2012 FC 479

BETWEEN:

MÖVENPICK HOLDING AG

Applicant

and

**EXXON MOBIL CORPORATION AND
ATTORNEY GENERAL OF CANADA
(REGISTRAR OF TRADE-MARKS)**

Respondents

REASONS FOR ORDER ON TAXATION OF COSTS

HARRINGTON J.

[1] By judgments dated 1 December 2011, I dismissed Mövenpick Holding AG’s appeal from the decision of the Registrar of Trade-Marks to dismiss its oppositions to the registration of the “Marché Express” and “Marché Express & Design” trade-mark applications, with costs. In paragraph 82, reported at 2011 FC 1397, I ordered costs in favour of the respondent Exxon Mobil Corporation and added: “If the parties cannot reach an agreement, they shall so inform the Federal Court Registry within 30 days hereof. In such case, a conference call will be arranged to work out a protocol.”

[2] Counsel for Exxon Mobil duly informed the Court that the parties were unable to reach an agreement. There followed an exchange of correspondence with the Court, various directions and two conferences. More particularly, counsel for Exxon Mobil was directed to prepare three draft bills of costs. One was to set out the number of hours devoted to the various items under Tariff B, without indicating the fees charged to the client. The other two drafts were to calculate Tariff B units, one on Column III, mid-range, and the other at high-end of Column IV. Disbursements were also to be disclosed to Mövenpick with particulars as demanded.

[3] This process narrowed the debate. Exxon Mobil abandoned its original position that it should be entitled to double tariff costs based on a settlement offer.

[4] The following matters remain in dispute. Exxon Mobil submits that the number of units for assessable services should be based on the high-end of Column IV, Tariff B, while Mövenpick submits that units should be calculated on Column III, mid-range, which is the default column. Otherwise, the only dispute on assessable services is the need for the presence of a second counsel on behalf of Exxon Mobil at the cross-examination of Exxon Mobil's witnesses.

[5] As to reasonable disbursements, apart from any disbursements incurred with respect to the attendance of the said second counsel, Mövenpick submits that it was not reasonable for Exxon Mobil to lead evidence from certain witnesses, and so their fees and disbursements should not be allowed. In one case it is submitted that only one-half of an expert's fees and disbursements be taxed.

COLUMN III OR COLUMN IV

[6] This is not a case which calls for solicitor/client costs or any other special order as to costs. Before taking into account any deduction with respect to the attendance of second counsel at the examination of Exxon Mobil's own witnesses, their solicitors of record devoted 1,823.4 hours to taxable services. If taxed at Column III, mid-range, the total fees, prior to the Harmonized Sales Tax of 13%, would be \$21,814. If taxed at the high-end of Column IV, the total fees would be \$46,917. In other words, the hourly rate on Column III is \$11.96. On Column IV, high end, the hourly rate is \$25.73. It is safe to say that counsel's actual fees are far, far in excess of those amounts!

[7] This Court deals with commercial and non-commercial matters alike. Except for special reasons, no costs whatsoever are taxable in immigration matters (*Federal Courts Immigration and Refugee Protection Rules*). Otherwise, the same tariff applies to all, no matter how deep their pockets.

[8] Rules 400 and following of the *Federal Courts Rules* give the Court wide discretion. Costs normally follow the event, and it is not disputed that that is what should be done in this case.

[9] Exxon Mobil submits that intellectual property matters involving sophisticated clients justify awards of increased costs. Such cases are generally more complex than typical cases tried by the Court and are often assessed with reference to Column IV or Column V (*Kamsut, Inc v Jaymei Enterprises Inc*, 2009 FC 627, 347 FTR 1 and *NPS Pharmaceuticals, Inc v Biofarma*, 2009 FC 172,

341 FTR 195). Mövenpick responds by saying that this was not a particularly complicated trademark case. Other than suggesting that there may be some hubris on counsel's part as to the intellectual rigours of intellectual property matters, I withhold comment. I agree with Mövenpick that in context this was not an unduly complicated case. It was a fight over two words.

[10] In my opinion, there should not be enhanced costs because the parties are sophisticated and have chosen to spend an enormous amount of time and money on narrow points. They were free to agree between themselves that the successful party should receive enhanced costs. They did not. Indeed, parties are often called upon to agree costs on motions, before the decision is rendered. I order that the costs be assessed at Column III, mid-range.

DOUBLE COUNSEL FEES

[11] Both parties had two counsel present at the hearing and throughout most of the pre-hearing matters. The only point that Mövenpick submits is that it was not necessary to have second counsel present during the cross-examination of Exxon Mobil's own affiants. It relies upon the decision of Mr. Justice Hughes in *Bristol-Myers Squibb Canada Co v Apotex Inc*, 2009 FC 137, 74 CPR (4th) 85. I agree and so disallow such second counsel fees, and any disbursements related thereto.

UNNECESSARY WITNESSES

[12] In my opinion, the fees and disbursements of Exxon Mobil's affiants should be allowed in full. A number of investigators filed evidence which was not before the Registrar of Trade-Marks as

to the use of “Marché Express” and other names to denote convenience stores. However that was in response to Mövenpick providing additional evidence, as permitted under section 56 of the *Trade-Marks Act*. Exxon Mobil could hardly have come to the Court with one hand tied behind its back.

[13] At paragraph 23 of my reasons which dealt with new evidence on the clearly descriptive issue, I noted that both sides had produced affidavits from linguists. In my opinion, they added little to the debate and their evidence was not particularly helpful. Again, however, Exxon Mobil was responding to new evidence led by Mövenpick.

[14] At paragraph 24, I stated that I did not find the evidence of Exxon Mobil’s marketing expert helpful. However, Mövenpick relied on that evidence, unsuccessfully. The marketing expert, Mr. D’Astous, had filed an affidavit which dealt with an affidavit by a Dr. Mulvey, filed by Mövenpick. How was Exxon Mobil to know that come the hearing Mövenpick stated that it was not relying on Dr. Mulvey’s evidence?

[15] Finally, we have new evidence from Robert Klein, a market researcher, in the form of a survey of over 2,000 consumers. Mövenpick criticized Mr.Klein’s methodology when it came to determining the likelihood of confusion, but to some extent it relied on the report, which is why it suggested that it be taxed at 50% percent. The Klein survey showed insignificant confusion which, in my opinion, would only have bolstered the Registrar’s decision. However, since the appeal from the Registrar under section 56 of the *Trade-Marks Act* is *de novo*, I do not consider that Exxon Mobil acted unreasonably in offering Mr. Klein’s survey to the Court.

[16] Counsel for Exxon Mobil shall submit a revised bill of costs which takes into account these reasons. It shall be taxed accordingly.

“Sean Harrington”

Judge

Ottawa, Ontario
April 24, 2012

FEDERAL COURT

SOLICITORS OF RECORD

DOCKETS: T-1640-10
T-1641-10

STYLE OF CAUSE: MÖVENPICK HOLDING AG V
EXXON MOBIL CORPORATION AND ATTORNEY
GENERAL OF CANADA (REGISTRAR OF TRADE-
MARKS)

**REASONS FOR ORDER
ON TAXATION OF COSTS:** HARRINGTON J.

DATED: APRIL 24, 2012

APPEARANCES:

Mr. Bayo Odutola FOR THE APPLICANT
Ms. Hala Tabl

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None FOR THE RESPONDENT,
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