

Federal Court



Cour fédérale

**Date: 20260114**

**Docket: T-1061-25**

**Citation: 2026 FC 48**

**Ottawa, Ontario, January 14, 2026**

**PRESENT: Mr. Justice McHaffie**

**BETWEEN:**

**PRODUCTS UNLIMITED, INC.**

**Applicant**

**and**

**FIVE SEASONS COMFORT LIMITED**

**Respondent**

**JUDGMENT AND REASONS**

I. Overview

[1] Products Unlimited, Inc appeals from a decision of the Trademarks Opposition Board, as delegate of the Registrar of Trademarks (cited as 2025 TMOB 21), refusing its application for registration of the trademark FILTER DESIGN, Application No 1,922,128. The FILTER DESIGN trademark consists of the “positioning of a sign” in the form of a pattern of diamond-shaped apertures on the surface of certain air filters. The Board refused the application on grounds that the diamond-shaped apertures are dictated primarily by a utilitarian function and the

trademark was therefore unregistrable pursuant to subsection 12(2) of the *Trademarks Act*, RSC 1985, c T-13.

[2] On this appeal, Products Unlimited seeks leave to file additional evidence, and asks the Court to overturn the Board's decision. It alleges a number of errors on the part of the Board and asserts that, in any event, the additional evidence establishes that the positioning of the diamond-shaped apertures in the surface of the filters is not dictated primarily by a utilitarian function. The respondent, Five Seasons Comfort Limited, while successful in opposing the trademark application before the Board, did not participate in this appeal.

[3] For the reasons below, I will grant leave to file the additional evidence on appeal. I agree with Products Unlimited that this evidence, considered in the context of the record as a whole, establishes that the features of the FILTER DESIGN trademark are not dictated primarily by a utilitarian function. As this was the only basis for refusing the trademark application, I will grant the appeal and direct the Registrar to register the trademark.

## II. Issues

[4] While Products Unlimited raises a number of issues on appeal, I conclude that the following issues are determinative:

- A. Should Products Unlimited be granted leave to file additional evidence on this appeal?
- B. What is the applicable standard of review of the Board's decision?
- C. Did the Board err in concluding that Trademark Application No. 1,922,128 for the trademark FILTER DESIGN is unregistrable?

### III. Analysis

#### A. *The Court will grant leave to file the additional evidence*

##### (1) Legislative context

[5] Prior to April 1, 2025, subsection 56(5) of the *Trademarks Act* allowed parties to an appeal from the Registrar to adduce additional evidence without leave, and empowered this Court to “exercise any discretion vested in the Registrar.” On April 1, 2025, a number of amendments to the *Trademarks Act* that had been enacted years earlier came into force. These included an amended subsection 56(5), which now requires parties to obtain leave to file additional evidence:

#### **Additional evidence**

**56 (5)** If, on an appeal under subsection (1), the Federal Court grants leave to adduce evidence in addition to that adduced before the Registrar, the Court may exercise, with respect to that additional evidence, any discretion vested in the Registrar.

#### **Preuve additionnelle**

**56 (5)** Si, lors de l’appel, le tribunal permet la présentation d’une preuve qui n’a pas été fournie devant le registraire, il peut, à l’égard de cette preuve, exercer toute discrétion dont le registraire est investi.

[6] This appeal was commenced on April 2, 2025, the day after the amendment came into force. The amended subsection 56(5) therefore applies to this appeal: see *Yat Sun Food Products Ltd v Griffith Foods International Inc*, 2025 FC 1688 at paras 31–46; *Trademarks Act*, ss 69.1, 70(1)(d). As discussed further below, Products Unlimited sought leave to file additional evidence. The question is therefore whether leave should be granted under the new

subsection 56(5) and, more broadly, what principles should guide the Court in granting such leave.

(2) The additional evidence and the request for leave

[7] The central issue on this appeal, as it was before the Board, was whether the FILTER DESIGN trademark is unregistrable because its features are dictated primarily by a utilitarian function. The trademark application sets out the following information and description of the trademark:

**Trademark type (s):**

Position

The trademark consists in whole or in part of the positioning of a sign.

**Visual representation:**



**Full Description:**

The trademark consist[s] of the position of generally diamond-shaped apertures in which a column of generally diamond-shaped apertures is slightly offset from another column to either side, the goods are shown with a dashed outline and do not form part of the trademark but is included merely to show the positioning of the trademark.

[8] The application for registration is in respect of the goods “Air filters for industrial and commercial uses and installations namely filters for paint booths,” and is based on use in Canada since at least as early as January 8, 1998. Products Unlimited asserts that the trademark is used in association with its “Paint Pockets”-branded filters.

[9] In support of its opposition before the Board, Five Seasons filed an affidavit from a legal assistant, Julia Walters, and a certified copy of the file history of the trademark application. Products Unlimited responded with an affidavit from Michael Beier, one of its Vice Presidents. In reply, Five Seasons filed a second affidavit from Ms. Walters. Ms. Walters’s second affidavit attached as exhibits a series of screenshots from the website [www.paintpockets.com](http://www.paintpockets.com), a website for the Paint Pockets filter product offered by Products Unlimited.

[10] In its application record on this appeal, Products Unlimited included a new affidavit from another of its Vice Presidents, Scott Beier. The Scott Beier affidavit addresses some of the statements seen in the screenshots attached to Ms. Walters’s second affidavit, explaining their meaning, their connection to technical aspects of the Paint Pockets product, and how they relate to the question of functionality.

[11] As noted above, this application was filed the day after the amendments to subsection 56(5) of the *Trademarks Act* came into force. The Scott Beier affidavit was sworn on April 25, 2025, and Products Unlimited’s application record was filed on May 28, 2025. Apparently due to the newness of the amendments to subsection 56(5), Products Unlimited’s

application record did not include a request for leave to file the Scott Beier affidavit as additional evidence.

[12] Nor did Products Unlimited have the benefit of the July 2025 amendments to this Court's *Case and Trial Management Guidelines for Complex Proceedings, Proceedings under the PM(NOC) Regulations, and Appeals under Subsection 56(1) of the Trademarks Act*, dated July 18, 2025 [*Guidelines*]. Paragraphs 45 to 47 of the *Guidelines* now govern appeals from the Registrar under subsection 56(1) of the *Trademarks Act*. They specify that appeals are to be accompanied by a letter indicating whether the appellant is seeking leave to adduce additional evidence under subsection 56(5). If so, the letter is to request the appointment of a Case Management Judge to address matters such as the timing and manner of the determination of the leave request by the applications judge.

[13] Rather, Products Unlimited sought leave to adduce the additional affidavit at the hearing of this appeal. As noted above, Five Seasons has not responded to this appeal and the Attorney General similarly confirmed he had no intention to participate. As a result, both the appeal and the request for leave to adduce additional evidence were unopposed. However, a lack of opposition does not relieve the Court of the duty to determine whether leave should be granted, given the gatekeeper function Parliament assigned it in subsection 56(5) of the *Trademarks Act*. The Court must therefore assess whether Products Unlimited should be granted leave to adduce the Scott Beier affidavit on this appeal.

[14] This Court has not yet had the opportunity to consider the interpretation of subsection 56(5) and the proper approach to determining requests for leave to adduce additional evidence. I will therefore set out the approach I propose to take in determining leave in this case and the reasons for taking that approach.

(3) Leave to adduce additional evidence under subsection 56(5) of the *Trademarks Act*

[15] The *Trademarks Act* does not set out particular grounds or factors for consideration in assessing whether to grant leave to file additional evidence pursuant to subsection 56(5), leaving this Court with a broad discretion. The proper approach to exercising that discretion is dictated by the principles of statutory interpretation, which consider the text, context, and purpose of the provision: *Bell ExpressVu Limited Partnership v Rex*, 2002 SCC 42 at para 26, citing EA Driedger, *Construction of Statutes*, 2nd ed (Toronto: Butterworths, 1983) at p 87; *Piekut v Canada (National Revenue)*, 2025 SCC 13 at paras 42–49; *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 at paras 117–118.

[16] The usual rule regarding the filing of new evidence on appeal was set out by the Supreme Court of Canada decades ago in *Palmer v The Queen*, 1979 CanLII 8, [1980] 1 SCR 759. There, Justice McIntyre for the Court adopted a four-part test to the admission of new evidence:

(1) The evidence should generally not be admitted if, by due diligence, it could have been adduced at trial provided that this general principle will not be applied as strictly in a criminal case as in civil cases [...].

(2) The evidence must be relevant in the sense that it bears upon a decisive or potentially decisive issue in the trial.

(3) The evidence must be credible in the sense that it is reasonably capable of belief, and

(4) It must be such that if believed it could reasonably, when taken with the other evidence adduced at trial, be expected to have affected the result.

[Citations omitted; *Palmer* at p 775.]

[17] The Supreme Court has recently reiterated that the *Palmer* test “applies whenever a party seeks to adduce additional evidence on appeal for the purpose of reviewing the decision below, regardless of whether the evidence relates to facts that occurred before or after trial”: *Barendregt v Grebliunas*, 2022 SCC 22 at paras 2–3, 27, 29–30, 34, 55. Justice Karakatsanis, speaking for the majority, underscored that the *Palmer* test (a) is purposive, fact-specific, and driven by an overarching concern for the interests of justice; (b) ensures that the admission of additional evidence on appeal will be rare; (c) seeks to balance principles of finality and order with reaching a just result in the context of the proceedings; and (d) is sufficiently flexible to adapt to unique concerns raised in a case: *Barendregt* at paras 3–4, 31–34, 55.

[18] The Federal Court of Appeal applies the *Palmer* test when considering whether to admit new evidence on an appeal from this Court pursuant to Rule 351 of the *Federal Courts Rules*, SOR/98-106. However, it also recognizes that the Court has a residual discretion to admit new evidence on appeal where the interests of justice require it: *Coady v Canada (Royal Mounted Police)*, 2019 FCA 102 at para 3; *Bell Canada v Adwokot*, 2023 FCA 106 at paras 4–5; *Salt River First Nation #195 v Tk'emlúps te Secwépemc First Nation*, 2024 FCA 53 at paras 29–30.

[19] One approach to leave under subsection 56(5) of the *Trademarks Act* could therefore be to simply apply the *Palmer* test. The Ontario Divisional Court recently adopted this approach, applying *Palmer* to new evidence in an appeal from an administrative tribunal: *Ricketts v Veerisingnam*, 2025 ONSC 841 (Div Ct) at para 34. However, I conclude the *Palmer* test should not be directly applied to appeals under section 56 of the *Trademarks Act*, for two reasons.

[20] First, the Federal Court of Appeal has recently concluded that, even after *Vavilov*, new evidence on an appeal from an administrative tribunal is not to be dealt with in accordance with Rule 351, but pursuant to the approach taken in applications for judicial review: *TekSavvy Solutions Inc v Bell Canada*, 2022 FCA 49 at paras 3–5, citing *Contrevenant no 10 v Canada (Attorney General)*, 2016 FCA 42 at para 10. In *TekSavvy*, the Court of Appeal was asked to fix the contents of an appeal book in an appeal from the CRTC in which a party sought to file information that was not before the CRTC. Rather than treating the issue as one of new evidence on appeal under Rule 351, the Court of Appeal applied the approach taken to new evidence in judicial review, both procedurally (through a more informal approach in settling the contents of the appeal book, rather than a Rule 351 motion) and substantively (by applying the limited exceptions available to evidence that was not before the decision maker, rather than the *Palmer* test): *TekSavvy* at paras 5, 8–9, citing *Namgis First Nation v Canada (Fisheries and Oceans)*, 2019 FCA 149 at paras 7, 10.

[21] The reasoning in *TekSavvy* suggests that *Palmer* should not be automatically applied in the case of a statutory appeal from an administrative tribunal. At the same time, simply applying the usual limited approach to new evidence applicable in the judicial review context would

ignore Parliament’s specific reference in subsection 56(5) to filing additional evidence with leave on an appeal from the Registrar. The text of the provision is central to the interpretive exercise, and the Court must give effect to Parliament’s legislative design choices: *Vavilov* at paras 36, 118; *Piekut* at para 45. Here, those choices include the continued use of a statutory appeal, rather than judicial review, to challenge decisions of the Registrar, and Parliament’s express contemplation that additional evidence may be filed with leave on such an appeal, even though it is no longer available as of right.

[22] This latter point raises the second reason for eschewing a strict application of *Palmer* in appeals from the Registrar. In general, the *Palmer* test applies to the introduction of new evidence on appeal to an appeal court, particularly from a lower court decision, whether pursuant to a particular legislated provision or in the exercise of the appeal court’s inherent discretion: *Palmer* at p 766; *Barendregt* at para 29; *Catholic Children’s Aid Society of Metropolitan Toronto v M(C)*, 1994 CanLII 83, [1994] 2 SCR 165 at pp 186–188; *United States of America v Shulman*, 2001 SCC 21 at paras 43–44. However, the particular legislative context must be considered in assessing the application of *Palmer* and the degree of flexibility to bring to the exercise of the discretion: *Catholic Children’s Aid* at pp 187–188; *Barendregt* at para 58, citing *Bent v Platnick*, 2020 SCC 23 at para 60.

[23] In subsection 56(5) of the *Trademarks Act*, Parliament has signalled differences between appeals from the Registrar and other appeals. Not only has Parliament expressly indicated that leave may be granted to file new evidence on appeal (without limiting language like “in special circumstances” found in Rule 351), but it has also preserved the Court’s power to exercise “any

discretion vested in the Registrar” with respect to that additional evidence. This language was interpreted in the former provision as signalling an appeal *de novo* where “material” new evidence was filed, *i.e.*, evidence that could have materially affected the Registrar’s finding since it was of probative value and was sufficiently substantial and significant: *Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 at paras 18–23. That Parliament chose to preserve this language in the new provision signals a broader approach to new evidence than the one that applies in a typical appeal.

[24] At the same time, by amending the *Trademarks Act* to require leave, Parliament clearly intended to limit the filing of additional evidence and reduce the extent to which new evidence could be adduced on appeal. Leave therefore cannot be granted simply because a party asks for it, or else a substantial procedural amendment would be reduced to a mere formality.

[25] In this regard, it is worth referring to the Explanatory Note accompanying the Order in Council that brought into force the amended subsection 56(5): *Order Fixing April 1, 2025 as the Day on Which Certain Provisions of the Budget Implementation Act, 2018 No 2 Come into Force*, SI/2025-12, Canada Gazette Part II, Vol 159, No 5, p 887. The Explanatory Note makes the following observation with respect to the amendment of subsection 56(5):

[The provisions] also remove the guaranteed ability to file additional evidence on appeal to the Federal Court from any decision of the Registrar, a change that is also balanced with the introduction of the ability for parties to obtain a confidentiality order from the Registrar when they file commercially sensitive or personal information in evidence before the Board. With the availability of confidentiality orders, parties may be less inclined to withhold relevant evidence which includes sensitive or economically valuable information, which will prevent “dual

litigation” that is both inefficient and potentially abusive,  
particularly to small or medium-sized enterprises (SMEs).

[Emphasis added; Explanatory Note at p 890.]

[26] The reference in the Explanatory Note to parties now being able to obtain a confidentiality order in proceedings before the Board pertains to the new section 45.1 of the *Trademarks Act*, which came into force the same day as the amendment to subsection 56(5): *Budget Implementation Act, 2018, No 2, SC 2018, c 27, s 223*.

[27] The Explanatory Note only explains the Order in Council and not the underlying legislation. It therefore cannot be viewed as an expression of the views or intent of Parliament. However, the observations in the Explanatory Note set out well-known concerns in trademark practice, namely (a) that the unavailability of confidentiality orders before the Board deterred parties from filing confidential information that may have been relevant, particularly when such evidence could later be filed on appeal to this Court; and (b) this particular concern and, more generally, the right to file evidence on appeal led to inefficiencies arising from trademark issues being re-litigated before this Court on a different record. This background to the amendments provides both context to the current subsection 56(5) and insight into its purpose.

[28] The foregoing discussion, and in particular the specific language of subsection 56(5) reflecting Parliament’s institutional design choices, points to a more flexible approach to the leave requirement than the strict application of the *Palmer* test. At the same time, the principles underlying *Palmer* and *Barendregt*, including the interests of justice and the importance of finality, order, and efficiency, apply equally to trademark litigation.

[29] I therefore conclude that I should adopt an approach to determining leave under subsection 56(5) that is ultimately directed at the interests of justice, and considers all relevant factors applicable in the circumstances, including:

- The relevance, credibility, and admissibility of the evidence. As described in the second and third elements of the *Palmer* test, there is little point in the Court granting leave to file evidence that is unreliable, not credible, or irrelevant to the issues in dispute: *Barendregt* at para 45. Similarly, any evidence filed in this Court, including additional evidence on appeal, must meet the threshold requirement of admissibility. This may go without saying, but it is worth specifying given the admissibility issues that can arise regarding certain evidence in trademark matters, notably survey evidence (issues that intersect with the question of relevance): *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at paras 42–50; *Clorox* at paras 25–31.
- The materiality of the evidence. Under the former subsection 56(5), the materiality of evidence filed—whether it was sufficiently substantial and significant that it could have materially affected the Registrar’s finding—affected the applicable standard of review: *Clorox* at paras 19, 21; *Seara Alimentos Ltda v Amira Enterprises Inc*, 2019 FCA 63 at para 25. This question is now also relevant to whether leave should be granted, since it will be a rare case, if ever, that the interests of justice will warrant the admission of new evidence on appeal that could have no impact on the outcome. Assessing leave, however, remains a distinct exercise from determining the merits of the appeal. At the leave stage, the question remains whether the new evidence *could* have a bearing on a finding of the Registrar: *Seara* at paras 23–26. This element parallels the fourth criterion of the *Palmer* test. It similarly parallels the requirement that evidence will “assist the Court,” a factor

considered in exercising the Court's discretion to grant leave to file additional evidence pursuant to Rule 312 of the *Federal Courts Rules: Forest Ethics Advocacy Association v National Energy Board*, 2014 FCA 88 at para 6(b).

- The circumstances surrounding the delay in filing the evidence. Under the *Palmer* test, evidence will only be admitted if it could not, by the exercise of due diligence, have been obtained for the trial: *Barendregt* at paras 29(i), 36; see also *Forest Ethics* at para 6(a). This rule reflects the important principle that litigants must put their best foot forward when first called upon to do so, and preserves the distinction between trial and appellate courts: *Barendregt* at paras 37–41. This principle is important in trademark proceedings, but merits a more flexible application in light of the approach taken by Parliament in subsection 56(5). The choice to now require leave to file new evidence indicates Parliament's intent to have the Board decide issues at first instance. However, as discussed above, the language of the subsection also signals an intention for greater flexibility in the admission of new evidence than is generally afforded in appeals.

Thus, the question of whether the evidence could have been put before the Board remains an important one, and in some cases may be a determinative factor. However, other surrounding circumstances that may explain, for example, why evidence was not filed with the Board, may also be relevant. Such circumstances will necessarily be fact-specific and cannot be exhaustively enumerated. However, it is worth highlighting that, for a period of time after the amendment of subsection 56(5), matters will be coming before this Court on appeal that were presented to the Board at a time when the former legislation applied, both in respect of additional evidence on appeal and in respect of confidentiality orders before the Board. While subsection 56(5) applies to these appeals

by virtue of the transitional provisions in sections 69.1 and 70 of the *Trademarks Act*, this may be a relevant factor for consideration, as it is in this case.

- Prejudice to the opposing party. This is a factor considered in granting leave to file further evidence pursuant to Rule 312, and one that appears equally relevant in considering whether leave should be granted under subsection 56(5): *Forest Ethics* at para 6(c).

[30] In summary, in assessing a request to file additional evidence on appeal pursuant to subsection 56(5) of the *Trademarks Act*, the Court should consider whether the interests of justice favour granting leave on the basis of all relevant factors, including:

- (a) the relevance, credibility, and admissibility of the evidence;
- (b) the materiality of the evidence;
- (c) the circumstances surrounding the delay in filing the evidence; and
- (d) whether granting leave would cause prejudice to the opposing party.

[31] This approach effectively adopts and adapts the features of *Palmer* as factors for consideration in accordance with the existing jurisprudence on trademark appeals. It reflects both Parliament's intent to end the unrestricted ability to file new evidence on appeal, and the unique approach to trademark appeals that Parliament has preserved through the adoption of the amended subsection 56(5). As indicated, these and any other relevant factors will be considered in assessing whether the interests of justice favour granting leave to adduce the new evidence. It

is worth repeating, however, that the interests of justice include the important principles of finality, order, efficiency, and fairness in litigation: *Barendregt* at paras 31–34.

(4) Leave is granted to adduce the additional evidence in this case

[32] Applying the above approach, I conclude that the Court should grant Products Unlimited leave to adduce the affidavit of Scott Beier.

[33] Relevance, credibility and admissibility. There is no question that the evidence set out in the Scott Beier affidavit is relevant to the central issue of functionality. The affidavit discusses the functionality, structure, and design of the Paint Pockets filters; whether the features of the FILTER DESIGN trademark cause or contribute to this functionality; and the evidence the Board relied on in making its functionality finding. There is also no question as to the credibility of the evidence, on which there was no cross-examination, or its admissibility.

[34] Materiality. I also conclude that the evidence in the Scott Beier affidavit is material, in the sense that it is sufficiently substantial and significant that it could have materially affected the Board's finding regarding the central issue of functionality. In particular, as discussed further below, the affidavit directly addresses certain statements on the Paint Pockets website that the Board relied on in reaching its conclusion that the features of the trademark were dictated by a utilitarian function. Given the importance of these statements in the Board's analysis, and the explanations provided in the Scott Beier affidavit, the evidence could have materially affected the Board's conclusion. As the evidence is relevant and sufficiently probative that it could affect the result, I conclude the evidence will assist the Court in deciding this appeal.

[35] Circumstances surrounding the delay. The evidence set out in the Scott Beier affidavit is not new, in the sense that it did not arise subsequent to the Board’s decision. The nature of the trademark, the functional aspects of the Paint Pockets filters, and the statements on the website are all of long standing. However, I conclude that the circumstances related to the evidence before the Board justify granting leave, in two respects.

[36] First, at the time Five Seasons filed its reply evidence and written submissions, the former subsection 56(5) was still in force. Five Seasons’s reply evidence was filed in January 2024 and its written representations were filed in June 2024. At that time, Products Unlimited had the right to file additional evidence on appeal to this Court if unsuccessful before the Board. This legislative context meant that the usual legal obligation on a party to put its “best foot forward” before the tribunal of first instance was at least attenuated, if not entirely absent. This helps explain why the Scott Beier affidavit was not filed before the Board and supports granting leave.

[37] Second, as indicated above, the Scott Beier affidavit responds primarily to evidence raised in the second affidavit of Ms. Walters, which was filed in reply. Products Unlimited could have sought leave from the Board to file additional evidence to respond to this reply affidavit pursuant to section 55 of the *Trademarks Regulations*, SOR/2018-227. Notably, section 55 states that the Registrar “must” grant leave if it is in the interests of justice to do so. However, in the present circumstance, Ms. Walters’s second affidavit simply attached printouts from the Paint Pockets website, which included a variety of information, photographs, and frequently asked questions. It was not until Five Seasons filed its written representations—which occurs “[a]fter

all evidence has been filed”—that it identified which passages from these printouts it was relying on, and the inferences it was asking the Board to draw from them: *Trademarks Regulations*, s 57. This may not have precluded a motion to file additional evidence under section 55 even after written representations were filed, but again, the former legislative framework allowed such evidence to be filed on appeal. In this context, the fact that the Scott Beier affidavit responds to reply evidence that was not elucidated until written argument therefore further explains why leave was not sought to file it before the Board and supports granting leave.

[38] Prejudice. There is no indication that granting leave would cause any prejudice to any other party, particularly given that no other party has appeared to oppose the appeal.

[39] Considering all the circumstances and factors together, I conclude that it is in the interests of justice to grant leave to Products Unlimited to adduce the Scott Beier affidavit on this appeal as additional evidence pursuant to subsection 56(5) of the *Trademarks Act*.

B. *The applicable standard of review is correctness*

(1) Standard of review in trademark appeals

[40] As a general matter, a statutory appeal from an administrative tribunal attracts the usual appellate standards, namely correctness on questions of law, and palpable and overriding error on other questions: *Vavilov* at paras 36–37; *Housen v Nikolaisen*, 2002 SCC 33 at paras 7, 8, 10, 36–37; *Yat Sun* at paras 25–26. However, as noted above, the caselaw interpreting the former

subsection 56(5) and, in particular, the power to “exercise any discretion vested in the Registrar,” determined that the usual appellate standards could be affected by the filing of new evidence.

[41] Under the former provision, the Court would make a preliminary determination of whether material new evidence had been filed: *Seara* at paras 23–25. If so, the Court would conduct a *de novo* appeal applying the correctness standard in respect of findings that were affected by the evidence, and on questions of law: *Clorox* at paras 21, 23; *Seara* at para 22; *Caterpillar Inc v Puma SE*, 2021 FC 974 at para 36, *aff’d* 2023 FCA 4. If no new evidence had been adduced, or the new evidence was not material, correctness would only apply to questions of law, and the usual appellate standard of palpable and overriding error would apply to other questions: *Clorox* at paras 22–23. The latter standard would also apply to non-legal issues that were unaffected by the new evidence: *Caterpillar* at para 36.

[42] Nothing in the current subsection 56(5) requires a substantively different approach to the standard of review, although the assessment of materiality is likely to occur at the leave stage, as discussed above. As noted, it would likely be a rare case in which the Court would grant leave to adduce evidence that could have no impact on the Registrar’s decision. Leaving this possibility aside, the additional evidence for which leave is granted will already have been determined to be material at the leave stage.

[43] The fact that Parliament has maintained the Court’s power to exercise any discretion vested in the Registrar suggests that it did not intend a wholesale revision of the standard of review on trademark appeals. Rather, it recognized that additional evidence may trigger a *de*

*novo* consideration on the correctness standard of issues affected by the evidence. Conversely, the fact that this discretion only exists “with respect to that additional evidence” confirms that the palpable and overriding error standard applies to findings of the Board that are not affected by the evidence, as was the case prior to the amendment.

[44] For clarity, this does not prevent additional evidence from affecting factual findings, or findings of mixed fact and law, made by the Board on a different factual record. Thus, for example, the Board may make a factual finding regarding the date a trademark was first used. Additional evidence filed on appeal may establish that the date of first use was earlier or later than found by the Board on the evidence before it. Subsection 56(5) permits the Court to exercise the discretion of the Registrar “with respect to that additional evidence,” and thus reach a new factual finding on the question based on the entirety of the evidence relevant to that issue before the Court.

[45] Similarly, the Board’s determination on an issue of mixed fact and law, such as whether confusion is likely between two trademarks, will be based on the evidence that was before it. Where leave is granted to adduce additional evidence that is material to a factor relevant to the confusion analysis (say, length of use), this may result in the Court having to exercise its discretion to make its own determination on the broader issue of confusion, without disturbing other findings of the Board that are unaffected by the additional evidence.

[46] As a result, there appears little reason to substantively change the approach to the standard of review that applied under the former subsection 56(5), as set out by the Federal Court

of Appeal in *Clorox*. Applying these principles in the context of the new requirement for leave yields the following:

- Questions of law, including those that are extricable from questions of mixed fact and law, are subject to the correctness standard.
- Where no additional evidence has been adduced, either because none was tendered or because leave was not granted, the standard of palpable and overriding error will apply to questions of fact and questions of mixed fact and law.
- Where leave has been granted to adduce additional evidence, the Court will presumably have determined at the leave stage that the new evidence is material. If so, the Court will conduct a *de novo* review and apply the correctness standard with respect to that additional evidence, and the palpable and overriding error standard in respect of findings unaffected by the additional evidence.

(2) Correctness applies in this case

[47] Applying this approach, I conclude that the correctness standard should apply. I have found above that the evidence in the Scott Beier affidavit is material, as it is probative and sufficiently substantial and significant that it could have materially affected the Board's findings regarding registrability. Applying *Clorox* as adapted to the new statutory provision, the correctness standard applies in respect of the findings of the Board that are affected by this new evidence. This includes the central question of whether the features of the trademark are dictated primarily by a utilitarian function.

C. *The trademark is registrable*

(1) Legislative context

[48] Section 12 of the *Trademarks Act* addresses the registrability of a trademark, which can be raised as a ground to oppose a trademark pursuant to paragraph 38(2)(b). At issue in this appeal is subsection 12(2), which reads as follows:

**Utilitarian function**

**12 (2)** A trademark is not registrable if, in relation to the goods or services in association with which it is used or proposed to be used, its features are dictated primarily by a utilitarian function.

**Fonction utilitaire**

**12 (2)** La marque de commerce n'est pas enregistrable si, à l'égard des produits ou services en liaison avec lesquels elle est employée, ou en liaison avec lesquels on projette de l'employer, ses caractéristiques résultent principalement d'une fonction utilitaire.

[49] Subsection 12(2) was added to the *Trademarks Act* in 2019. Concurrent amendments removed the notion of a distinguishing guise from the Act and introduced into the definition of “trademark” the concept of a “sign”: *Trademarks Act*, s 2 (“sign,” “trademark”). A “sign” includes traditional trademark elements such as a word, a name, a design, a letter, or a number, as well as non-traditional elements such as a colour, a three-dimensional shape, a hologram, a sound, or a scent. The definition of “sign” also includes “the positioning of a sign.”

[50] While subsection 12(2) is fairly new to the *Trademarks Act*, the notion of functionality is not. As the Board noted, the Supreme Court of Canada addressed the “long standing” doctrine of functionality in trademark law in *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65 at paras 42–55,

citing, among others, *Parke, Davis & Co v Empire Laboratories Ltd*, 1964 CanLII 74, [1964] SCR 351 at p 354 and *Remington Rand Corp v Philips Electronics NV*, 1995 CanLII 19287, 64 CPR (3d) 467 (FCA) at p 478. According to the doctrine, “trade-marks law is not intended to prevent the competitive use of utilitarian features of products, but [...] fulfills a source-distinguishing function”: *Kirkbi* at para 43.

[51] The doctrine of functionality was previously recognized in the jurisprudence and adopted in the *Trademarks Act* through subsection 13(2) pertaining to distinguishing guises: *Kirkbi* at paras 42, 46, 58, 60. The doctrine is now incorporated into subsection 12(2) by providing that trademarks whose features are “dictated primarily by a utilitarian function” are not registrable.

[52] The use of the qualifier “primarily” (“*principalement*”) in subsection 12(2) represents a continuity with prior jurisprudence regarding the doctrine of functionality. As Justice LeBel noted in *Kirkbi*, an earlier decision of the Exchequer Court of Canada held that “any combination of elements which are primarily designed to perform a function [...] is not fit subject-matter for a trade mark”: *Imperial Tobacco Co v Registrar of Trade Marks*, 1939 CanLII 261, [1939] Ex CR 141 at p 145; *Kirkbi* at paras 46, 60; see also *Remington* at pp 471–472, 475–477. However, as Products Unlimited notes, this does not mean that any mark that displays some functional features is necessarily excluded from protection: *Crocs Canada Inc v Holey Soles Holdings Ltd*, 2008 FC 188 at paras 16–18; *Distrimedic Inc v Dispill Inc*, 2013 FC 1043 at para 288; *Stork Market Inc v 1736735 Ontario Inc (Hello Pink Lawn Cards Inc)*, 2017 FC 779 at paras 25–26.

[53] By setting the standard as being “primarily” dictated by a utilitarian function, Parliament has both confirmed the relevance of prior caselaw on the doctrine of functionality and distinguished the standard from that of being dictated “solely” (“*uniquement*”) by a utilitarian function, language used in the context of copyright and industrial designs: *Copyright Act*, RSC 1985, c C-42, ss 64.1(1)(a)–(b); *Industrial Design Act*, RSC 1985, c I-9, ss 7(d), 11.1. Thus, subsection 12(2) indicates that (a) the features of a trademark may have a secondary or peripheral utilitarian function without making it unregistrable; and (b) the features need not be solely functional in order to make the trademark unregistrable: *Remington* at p 475; *Crocs* at para 18; *WCC Containers Sales Ltd v Haul-All Equipment Ltd*, 2003 FC 962 at para 39.

(2) The trademark opposition

[54] Five Seasons’s Statement of Opposition raised a total of 15 grounds for opposing Products Unlimited’s application for registration of the FILTER DESIGN trademark. I have referred to the evidence filed by the parties above. Relevant to the following discussion is the evidence regarding the filters offered by Products Unlimited under the brand name Paint Pockets. Michael Beier’s affidavit included the following photograph showing a portion of a Paint Pockets filter:



[55] Michael Beier noted that the columns of diamond-shaped apertures are embedded into the filter media itself. However, he provided no information regarding the function of the pockets in the filter media behind the outer surface of the aperture.

[56] No cross-examinations were conducted, and the opposition was presented to the Board on written materials without an oral hearing.

[57] In their written argument to the Board, Five Seasons repeated its 15 grounds of opposition, but presented their substantive arguments under four general headings addressing: (i) non-conformity with paragraph 30(2)(a) of the *Trademarks Act*; (ii) non-registrability under section 12 of the *Trademarks Act*; (iii) non-distinctiveness under section 2 of the *Trademarks Act*; and (iv) bad faith under paragraph 38(2)(a.1) of the *Trademarks Act*. The arguments in support of the bad faith grounds invoked the same functionality arguments that were presented in support of the non-registrability grounds.

(3) The Board's decision

[58] After summarizing the procedural history, the evidence filed, and the legal onus, the Board turned to the grounds of opposition. It quickly dismissed Five Seasons's grounds of opposition invoking section 18.1 of the *Trademarks Act* as not being valid grounds for opposition. It then addressed the questions of registrability and distinctiveness.

[59] The Board concluded that Five Seasons had met its initial evidential burden on the registrability ground of opposition, and that Products Unlimited had not met its onus to demonstrate that the FILTER DESIGN trademark was registrable.

[60] Central to the Board’s reasoning were the following two passages from Products Unlimited’s website that were cited in Five Seasons’s written submissions:

Paint Pockets® is the best performing single-stage overspray arrestor, bar none. [...] *Its unique design holds up to five times more overspray than other filters*, enabling you to cut your filter changes by up to 80%. *The three-dimensional “pockets” embedded in the front face of Paint Pockets more than double its surface area*, allowing the arrestor to capture and hold very large quantities of overspray. *Paint Pockets arrestors have superior wet tensile strength*. Arrestors loaded with wet overspray do get heavy, but they won’t tear or sag.

*Its unique pockets enable Paint Pockets to accumulate significant quantities of overspray before it begins to noticeable [sic] restrict booth airflow*. This feature permits you to “tune” your entire finishing process for maximum transfer efficiency and, more importantly, to operate in the optimum efficiency zone. Increased transfer efficiency means more parts coated per quantity sprayed and longer intervals between filter changes. A higher percentage of the finish is coating parts instead of the arrestors.

[Emphasis added by the Board.]

[61] The Board considered that the emphasized passages above suggested that the apertures embedded in the filters provided the functional advantages of holding more overspray, doubling surface area, and providing superior wet tensile strength. At a minimum, the Board found that these statements suggested that the reason the apertures are positioned as such on the product is to provide the functional advantages. The Board also noted that the website referred to Paint Pockets having a “patented design” that provides superior depth loading of the filter. Citing

*Parke, Davis*, the Board found the reference to a patent relevant to the assessment of whether the trademark was primarily functional.

[62] The Board referred to Michael Beier's evidence that "[t]he diamond-shaped apertures are non-functional with respect to any other shape such as triangles, circles, rectangles, and the like" and that the diamond shape does not offer any functional benefit over any other shape. However, the Board noted that "while the diamond shape of the aperture may not have any functionality," the trademark applied for was not directed only to the shape of the apertures but their positioning. Michael Beier's evidence dealt only with the question of shape and not that of positioning. The Board found that in light of the statements on the website, it was at best unclear whether the positioning of the apertures across the face of Products Unlimited's filters provided the functionality described on the website. It therefore found that Products Unlimited had not met its onus to demonstrate that the mark was registrable.

[63] Turning to distinctiveness, the Board found that Five Seasons had not met its initial evidential burden on this issue and dismissed the grounds of opposition based on non-distinctiveness. However, it noted, expressly in *obiter*, that since a functional mark could not distinguish the owner's goods or services from those of another, the functionality issue might have justified a distinctiveness ground of opposition if Five Seasons had raised it as an argument.

[64] The Board therefore refused the trademark application on the registrability ground, without needing to address the remaining grounds of opposition.

(4) In light of the new evidence, the trademark is registrable

[65] As noted, Five Seasons has not responded to this application. There is therefore no challenge to the Board's decision on the issue of distinctiveness, or any argument that the refusal of the application would, in any case, be justified on any of the grounds that the Board did not address. These other grounds have thus been effectively abandoned. However, the Board's finding on registrability stands until set aside, regardless of whether Five Seasons has appeared: *Sociedad Agricola Santa Teresa Ltd v Vina Leyda Limitada*, 2007 FC 1301 at para 13.

[66] The determinative issue on this appeal is therefore whether the Board's refusal on grounds of registrability should be reversed. For the following reasons, and in light of the new evidence filed, I conclude that it should.

[67] The Scott Beier affidavit filed on this appeal addresses the website excerpts that were cited by Five Seasons and were central to the Board's decision on functionality. In particular, Scott Beier states that the reference to a "unique design" that holds more overspray does not refer to the pattern of diamond-shaped apertures in the Paint Pockets filter, but to the design of the filter itself, which contains multiple layers of filter material, with three-dimensional pockets embedded into one of the layers. The design of the interior pockets affects the way fluid flows through the filter medium and accounts for the product's functionality.

[68] Scott Beier's affidavit also states that the reference to the three-dimensional pockets being embedded in the "front face" of the surface of the filter does not refer to the apertures or

their pattern on the surface, but to the pockets inside the filter medium and how they are designed to work. Similarly, the “superior wet tensile strength” is not associated with the pattern of diamond-shaped apertures. Rather, it is based on the material composition of the filter and its interior structure. The affidavit concludes with the following statement:

The location, orientation, and overall design of the diamond-shaped pattern of the apertures on the surface of the Product was not selected because it offered a unique functional advantage over another pattern. The surface of the Product is prominent and visible to potential customers and users of the Product. A distinctive pattern was chosen to provide a means of distinguishing the Product from other filter products.

[69] Scott Beier’s affidavit provides directly relevant evidence and context for the statements on the Paint Pockets website regarding the functionality of the filter product. It clarifies that the functionality is provided by the structure and design of the interior pockets within the filter, including the material composition of the interior filters, rather than the pattern of diamond-shaped apertures. Scott Beier was not cross-examined on his affidavit, and no responding affidavit contradicting his statements was tendered. I accept his evidence.

[70] I note that there is clearly a linkage between the three-dimensional pockets in the Paint Pockets filter and the apertures on the surface of the filter, in that the apertures form the entryway into the pockets. However, the question is not whether the pockets, or the existence of apertures allowing paint to enter the pockets, are primarily functional. The question is whether the features of the trademark applied for are dictated primarily by a utilitarian function. After all, it is the features of the trademark applied for that define the protection that will be afforded by registration of the trademark. The FILTER DESIGN trademark, if registered, would not prevent another trader from using pockets or apertures in a filter.

[71] Rather, the features of the trademark are, as set out in the application, the particular identified positioning of the generally diamond-shaped apertures, in which a column of apertures is slightly offset from another column to either side. There are two aspects to this: the diamond shape of the apertures (the sign) and the positioning of the apertures (the positioning of the sign). The Board appears to have accepted, on the basis of Michael Beier’s affidavit, that the diamond shape of the apertures was not dictated primarily by a utilitarian function (or even “have any functionality,” in the Board’s language). However, it concluded that Products Unlimited had not met its onus with respect to the issue of the positioning of the apertures given the evidence that was filed.

[72] The evidence in the Scott Beier affidavit, when read in light of the Michael Beier affidavit, establishes that neither the diamond shape of the apertures nor the positioning that is described in the trademark application are primarily functional. The evidence shows there is a utilitarian function to having pockets in a paint filter, and indeed to having sufficient pockets to materially increase the surface area of the filter. However, the evidence read together does not show that there is a utility or function to having diamond-shaped apertures (or even pockets), or to having those diamond-shaped apertures arranged in offset columns. For this reason, the concerns raised by the Board based on the website statements have been satisfactorily explained and clarified by the Scott Beier affidavit.

[73] I note in this regard that Scott Beier’s statement that the design of the pattern of apertures “was not selected” because it offered a unique functional advantage over another pattern is in itself insufficient. While a trademark must be used “for the purpose of distinguishing or so as to

distinguish” one trader’s goods from another, the intention of the trademark owner does not alone determine whether the features of a trademark are functional: see *Remington* at p 475, rejecting commentary on *Parke, Davis; Trademarks Act*, s 2 (“trademark”). Adopting what is primarily a functional feature with the intention of distinguishing one’s own product from others does not turn an unregistrable trademark into a registrable one. However, I am satisfied that taking this statement together with the other statements in both the Scott Beier affidavit and the Michael Beier affidavit confirms that not only was the pattern of apertures not “selected” for a particular functional advantage, but also that neither the shape nor the pattern of the apertures is dictated primarily by a utilitarian function.

[74] Lastly, I turn to the reference on the website to the “patented design” of the Paint Pockets filters, which the Board relied on as supporting its functionality finding. While recognizing that this was “not as strong as the evidence of a patent itself,” the Board found the evidence relevant to its assessment. The Board was quite correct that the existence of a patent may be evidence of a utilitarian function, since the invention covered by a patent must by definition have utility: *Patent Act*, RSC 1985, c P-4, s 2 (“invention”); *Parke, Davis* at pp 356–357; *Kirkbi* at paras 3, 37–39, 44. However, in the present case, there is no evidence that the patent referred to on the Paint Pockets website has anything to do with the features of the FILTER DESIGN trademark, *i.e.*, the positioning or shape of the apertures. The website statement itself simply refers to the design of the Paint Pockets filters and their depth loading. While this can be understood to relate to the pockets within the filters, I cannot read it as a reference to the positioning or shape of the apertures. The reference to a patent therefore does not affect my conclusions based on the new evidence.

[75] I therefore conclude that Products Unlimited has satisfied its onus, in light of the new evidence, to demonstrate that the features of the trademark are not dictated primarily by a utilitarian function, and thus that the trademark is registrable. I need not therefore address Products Unlimited's arguments that the Board erred in its assessment of the evidence before it, or that certain aspects of the Board's reasoning was based on issues not raised in Five Seasons's statement of opposition.

#### IV. Conclusion

[76] Based on the new evidence filed, I conclude that Products Unlimited's FILTER DESIGN trademark is not unregistrable under subsection 12(2) of the *Trademarks Act*. As indicated above, no other ground of opposition was either upheld by the Board or pursued by Five Seasons on this appeal.

[77] The appeal is therefore allowed, the Board's decision is set aside, and the Registrar is directed, pursuant to section 40 of the *Trademarks Act*, to register the application for registration of the FILTER DESIGN trademark.

[78] Products Unlimited has not requested costs, and none are awarded.

**JUDGMENT IN T-1061-25**

**THIS COURT’S JUDGMENT is that**

1. The applicant, Products Unlimited, Inc, is granted leave pursuant to subsection 56(5) of the *Trademarks Act*, RSC 1985, c T-13, to adduce additional evidence on appeal, in the form of the affidavit of Scott Beier sworn April 25, 2025.
2. The appeal is granted. The decision of the Registrar of Trademarks, by its delegate the Trademarks Opposition Board, dated January 31, 2025, is set aside and the Registrar is directed to allow the application filed by Products Unlimited, Inc to register the trademark FILTER DESIGN, Application No 1,922,128.
3. No costs are awarded.

“Nicholas McHaffie”

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Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1061-25

**STYLE OF CAUSE:** PRODUCTS UNLIMITED, INC v FIVE SEASONS  
COMFORT LIMITED

**PLACE OF HEARING:** EDMONTON, ALBERTA

**DATE OF HEARING:** NOVEMBER 13, 2025

**JUDGMENT AND REASONS:** MCHAFFIE J.

**DATED:** JANUARY 14, 2026

**APPEARANCES:**

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