

Intellectual Property Institute of Canada (IPIC) Submission on the Draft *Trade- marks Regulations*

Submission to the
Canadian Intellectual Property Office

March 8, 2018

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.

Thank you for the opportunity to further participate in the Public Consultation on the draft *Trade-marks Regulations*. The submissions set out herein supplement the submissions tendered by IPIC to the Canadian Intellectual Property Office on July 21, 2017 and provide comments on the draft *Trade-marks Regulations* published for public comment in the issue of the Canada Gazette, Part I on February 10, 2018.

IPIC members welcome the consultation as an opportunity to offer further input on the Canadian Intellectual Property Office's proposed practice changes. This document is a compilation of comments and observations received from members of the Trademark Practice Committee and Trademark Legislation Committee. We can advise that these members are substantially in agreement with these viewpoints.

IPIC welcomes the opportunity for further dialogue on these comments and would be pleased to answer any questions.

PART 1 RULES OF GENERAL APPLICATION

ACKNOWLEDGEMENT OF WRITTEN COMMUNICATIONS

Subsection 10 (1) - this provision should include some indication of the permissible timing of the written communication, or a clear indication that a written communication should not be viewed as an alternative to an opposition. For example, wording should confirm that written communications can be sent at any time up to the date of advertisement, and specifically state that such written communications will not be considered by the Registrar to be an opposition.

TRADEMARK AGENTS

Sections 16, 19 and 20 - most countries do not use the term “trademark agent” (trademark attorney is far more common), and the term “agent” is uncertain – for example, does it mean merely a person appointed to act in lieu of an applicant directly, without any specific training or experience, or does it mean a person who has some special status or qualifications to appear before the registrar of any specific country? Since use of “act as a trademark agent under the law of that country” will result in confusion and uncertainty as to the qualifications for becoming a trademark agent and remaining on the list of Canadian trademark agents, we recommend a change to language that focuses upon the status of a “regulated professional”, or other qualifications to lawfully represent applicants before a local trademark office.

REPRESENTATION

Section 22 - this section uses the term “associate”, whereas the headings use “associate trademark agent”. The headings should be consistent with the section wording, otherwise there will be ambiguity to the meaning of “associate”. We recommend that all references to merely “associate” be replaced with “associate trademark agent”. We note that section 25 uses “associate trademark agent”.

APPLICATION FOR REGISTRATION OF TRADEMARK

Section 32 - sub-sections 32(2) and 32(3) relating to fees are exceptionally difficult to understand. Various terms are used, including “divisional application”, “corresponding original application” – which, it appears, may also be a “divisional application”, “filed divisional application”, “series of divisional applications”, “original application”, including “an original application from which the corresponding original application stems”, “divisional application that stems from it”, and “an application”. We understand the intent is to ensure that fees are not avoided by applying to divide an application. It would appear that if an application covers multiple classes, and all class fees are paid, then a fee “per divisional application” would be justified. Similarly, if a “divisional”

application” is further divided, then a fee “per further divisional application” could be applied (but additional fees per class should not be necessary). However, the wording is very problematic – it is exceptionally difficult to determine when a fee is to be paid, or will, under s. 32(3), be deemed to have been paid, and since payment of fees is essential to the validity of any application, and also to its filing “date”, clarity on fee payment is necessary to avoid inadvertent loss of rights, particularly for self-represented applicants.

We remain strongly of the view that the draft regulation requires greater clarity and should be re-written. It may be that CIPO intends to provide clarification with respect to the operation of this section by issuing a Practice Notice. We submit that it is not appropriate or sufficient to rely on a Practice Notice to supply guidance on the meaning or intent of statutory or regulatory provisions.

DIVISIONAL APPLICATION

Section 39 – according to section 32 of the Regulations, a “corresponding original application” can itself be a divisional application. It is noted that section 39 of the Act (as amended), uses “corresponding original application”, but in the context, it appears to refer to the “original application”. Since section 32 of the Regulations complicates this by suggesting a corresponding original application can be a divisional, it is not clear which application number must be used.

The impact of confusion over application numbers is exacerbated by the new provision in the Regulations that only the owner and an application number need be used to identify an application (sub-section 4(1)) above. Since potential errors in application numbers can impact the status of any application, the Regulations should be clear about which application number, or possibly which series of application numbers, must be used.

Section 40 - this section is not clear. As noted above under section 32, since a “corresponding original application” can itself be a divisional application, as suggested by Regulations s. 32, which steps, is it intended that all actions regarding a divisional application, as well as an original application, are deemed to have been taken on the divisional application? To clarify, if there is a chain starting with the first-filed application, divided multiple times into divisional applications which in turn are divided, would all actions on any application in the chain be deemed to have occurred on all divisional applications)? The status of all applications is critical and calls for clarification of the wording of this section.

ADVERTISEMENT

Section 41 - the listing set out in the section does not specifically mention “the trademark” – and it is not clear that a word, vs. design, mark is included in the words “a representation or description of a mark”. We suggest that subsection 41(c) be amended to add the words “the trademark, including any representation or description of the trademark contained in the application”.

It is worth repeating that the past practice of the Canadian Intellectual Property Office has been to advertise applications for opposition in the Trademarks Journal. Practitioners and trademark

owners are familiar with reviewing the Journal and the date of the Journal publication was clear. Referencing the application as being “advertised by publishing the listed particulars on the website of the Canadian Intellectual Property Office” is ambiguous. The particulars set out in subsections 41(a) to (j) would also be contained in the database record for the application, which is available on the website of the Canadian Intellectual Property Office.

OPPOSITION PROCEEDING UNDER SECTION 38 OF THE ACT

Subsection 46(10) - we appreciate that imperfect service should not, in all cases, impact the status of oppositions, and that permitting the Registrar to have discretion to determine that a document has been provided is beneficial. However, when and whether service has taken place, including determining the effective date of service, is key to all steps in oppositions (as well as s. 45 proceedings and objections to protection of geographic indications and translations); they impact not only the setting of deadlines, but whether the opposition remains active. It is not clear “when” the Registrar will make a determination that the document has been provided to the party being served. Further, if the Registrar makes a determination that the document was not served as required, then presumably relevant steps and deadlines in the opposition will be impacted. Uncertainty about the determination may result in whether opposition steps should, or need not, be taken. To permit parties to calculate steps while issues of imperfect service are resolved, this section should clarify that all deadlines in the proceeding are deemed to remain in place unless determined otherwise by the Registrar.

Section 49 - we remain of the view that it would be helpful for the wording of this section to be amended to clarify that there is no requirement that “state of the Register evidence” filed in an opposition proceeding consist of certified copies of applications and registrations. The requirement for certified copies will add expense and complexity to proceedings. For example, an opponent would need at least a week and would spend hundreds or thousands of dollars to order certified copies of those documents from CIPO. Those documents are available instantaneously and freely online in uncertified format. In the rare case that the applicant questions the reliability of uncertified records, they would be simple to verify.

Subsection 58(1) - this section, read in conjunction with subsections. 57(4) and 57(7) suggests that it is not until after the expiry of the applicant’s deadline to file written representations that the opponent and the applicant may request a hearing. Practically, many parties advise the Registrar that they do not intend to file evidence and/or written representations, and at the same time advise that they intend to make representations at a hearing. It is more convenient for the parties, and we submit, the Registrar, to permit parties to advise of the wish to make representations at a hearing at any stage after the opposition and the counter statement to opposition have been filed. We therefore recommend that this section be amended by adding, at the beginning “At any time following the filing of a counter statement, and no later than one month after ...”

Subsection 58(2) - it bears repeating that the wording of this section will most certainly result in parties consistently requesting a hearing to avoid losing the opportunity to make oral submissions.

This will needlessly add a step to all oppositions, increase the cost of opposition proceedings, and impact the resources and scheduling efforts of the Registrar.

It is recommended that this section be revised to provide that, in the event a request for a hearing is made by any party, the other party must advise the Registrar within a designated time that they intend to attend and make submissions. Should that other party fail to notify the Registrar of its intention to participate in a hearing within the designated time frame, any parties who initially requested a hearing may elect not to proceed with the hearing.

Subsection 58(3) - we question the effect of notification of a change less than a month before the date of a hearing. Given the realities of daily practice, there could be many changes to the details of a hearing, including, for example, how representations will be made (by telephone, video, etc.). While we appreciate the disruptive impact of last-minute changes, the section suggests unnecessary inflexibility.

Computation of Deadlines – Since the computation of time deadlines during oppositions is critical, and uncertainty and errors may lead to loss of rights (see also the discussion in Section 159 below), the wording of provisions relating to the computation of time should be clear and preferably consistent. For example, subsections 50(1), 52(1) and 57(2) refer to a deadline based on a number of “months that begins after the day [or date] . . .” [emphasis added], leading to potential conflict in interpretation based on subsection 27(4) and section 28 of the *Interpretation Act* as to whether the deadline falls on the same calendar number as the trigger day. Other sections, such as subsection 57(5), employ even different wording for a deadline based on a number of “months that begins after the end of the two-month period” [emphasis added], leading to further complexity. Consistency for calculating deadlines in oppositions is required.

PROCEEDING UNDER SECTION 45 OF ACT

Our comments above on service of documents and hearings under the heading “Opposition Proceeding under Section 38 of the Act” apply equally to Section 45 proceedings.

RENEWAL OF REGISTRATION

DEEMED DATE – MERGED REGISTRATIONS

Section 77 - this provision is exceptionally difficult to comprehend. We are concerned that complexity will lead to uncertainty resulting in errors in the calculation of renewal dates, which in turn can result in lost rights. It would be simpler to confirm that the initial period, and all subsequent renewal periods for any registration that results from a merger of registrations are determined by the registration date of the earliest registration.

OBJECTION PROCEEDING UNDER SECTION 11.13 OF ACT

Our comments above on service of documents and hearings under the heading “Opposition Proceeding under Section 38 of the Act” apply equally to objection proceedings.

WRITTEN REPRESENTATIONS

Section 92 – this provision refers to subsection 11.13(5.1) of the Act, which does not exist. That reference should be amended to refer to subsection 11.13(5) of the Act if that is what is intended by the reference to subsection 11.13(5.1).

PART 2 IMPLEMENTATION OF MADRID PROTOCOL

GENERAL COMMENT

Some of these issues/concerns were raised in our previous submissions. In particular, the proposed regulations remain unnecessarily complicated and convoluted. If experienced trademark professionals have difficulty interpreting these regulations, they will likely be impossible to decipher for businesses and non-Canadian professionals.

INTERPRETATION

“date of notification of territorial extension” means the day on which the International Bureau notifies the Registrar of a request made under Article 3ter(1) or (2) of the Protocol. (*date de la notification d’extension territoriale*)

Is the day on which the International Bureau notifies the Registrar the day it is sent or the day it is received by the Registrar? More clarity is needed, since this date impacts other provisions in the Regulations.

“opposition period” means the two-month period referred to in subsection 38(1) of the Act. (*délai d’opposition*)

We recommend that this be qualified by the wording “subject to any permissible extension” to guard against confusion about the permitted period within which to oppose, particularly given the language of section 125.

FUNCTIONS OF REGISTRAR

Section 100 - the words “if in respect to all or any of the goods or services” appear in paragraph 100(c)(i), but not in paragraph 100(c)(ii). There does not appear to be any reason for this distinction.

CHANGE IN OWNERSHIP OF INTERNATIONAL REGISTRATION

Section 102 - section 100 states that “on receipt of an application”, the Registrar “must” do certain acts, including presenting the application to the International Bureau. Section 102 should similarly include the wording “Upon receipt of a request for the recording of a change in ownership...”

NON-REGISTRABLE TRADEMARKS

Section 104 - it bears repeating that section 104 uses the words “not registrable”, but that the qualifications for registrability are set out in section 12 of the Act, and do not include whether or not goods/services are within the scope of an international registration. This will cause uncertainty as to the impact of such “registrability”, and also whether this raises, or not, a ground of opposition. It is recommended that this section use alternate language, such as “A trademark that is the subject of a Protocol application may not be registered if the goods or services specified in the Protocol application are not within the scope of the international registration.”

EFFECT OF CORRECTION OF INTERNATIONAL REGISTRATION ON PROTOCOL APPLICATION

Section 115 - this section, which has been reworded, continues to be very difficult to comprehend, especially since the referenced sections follow, and not precede, this section. It would be easier to understand if the section were reworded to refer to the impact of the cited sections, rather than merely reciting the section numbers.

Section 118 - it seems that the date that any error was made may not be easily, or ever, determined, and so having a date run from when the error occurred will always result in uncertainty about the effective date of an amendment to the Protocol application. In addition, it is not certain that every “correction” will result from an “error”. Since both section 114 and subsection 117(2) refer to corrections, it would be preferable if the amendment is deemed to have taken place on the later of the filing date of the Protocol application, and the date on which the international registration was corrected.

OPPOSITION

Section 125 - as noted above, this section appears to set an internal inconsistency about the term of the “opposition period”, which under section 96 is 2 months, but can, under subsection 1(2) and section 125, be extended (subject to subsection 97(1)).

REGISTRATION OF TRADEMARKS

Section 132 - an opposition may be decided in favour of the applicant for only some goods/services, but not all, this section should so clarify, by adding, after the phrase “in favour of the applicant” the words “for all or some of the goods and services”, and it should confirm that the obligation on the Registrar is to register for such goods/services. If this change is not made, it will be uncertain what will happen in the case of an opposition that is only partially in favour of an applicant.

Subsection 132(2) - the calculation of dates in subsection 132(2), and in particular subparagraph 132(2)(d)(ii) is exceedingly complicated. Further, the language in the section uses a number of terms such as “after the date”, “after the day”, and “from the date”. Setting a deadline “from” a specific date provides clarity. Since calculation of deadlines is critical, and certainty is important, and the impact of any error in the calculation of deadline can have very adverse consequences, the way in which deadlines are expressed needs more clarity. This comment applies to numerous sections of the Regulations.

RENEWAL

Subsection 144(1) - what is the impact of “moment” in this section? All other periods or terms are expressed by “on the day”, or “on the date”, whereas this section uses “at the moment”. The term “moment” suggests that the time of day is relevant. Since the time of day of a cancellation or expungement is not recorded, anywhere, this term is confusing. It is recommended that “on the day” be used for both the beginning and ending terms.

PART 3 TRANSITIONAL PROVISIONS, REPEAL AND COMING INTO FORCE

TRANSITIONAL PROVISIONS

Subsection 154(2) - the provisions of subsection 154(2) are very difficult to understand. Since payment terms should be clear and unequivocal, clarifications are required. For example, subsection 154(2) could begin with the words “in the case of any divisional application”, since this provision only applies to divisional applications. Similarly, use of wording such as “from which stems the series”, and “that stems from the original” is complicated. The intent of the section is not clear.

Section 155 payment of fees is key to registration. There should be no doubt as to what, or when a fee applies. It should not be necessary to first read a number of paragraphs in both the Act and the Regulations to understand the impact of any single section. For example, it would be clearer to say that, for any application filed before the coming-into-force date that includes the information set out in subsections 33(1)(a) to (e) of the Act, the fee is set out in item 1 of the schedule to the former Regulations. Even a simple reference to “*information* set out in ss. 33 (1)(a) to (e)” would simplify this provision.

Section 159 - since the accurate calculation of renewal dates is critical, and uncertainty and errors may lead to loss of rights, wording of any provisions relating to “term” should be very clear. This section is not. Use of phrases that depend upon calculating dates that are based on later and beginning days, and incorporate calculations from both the Regulations and the Act are too complex for many applicants, particularly self-represented applicants. The exact date when expressed in terms of “x months after a date” as opposed to “x months from the date” is not certain. Simplification is required. For example, even adding a clue such as “notice of renewal referred to in subsection 46(2) of the Act” might assist in determination of the deadline date.

Section 160 - as noted previously, absent some reference to the content of sections referred to (e.g., sections 76 and 159), the impact of this section is very difficult to comprehend. Terms that are calculated from the “expiry” of a period and beginning “after a day” are not only very complex to clearly determine, but it is expected that there will be many errors in the calculation of these dates, particularly by self-represented applicants. Since there will be many registrations that will require grouping of goods and services by class, and the impact of failure to respond to the notice period is severe (loss of registration), the wording in the section needs to be both simple and clear.