

Intellectual Property Institute of Canada (IPIC) Submission on Proposed Amendments to the *Industrial Design Regulations*

Submission to the
Canadian Intellectual Property Office

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INTRODUCTION

The Intellectual Property Institute of Canada (IPIC) is the professional association of patent agents, trademark agents and lawyers practicing in all areas of intellectual property law. Our membership totals over 1,700 individuals, consisting of practitioners in law firms and agencies of all sizes, sole practitioners, in-house corporate intellectual property professionals, government personnel, and academics. Our members' clients include virtually all Canadian businesses, universities and other institutions that have an interest in intellectual property (e.g. patents, trademarks, copyright and industrial designs) in Canada or elsewhere, as well as foreign companies who hold intellectual property rights in Canada.

IPIC is pleased to provide comments on the proposed amendments to the *Industrial Design Regulations* as published in Canada Gazette Part I: Vol. 151 No. 49 (2017), December 9, 2017 (the "Gazette") to reflect the proposed amendments to the *Industrial Design Act* (not yet in force) which are required to enable Canada to accede to the *Hague Treaty*.

It is important for Canadian businesses, universities and other institutions that our intellectual property (IP) system remains competitive with those of other jurisdictions. The government's interest in modernizing and improving the IP framework is therefore noteworthy and welcome. The accession to the *Geneva (1999) Act of the Hague Agreement Concerning the International Registration of Industrial Designs* and the consequential changes to the *Industrial Design Act* and *Regulations* are a step in the right direction and are welcome by IPIC.

PROPOSED AMENDMENTS TO THE *INDUSTRIAL DESIGN REGULATIONS*

IPIC is encouraged by the government's interest in modernizing and improving the *Industrial Design Regulations* as exemplified by the proposed revisions to the *Industrial Design Regulations*. In particular, IPIC welcomes the steps taken by the government to accede to the *Geneva (1999) Act of the Hague Agreement Concerning the International Registration of Industrial Designs*, and to modernize the language of the *Industrial Design Act*.

IPIC also thanks the CIPO for holding a constructive pre-consultation meeting with the profession on May 9, 2017, to discuss the proposed amendments to the *Industrial Design Regulations*.

As a result, IPIC welcomes the positive changes made to the proposed *Regulations* adopted by the CIPO, in particular relating to examination fees (maintained per application), publication (up to 30 months), extensions of time (6 months), and notice of revocation (now provided).

IPIC's comments and recommendations are set out below in order of the numbering in the proposed amended *Regulations* as published in the Gazette. Consistent with the intent of IP modernization, our comments are intended to foster increased certainty and promote fairness for applicants and the public alike.

COMMENTS AND RECOMMENDATIONS

Sections 4, 6, 9, 14, 15, 27 and 29 recite the term “website” in the phrase “on Office’s website”. We are concerned that this language may eventually become out of date due to technological advancements. We recommend that either more generic language be used for example, “as prescribed by the Office from time to time...”. It may assist if the term “website” is defined in the Definition Section.

SECTION 6. ELECTRONIC COMMUNICATIONS

Deeming a communication to have been sent could be problematic in unexpected situations, even if a user consents through website terms and conditions. As a result, rights could be lost. IPIC believes that this Section should be deleted or re-worded to make it clear that communications will be posted on the website only and no physical mail or communication will be sent to the person. Query, why Section 7 is required, i.e. a postal address, if the Minister or Commissioner makes all communications available on the Office’s website.

SECTION 12. REPRESENTATION BEFORE THE OFFICE

Where an Applicant has appointed an agent, the Applicant usually expects correspondence to be sent directly to the agent. It is presumed that if the Applicant moves, correspondence will still be sent directly to the agent. However, this understanding is not made clear in the proposed *Regulations*.

IPIC has been advised that the ID Office Practices will be revised to avoid such a scenario. However, even if the Office Practices were revised to request that the Minister correspond with an agent where one has been appointed, there is a risk in electronic communications and/or human error that correspondence is sent directly to the Applicant, resulting in inadvertent loss of rights, and more importantly without reasonable relief given Office Practice is non-binding.

IPIC recommends that the *Regulations* be amended to require the Minister and the Commissioner to correspond with only the agent where one has been appointed.

A Canadian agent is well placed to represent domestic and foreign Applicants before CIPO, e.g. in terms of familiarity with Canadian law and practice and meeting all deadlines. Accordingly, IPIC

recommends requiring Canadian representation during the national refusal period, to ensure all Applicants are represented properly before CIPO. There is no requirement under the Hague Agreement that prevents or precludes a signatory to grant such representation. This will also diminish and/or prevent unauthorized practice before the Office.

Section 12(4) as presently drafted is unclear. The appointment of an agent is provided in Section 12(1), but then Section 12(4) contemplates the filing of an application (among other things) by a person who is neither the Applicant nor the agent. There is potential for confusion where the Office will automatically treat the person who files the application as the agent but the intention was to fall under Section 12(4). For example, does “making a request” include filing a response? If yes, it seems like the “Exception” in Rule 12(4) may cover all activities an agent would normally perform. IPIC feels strongly that correspondence should be limited to Applicants and agents (other than transfers to new Applicants) to avoid such confusion.

SECTION 17. FEATURES OF SHAPE, CONFIGURATION, PATTERN OR ORNAMENT

Section 17(1) and Section 17(2) as presently drafted still require clarification. It should be made clear in the *Regulations* that the Government’s intension is to include all of the visible features in order to provide Applicants with greater certainty and scope of protection for their designs. The wording for the “all of the features of shape, configuration, pattern or ornament” is limiting and should read “all of the features of shape, configuration, pattern and ornament”. Alternatively, IPIC recommends the language reflect the current legislation of what constitutes an industrial design, “all of the features of shape, configuration, pattern or ornament and any combination of those features” be maintained.

The Modern Principle of statutory interpretation has been declared by the Supreme Court of Canada as the preferred approach to statutory interpretation. The words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament. Accordingly, if the word “or” is not meant to be interpreted as inclusive, then it is likely that the inclusion of the word “or” rather than “and” in Section 17(1) is a drafting error. This error is especially apparent when the French and English versions of the same Section are compared. The French version uses the word “et” (i.e. the equivalent of “and”). When Section 17(1) is read in the context of the purpose of the amendments to the *Industrial Design Regulations*, it is apparent that a fractioning of the application based on a “class” of features, whereby multiple applications would be necessary to protection each class of feature for a single design, was not the intention of the drafter, as this would increase the administrative burden on Applicants. It is IPIC’s understanding that the intention is to include all of the visible features, and thus proper amendment is required for Section 17(1) and Section 17(2).

Section 17(2) relates to a statement of limitation regarding the features of a design. Will this statement permit a filing in colour with a statement that colour is not claimed? For example, “The design relates to features of shape and ornamentation of the portion of the Article shown in solid lines without regard to colour...”? Clarification on this point is required. Is it CIPO’s intention to provide clarity through amendments to ID Office Practice Manual?

It appears that Section 17(4) purports to carve out some exception to scope where colour is shown but is not actually part of the design. If this is the intent, clarification on this is required as this text causes confusion.

“Exception — colouring (4) An application is deemed not to relate to a feature that is shown in the representation of the design by means of colouring if it is evident that the purpose of the colouring is to indicate that the application does not relate to that feature.”

This provision seems to suggest that there is an illustrated feature that is shown by means of colouring where the colouring is evidently used to show that the feature is not part of the design. Does this mean that an Applicant could colour the legs of a table blue and then say that that features in blue form no part of the design? i.e. instead of using broken lines per Section 17(3)? The language is awkward and perhaps could be amended to provide greater clarity.

IPIC notes that the European Union Intellectual Property Office (EUIPO) publishes practical guidelines on their website: (see: <https://euipo.europa.eu/ohimportal/en/design-guidelines>). One of the documents published titled *Examination of Applications for Registered Community Designs* discusses the use of colour shading in the context of the use of visual disclaimers to exclude certain features from protection. In subsection 5.3.3, EUIPO explains the use of colour shading as follows:

Colour shading is a type of visual disclaimer that consists in using contrasting tones to sufficiently obscure the features for which protection is not sought in the drawings or photographs of a design application.

With colour shading, the features for which protection is sought must be clearly perceptible, whereas the disclaimed features must be represented in a different tone and so as to appear blurred or imperceptible.

Is this the intention of CIPO in Section 17(4)? If so will this also be addressed with amendments to the ID Office Practice Manual?

It remains unclear how Section 17(2), entitled “Exception – statement of limitation” and Section 18, entitled “Optional description” interrelate. Both refer to a “statement”. Clarification is requested. Is the “optional description” also considered to be a “statement of limitation”?

SECTION 20. ONE DESIGN PER APPLICATION

IPIC requests clarification regarding what constitutes the “application” for various purposes. Section 20(3) requires that a divisional application must indicate that it is a divisional application. In contrast, the priority claim in Section 26(2)(a) may be made in the application or a separate document. Presently practitioners place both pieces of information (an indication that the application is a divisional and priority claim) in a cover letter to the Office. Under the new *Regulations*, would the divisional claim need to be integrated into an “application” document? In our view, the divisional claim should have the same flexibility as the priority claim.

Section 20(2) relates to divisional applications and has an “and” conjunction between the 20(2)(b)(i) and (ii). This requirement means that an Applicant cannot serially file divisional applications and include one of the designs in the final application unless that design is present in all of the applications in the series. As an example, if the earliest filed application has three (3) designs and the Applicant receives a requirement from the Office to divide, the Applicant must file two new applications as divisional applications from the earliest application or file a first application from the earliest application where both extra designs are present and then divide this second application.

This limitation seems unnecessary. Why can’t an Applicant file a first divisional to one of the extra designs and then divide that application later to capture another design that is disclosed in the divisional or the parent application? This would provide more flexibility and clarity for Applicants and better align Canada’s ID framework and practice with key trading partners.

Section 20(5) sets a maximum two (2) year term to file a divisional application. There is a requirement in Section 20(2) that an original application from which an application is divided must be a pending application when the divisional application is filed within this two year period. Subsection 20(6) sets out an exception to the two year term including a series of conditions (a)-(d) joined by an “or” conjunction. Yet, conditions (a) to (c) at least appear to be cumulative, requiring each of these to be satisfied. Why is there no “and” for these? Condition (d) after the “or” is that “the original application is still pending.” But this is always a requirement for a divisional application is it not? Why is it listed here and why is there an “or” conjunction in this list?

Furthermore, IPIC still believes the deadline for filing divisional applications (later of two years from filing or six months after parent application has been restricted to a single design in response to a unity objection) is arbitrary. Although it is understood that the CIPO is motivated to make prosecution as compact as possible, it is respectfully submitted that the *Regulations* be amended to provide additional time for Applicants to file divisional applications.

SECTION 25. AMENDMENTS

The scope of Section 25(2)(b), which states that an application must not be amended to add a representation of a design is limiting. It is IPIC's understanding that Section 14 refers to "representation" as being an entire set of drawings which includes multiple "reproductions" (i.e. drawings). Note that the term "representation" is always used in the singular form in the *Rules*. Currently, examiners will frequently request additional views to help the reader visualize the finished article, and the views are accepted on the basis that they can be inferred from the other views from the application as filed. Is the purpose of Section 25(2)(b) to put an end to this practice? Or is it to prevent an Applicant from adding a whole new design in a pending application by way of amendment? Why prohibit adding a representation (Section 25(2)(b)) in situations where the representation does not add subject matter (e.g. where the representation can be inferred from the application as originally filed)? Section 25(2)(b), and more generally the term "representation" as used in the *Regulations*, should be clarified.

SECTION 26(5). EXCEPTION

Preventing correction of a priority date after the six (6) month date from the priority date will not allow Applicants to correct obvious typographical errors under non-prejudicial circumstances. For example if an Applicant claims priority to June 1, 3017, they should be permitted to correct the date if it is considered to be an obvious typographical error i.e. correct to read June 1, 2017. It is recommended that such corrections remain discretionary.

EXTENSIONS OF TIME: SECTION 27(1) AND 27(2)

As presently drafted, an extension of time under the above-noted sections for furnishing a copy of a priority document or a translation thereof is three (3) months with one six (6) month extension of time upon request to the Minister, for a total of nine (9) months. Limiting Applicants to a single extension of time will place undue time constraints on Applicants. Applicants should be given the ability to request further extensions of time, i.e. more than one.

SECTION 31 – NON APPLICATION OF PARAGRAPH 8.2(1)(C) OF ACT

While this provision assists with the long standing issue of self-collision, particularly as it relates to divisional applications, it appears to contradict our twelve (12) month prior disclosure grace period of paragraph 8.2(1)(a) of the *Act*. By engaging with CIPO early with a first application, an Applicant starts a clock running that would not run if the Applicant did not file here. The Applicant cannot fully rely upon the 12 month prior disclosure period that others can who don't apply in the CIPO early for subsequent filings.

The novelty provision of the *Act* (paragraph. 8.2(1)(c)) and the exception (Section 31) of the Regulations apply to render a later filed application not novel even if an Applicant's cited earlier filed application is never registered in Canada, which may mean even if it is never publicly disclosed. It seems that an Applicant cannot file a design in Canada, withdraw or abandon it, and then refile more than twelve months later, even if the design has never been disclosed to the public. Why is that restriction applicable to an Applicant in Canada? For example, does this mean an Applicant can't register in Canada now because two years ago the Applicant started to do so but stopped? This restriction seems unfair to Applicants, to have no rational basis, and to be out of step with the analogous rule for utility patents.

The proposed novelty test and exemption appears to be a way of preventing evergreening/double patenting-like scenarios, where an Applicant could otherwise file and then refile so long as a design was not public for twelve months to buy at least some additional term. However, if the earlier filed application does not register, then this proposed solution is over-inclusive, harsh and dramatically decreases ease of doing business in Canada.

TYPOGRAPHICAL ERRORS

The following typographical errors were found in the document and should be corrected:

- In the definition of Hague registration the “7” should be removed prior to the end parenthesis.
- Section 15 is incomplete as the word “website” is missing following the word “Office”.
- In Section 17(1), there is a drafting error as the term “or” on line 3 should be replaced with the conjunction “and”, which is consistent with the French language definition under Section 17(1).
- In Section 20(6)(d), the word “still” seems unnecessary and should be removed.
- In Section 30, the second “is” should be deleted from the definition as follows:

“30 For the purpose of sections 8 and 8.1 of the Act and of sections 26 to 29 and 45 of these Regulations, an application for international registration is, from its filing date as determined under Article 9 of the Hague Agreement, ~~is~~ equivalent to a regular filing of an application in or for a country of the Union.”

- In Section 36, “subsection 21(1) of the Act”, should be amended to read, “Section 21 of the Act” (as should the definition in the French language version).

- In Section 41(2)(a), all occurrences of the term “product” should be replaced with “article” as there is no definition of “product in the Act or Regulations (as should the term in the French language version).
- In the French version of Section 51(2) after the word “précisé” the phrase “dans la notification” should be inserted.

OTHER MEASURES

Thank you for the opportunity to provide input on the IP-related aspects of the Proposed *Industrial Design Regulations* as published in Gazette I. We look forward to working with the government as the necessary amendments to the *Industrial Design Regulations* are made to bring the changes into effect. We recommend that stakeholders be involved early, and throughout the regulation drafting process.

As the government continues its reform of Canada’s industrial design regime, further modernization will be needed to provide protection for types of designs not contemplated when the *Act* was originally drafted, such as animated electronic icons and graphical user interfaces. Other areas of possible protection such as unregistered designs and protection for colour should be considered, as should the possibility of allowing Applicants to amend applications to change the scope of protection applied for, comparable to utility patent or US design patent practice. The implementation of the design practice notices with respect to colour and animated electronic icons and graphical user interfaces has been helpful. It is hoped that the dialogue between IPIC and the CIPO continues to ensure a fulsome and strong IP system in Canada.

We would welcome the opportunity to cooperate further on these and other issues.

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