

July 21, 2017



By On-Line Submission to: ic.cipo-consultations-opic.ic@canada.ca

Dear Madam:

RE: Consultation on Trade-marks Regulations

This communication is in response to CIPPO's call for comment on the proposed draft Trade-mark regulations.

Our Federation, the (Fédération Internationale des Conseils en Propriété Intellectuelle) FICPI) has a total membership of over 5000 intellectual property attorneys in private practice in over 86 countries around the world.

FICPI Canada is a self-governing national association of FICPI International. FICPI Canada represents interests of Canadian patent and trade-mark professionals and the wide variety of clients our members represent. Our membership includes senior professionals at most major intellectual property firms who are responsible for filing the vast majority of patent and trade-mark applications that are submitted to the Canadian IP Office each year. It is important to note that our members' clients represent all types and sizes of businesses, including multinational corporations, small and medium size enterprises, and individuals. We therefore must always seek a balanced approach. However we have found of late that it is the voice of SMEs that is most frequently left unheard. We therefore work to ensure that our positions include the interests of this valuable component of our Canadian economy.

Members of Council of FICPI CANADA and FICPI members have attended the recent round-tables and have studied the matter in collaboration with other colleagues. The following represents our views, recommendations, endorsements and criticisms:

- 1. While the new Act clearly envisions a simplification of the Application process by removing requirements to provide information as to use, the absence of such information**

harms Canadian Applicants, Registrants and third parties. We therefore advocate the formal acceptance, and capture on the official database of use claims.

It is well understood that the new system which will not require applicants to identify use will make search and clearance work far more complicated and therefore costly for owners and prospective owners. Whereas in the past one needed only look to the register information to ascertain information as to use of most marks, now each mark will have to be separately searched to determine information as to use in Canada. This will raise the cost of search and clearance, something particularly harmful to the interests of SMEs. The absence of use information and the new ability for entities to hold trademarks in Canada even in instances where there is no use or no genuine intention to use means that Canadian SMEs will have a harder time to develop good marks. In some cases SMEs will be prevented from securing rights in their choice of mark because a similar registration is held by someone with no real commercial interest in Canada. However, most troubling of all is the fact that Canadian trade-mark owners will be required to challenge others using expensive administrative and legal proceedings because their prior use of a mark has not been recognized under the new system.

We agree with CIPO that it is not possible to regulate a requirement for statements of use given there is not support for this in the accompanying Act. However, nothing prevents CIPO from formally accepting use information and publishing that information as part of the information relating to each mark. While this is not a full solution to the problems above, it will mitigate the problems associated with search and clearance somewhat. However, the most substantial advantage to such a practice is that the statements of use will serve as "notice" of rights thereby reducing the likelihood of formal challenges being necessary. Making use information apparent from the register will reduce enforcement costs for SMEs or any other entity that sold goods or offered service in Canada in association with a mark before it sought registration.

To minimize the damage to SMEs that the new system will cause, we recommend adding the following to the Regulations:

31(i) if use is being claimed, the date of first use in Canada in association with each of one or more classes of goods or services described in the Application

and

41(k) one or more dates of first use in Canada if such dates have been claimed

We also are strongly of the view that CIPO must avail itself of the option of sending notices requiring Registrants to prove use in a large number of cases and certainly for all registrations covering a wide and disparate number of goods and services. This will deter foreign entities seeking rights in Canada without any commercial activity here and keep the register clear for businesses entering the market. This should be an interim measure whilst CIPO works toward the adoption of a system similar to the US requiring proof of use both during the life of the registration and on renewal.

This would require no change to existing regulatory wording but would require a commitment on the part of CIPO to undertake this work.

We note that at the time of the previous fees consultation FICPI raised these concerns regarding voluntary declarations of use and the need for Registrants to prove use in Canada. The regulations do not address these concerns as they now stand and as such, the comments made previously by FICPI remain applicable.

2. Joint Applicants

The new provisions allow for joint applicants. While this is a reasonable improvement that will alleviate issues for a very small number of applicants, in our view there is also considerable danger that applicants without recourse to legal advice will fail to recognize the dangers regarding loss of rights. We suggest that CIPO incorporate notices into all materials accessed by Applicants (particularly unrepresented applicants). These notices should advise Applicants that it is important to obtain legal advice regarding the appropriate ownership as incorrect assumptions could result in entire loss of rights.

3. Acknowledgement of Written Communications

The provision at s. 10(1) is an excellent improvement to the Canadian trade-mark system. We expect initial uptake might initially be slow. However, the ability to notify Examiners, if for

example a mark that should have been cited has been overlooked, will in due course improve the quality of the granted rights and reduce the need for Opposition or legal challenges. Third party interests will be better served, the register will better reflect actual rights and the need for contentious proceedings will be reduced if this procedure is properly used and administrated.

We suggest removing the last sentence. "However, subject to section 29 of the Act, no information may be given as to any action taken."

While we agree there is no need to inform parties generally and the provision should not create a contentious mini-proceeding, there may be instances in which communication is desirable. We therefore disagree with the language that would absolutely prohibit the provision of information to an interested third party. We also recognize that it is uncertain how the system might evolve. In the future best practices might involve some form of notification and we therefore believe this possibility should not be precluded through regulator prohibition. We see no rationale for unnecessarily restricting what is possible in respect of this new procedure, especially as we do not yet know precisely how the practice will be used immediately or in the future.

4. Waiver of Fees

We applaud this addition to the Canadian Trade-mark system and hope it will be used in instances wherein, for example a party is faced with having to bring multiple Oppositions involving the same party and it would be in the interests of justice to waive the fees.

5. Reinstatement

We believe that the reinstatement provisions should cover those professionals who qualified before the exam was required and the provisions should be written as such. Otherwise, a competent and qualified practitioner could be deprived of the ability to earn a living merely for having missed a deadline for fee payment by one day. This is a harsh and unnecessary penalty for what might be a mere oversight or even an error on CIPO's part.

We therefore suggest deletion of 21 (b).

6. Manner of Describing Goods and Services

FICPI is of the view that CIPO has brought legal certainty and enhanced the value of Canadian trade-mark rights by referring to "clearly describe" in s. 29. Trade-mark owners will benefit from the inclusion of this wording.

7. Representation or Description

We are very concerned that the reference to "concise" in subsection 30(g) will afford Opponents with a new technical ground of opposition that will result in unnecessary complexity and cost of Opposition. We suggest "concise" be replaced with "accurate". "Concise" conveys the meaning that descriptions must be brief and succinct. Therefore if an applicant has, in the interest of accuracy, provided a description that could have been worded more concisely, it opens itself up to a ground of opposition. Refusal on this basis is possible. Applicants and especially third parties benefit from accurate descriptions- not merely the shortest possible description. We suggest office practice and guidelines encourage descriptions that are as concise as possible without including the wording in the Regulations thereby opening a further ground of Opposition.

8. Amendment-Exceptions

We believe that introduction of the new term and concept of "substantially the same" will reduce legal certainty and increase costs to trade-mark owners. We advocate return to the known meaning of altering of distinctive character.

We also believe that only small changes should be permitted. To do otherwise risks the reduction or even loss of senior rights-holders if a junior user extends protection by introducing new material that overlaps with the senior owner.

9. Divisional Application

While not necessarily included in these regulations, it would be beneficial for users of the system to have the searchable register reflect accurate and up to date information about divisional applications. This should be done in a manner that is more obvious than, for example, the current indication of an application to extend goods and services for an existing registration.

10. Advertisement

Aside from the provision requiring the advertisement of voluntarily made claims of use in instances wherein such claims have been made by the Applicant as described above, we believe that this section should be amended to include a requirement that the presence of third party written communications on the file be indicated along with other published information at the advertisement stage.

11. Amendments - Interests of Justice

We agree with, and strongly support, the principal behind section 48(2) involving the ability of the Registrar to grant leave to amend a Statement of Opposition or Counterstatement. However, we believe that the wording should not be mandatory. The interests of justice may be best served by granting, or in other cases not granting leave to amend.

12. Ordering of Cross-examination

Again, we would prefer to preserve the authority of the Registrar, in this case to grant or not grant an order for cross-examination. Again, we believe that the registrar should be guided by the interests of justice and the wording of the regulations should reflect this.

Our experiences suggest that the Registrar currently does an excellent job of applying discretion and the only safeguard needed to ensure a fair balance between third parties and owners is a requirement for any grant or refusal to grant to be in the interests of justice.

13. Register-Particulars

As is the case with information required at the time of publication, we believe this section should be amended to ensure voluntarily provided statements of prior use are reflected on the register. We also believe the presence of Third Party Written Communications on a file should be reflected on the register. It will be important for this information to be available to those searching and clearing marks.

14. Effect of Transfer

We believe that the wording of s. 65 should be changed so as to refer to a presumption that each owner is the owner of a separate registration. The word "deemed" should be replaced with "presumed".

15. Non-conforming Service

We applaud the inclusion of this provision which will reduce red-tape and unnecessary efforts. This provision should facilitate smooth operation of this aspect of practice and reduce unnecessary costs.

16. Evidence - Timing

S. 71 does not seem to contemplate Registrar-generated proceedings. As discussed above, we believe that it will be essential to remove deadwood through liberal use of register generated requests for proof of use until such time as the Act and Regulations can be amended to require proof of use.

17. Changes

Section 73(4) mandates the modification of administrative proceedings if the request is made at least one month before the hearing. The certainty that this sort of provision brings is welcomed but more is needed. We are of the view this is best done through carefully developed and published Board practices. Some late stage opposition issues such as last minute cancellation of hearings, reliance on books of authority and procedure during a hearing should all be studied and specific guidelines generated. Without these, the system is open to abuse by some parties and therefore extra and unnecessary costs for others.

18. Madrid Protocol**a. General Comment**

Our initial general comment in respect of the Madrid Protocol provisions is that we have insufficient information to assess how these procedures will be practically applied. We understand from information provided during the consultation process that to a large extent this was intended in order to allow flexibility for change when the international system changes. Whether it is

through these regulations or office practice, our clients will require accurate, up to date and easily accessible Registry information and as such we are in favour of any provision or practice that ensures this and are opposed to provisions and practices that cloak or delay delivery of information necessary to determine rights. To the extent this is not provided for in the Regulations we would expect this principle to be entrenched through the surrounding Official Practices.

b. Introducing “Registrability” through the Regulations without Support in the Act

We are also concerned about the availability and viability of Opposition to Madrid Applications. First, the regulations purport to deem Madrid applications that are broader than their IR counterpart, nonregistrable. Yet this is a separate ground of registrability that does not correspond to prohibitions in the Act. As such, we are concerned that grounds raised based on this provision will ultimately be found to be valid. This preferential treatment for Madrid Protocol applications likely runs afoul of Canada’s current obligations including those of the NAFTA. We urge CIPO to ensure regulatory provisions are tenable and, if they are not, to instead revise the Act as needed.

c. Opposition- The ability to Add Grounds

While we appreciate that the proposed regulatory changes are driven by treaty obligations, we are very concerned about the limitation on adding grounds of Opposition. We urge CIPO to do everything possible to extend the date on which grounds of Opposition may be added. It is essential that Opponent are, to the extent possible, able to proffer the strongest case and this includes adding new grounds when these become obvious regardless of the stage in the proceedings.

19. Fees

We are uncertain as to what precisely is covered by some of the fees relating to copies and invite further particulars.

20. General Commentary- Extensions of time and Retroactive Extensions of Time

We believe the new regime suffers from the same problem that plagues the current Trade-mark system in Canada – that is, an unnecessary degree of inflexibility when it comes to missed deadlines. We believe in all instances wherein the fault lies with CIPO an

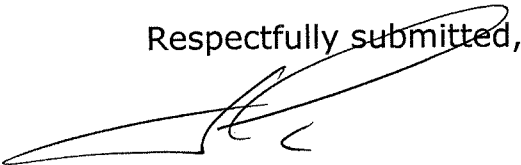
Applicant or Registrant should be able to revive lost rights for at least 6 months. Furthermore, when the missed deadline resulted from an unintentional oversight on the part of the Applicant/Registrant or the Applicant's/Registrant's Agent, again, relief should be possible. We urge CIPO to include provisions that call for an "all due care" requirement but allow for revival of rights (including for example the right to Oppose), if the failure to act was unintentional. These changes would bring CIPO into better alignment with the practices of other national and regional offices.

We attach a copy of a FICPI resolution that is applicable and point out that this position was reached after extensive study and debate. Furthermore, this resolution was intended to apply to all IP offices throughout the world.

21. Conclusion

We thank you sincerely for including FICPI in the consultative process and for considering our views on this matter. We remain, as always, available for continued discussion. Please contact the undersigned if you have any question or wish to discuss this matter further.

Respectfully submitted,



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