

February 3, 2023

Ms. Guylaine Lefebvre  
Trademarks Opposition Board  
Canadian Intellectual Property Office  
Innovation, Science and Economic Development Canada  
Place du Portage, Phase I  
50 Victoria Street  
Gatineau, QC K1A 0C9

**Via email:** [Guylaine.Lefebvre2@ised-isde.gc.ca](mailto:Guylaine.Lefebvre2@ised-isde.gc.ca)

Dear Ms. Lefebvre:

**Re: Consultation Document – Proposed Amendments to the Trademarks Regulations and Draft Practice Notices Pertaining to Proceedings Before the Trademarks Opposition Board**

The International Trademark Association (INTA) is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. Members include nearly 6,500 organizations, representing more than 34,350 individuals (trademark owners, professionals, and academics) from 185 countries. Our members benefit from the Association's global trademark resources, policy development, education and training, and international network.

Founded in 1878, INTA, a not-for-profit organization, is headquartered in New York City, with offices in Beijing, Brussels, Santiago, Singapore, and Washington, D.C., and a representative in New Delhi. INTA has over 130 members in Canada, including brand owners such as: lululemon athletica, Molson Coors Canada, IMAX Corporation, Aritzia LP, and TD Bank Group.

INTA wishes to provide the following comments in response to the above consultation.

**Background**

INTA is supportive of the Canadian Intellectual Property Office's (CIPO) plans to exercise its authority in opposition, objection, and non-use proceedings to: (a) award costs; (b) grant confidentiality orders; and (c) case manage proceedings.

INTA also appreciates having the opportunity to participate in CIPO's public consultation with respect to the draft practice notices that it published on its website for each of the above initiatives.

We have prepared markups of each of the three practice notices containing our recommendations for revisions to the draft notices posted by CIPO for comment. The following contains a summary of the key recommendations made by us for revisions.

### Costs awards

Although INTA is supportive of the use of costs awards in the manner proposed by CIPO, it recommends that the practice notice include a recognition of the fact that trademark agents and lawyers have a duty to resolutely and zealously represent their clients in a professional manner.

INTA also has some concerns that a self-represented party in an opposition or other trademark proceeding may not be aware of their potential entitlement to costs and/or may have difficulty understanding and complying with the procedure and deadlines for pursuing a costs award. As such, we have recommended language in our markup of the practice notice that would allow the Registrar, on its own initiative, to advise a self-represented party of its potential entitlement to costs and to establish a simplified procedure to be followed in such a case.

### Confidentiality orders

In our attached markup, we have noted that it would be preferable for there to only be a single confidentiality order in a particular opposition or other proceeding. Accordingly, in circumstances where an order is already in place in a proceeding, the practice notice should provide that a party seeking to designate additional materials as confidential can do so by seeking an amendment to the existing order rather than seeking a second, separate order.

### Case management

CIPO's draft practice notice emphasizes that case management will be a tool that is to be used in only "exceptional" circumstances. Given the positive role that case management has played in Federal Court proceedings, INTA recommends that the Opposition Board be open to using case management more frequently.

We have also suggested in our attached markup that the practice notice specify more clearly whether, in a case-managed proceeding, a party seeking an interlocutory ruling bring its request to the case manager or, alternatively, to the Opposition Board generally.

We thank you again for providing us with the opportunity to comment on the draft practice notices and would be pleased to answer any questions that you may have for us with respect to our recommendations.

Should you have any additional questions or need further information, please contact Jenny Simmons, Director, Government Relations, at [jsimmons@inta.org](mailto:jsimmons@inta.org) or Christina Mitropoulos, Director, External Relations – Anticounterfeiting, at [cmitropoulos@inta.org](mailto:cmitropoulos@inta.org).

Sincerely,



Etienne Sanz de Acedo  
Chief Executive Officer  
International Trademark Association (INTA)

# Draft – Case management in proceedings under sections 11.13, 38 and 45 of the *Trademarks Act*

From: [Canadian Intellectual Property Office](#)

Publication Date: 202X-XX-XX

This practice notice describes how the Registrar of Trademarks (the Registrar) conducts case management in the context of proceedings under section 11.13, 38 and 45 of the *Trademarks Act*.

[Consultation note: This draft practice notice makes reference to proposed amendments to the *Trademarks Regulations* which also form part of this consultation. [See here](#) for a description of the proposed regulatory amendments.]

While the Registrar has a long-standing practice of conducting case management pursuant to the common law principle that the Registrar, when acting in a quasi-judicial function, is a master of its procedure [*Prasad v Canada (Minister of Employment and Immigration)*, 1989 CanLII 131 (SCC), [1989] 1 S.C.R. 560, at pages 568-569], this practice notice sets out the Registrar's case management practices in view of sections XX-XX of the Regulations.

## Relevant legislation and practice notices

This Practice Notice makes reference to the following legislation and practice notices:

- [Trademarks Act \(the Act\)](#)
- [Trademarks Regulations \(the Regulations\)](#)
- [Practice in Objection Proceedings under Section 11.13 of the \*Trademarks Act\*](#)
- [Practice in trademark opposition proceedings](#)
- [Opposition to Protocol applications and section 45 cancellation proceedings against Protocol registrations](#)
- [Practice in section 45 proceedings](#)
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## I. Introduction

The Registrar uses case management to achieve procedural efficiency and cost-savings while moving its cases towards a timely resolution.

## II. Purpose of Case Management

The purpose of case management is to allow the Registrar to give a direction or make an order to deal with matters in an efficient and cost-saving manner as the circumstances and considerations of fairness permit (section XX of the Regulations).

Where ~~required in exceptional cases~~[appropriate](#), the Registrar may order that a proceeding continue as a case-managed proceeding (section XX of the Regulations). For a case-managed proceeding, the Registrar has considerable flexibility to tailor a proceeding. This includes the authority to vary the application of the Regulations or adjust deadlines set out in the Act.

## III. Circumstances Where Case Management May Be Employed

Case management has and will be employed in situations, including the following, to deal with procedural matters in an efficient and cost-saving manner:

- Extending [or abridging](#) deadlines to align multiple related proceedings.
- Hearing related files together or consecutively.
- Convening a conference call with the parties to address issues that could potentially delay a proceeding (e.g. addressing requests for accommodation at a hearing).
- Convening a conference call with the parties to address the scheduling and conduct of hearings, including hearings implicating multiple related proceedings, hearings with exceptionally voluminous or complicated records, hearings where confidential information will be discussed, or hearings where there are outstanding issues to resolve with respect to attendance.

- Convening a conference call with the parties to address the scheduling and conduct of cross-examinations, including the location, timing and duration of the cross-examinations, and refusals and undertakings given at the cross-examinations.

Other types of case management may be applied depending on the circumstances of a proceeding.

## **IV. Parties Will be Advised**

When the Registrar determines that case management will be employed, for example aligning the deadlines in multiple related proceedings, setting down related files to be heard at the same time or setting up a conference call, the parties will be advised in writing.

## **V. Case Management is Procedural not Substantive**

Sections XX-XX of the Regulations are concerned with the case management of procedural as opposed to substantive aspects of proceedings. Therefore, the Registrar will not use case management to make substantive rulings such as finding that a party has failed to meet their evidential burden on a ground of opposition prior to a decision.

## **VI. Case Management and Section 47 of the Act**

In granting extensions of time pursuant to section 47 of the Act, the Registrar must be "satisfied that the circumstances justify an extension" or the failure to apply for an extension prior to the deadline was "not reasonably avoidable".

The Registrar will generally not use its case management powers to grant extensions of time where an extension request has already been assessed and refused under sections 47(1) or 47(2) of the Act. To do so would introduce uncertainty, inefficiency and delay into a proceeding which runs contrary to the purpose of case management.

## **VII. Case Management and Interlocutory Rulings and Leave Requests**

A party wishing to strike all or part of a statement of opposition, amend a statement of opposition or counter statement or submit additional evidence, should do so pursuant to the relevant sections of the Act and Regulations.

The Registrar will generally not use its case management powers in the course of an opposition proceeding to strike all or part of a statement of opposition, grant amendments to statements of opposition or counter statements or submit additional evidence. To do so would introduce uncertainty, inefficiency and delay into a proceeding which runs contrary to the purpose of case management. [Note: It is unclear from this section VII whether, in circumstances where a party seeks an interlocutory ruling of the type mentioned above in a proceeding that is already case managed, such party would direct its request to the assigned case manager or just generally to the Opposition Board. We recommend that the practice notice provide that such requests be directed to the case manager.]

## VIII. Circumstances Where a Proceeding May Become a Case-Managed Proceeding

~~In exceptional cases~~ Where appropriate, and either on its own initiative or at the request of one or more parties, the Registrar may order a proceeding to continue as a case-managed proceeding (section XX of the Regulations). In doing so, the Registrar shall have regard to all of the surrounding circumstances, including:

- a. whether the Registrar's intervention in the proceeding is required in order to deal with matters in an efficient and cost-saving manner;
- b. procedural efficiency;
- c. volume of evidence;
- d. complexity of the proceeding;
- e. whether the parties are represented;
- f. number of related files involving the same or similar parties;
- g. the amount of intervention by the Registrar that the proceeding is likely to require;
- h. whether substantial delay has occurred or is anticipated in the conduct of the proceeding.

(section XX of the Regulations)

~~Two~~ Three situations have been currently identified by the Registrar where the surrounding circumstances may warrant a proceeding being designated as a case-managed proceeding on terms that the Registrar considers appropriate:

### Divisional Applications in Oppositions

Where an application has been divided into multiple applications which have been or will be opposed by the same opponent on the basis of similar grounds, it may be most efficient to consolidate the submission of documents, rulings or hearings, as appropriate.

### Corrections to Protocol Applications

If a substantive amendment is received from the International Bureau to a Protocol application, after an opposition is commenced, and the application is re-advertised pursuant to sections 116-117 of the Regulations, it may be most efficient to deem certain documents in the opposition to have been submitted in respect of the amended Protocol application.

Where possible, the same Member of the Trademarks Opposition Board will have carriage over a case-managed proceeding including making any directions or orders, issuing any interlocutory rulings, presiding over the hearing and/or issuing the decision.

## **Oppositions Involving the Same Parties and Similar Issues**

Where the same parties are involved in multiple oppositions that involve the same or highly similar issues, it may be efficient to consolidate the submission of documents, rulings or hearings, as appropriate.

## **IX. Examples of Directions in Case-Managed Proceedings**

The Registrar may, in relation to a case-managed proceeding, give a direction or make an order that varies, supplements or dispenses with the application of the Regulations or fixes, despite any time or manner that is provided for under the Act or Regulations, the time by which or the manner in which a step in the proceeding is to be completed (section XX of the Regulations). In doing so, however, the Registrar cannot give a direction or make an order that is inconsistent with sections 35, 49, 56(1), 83, 91(1), 125, 126, 128 of the Regulations (section XX of the Regulations).

In respect of proceedings involving divisional applications, for example, the Registrar may order that the submission of documents be consolidated such that at a party's election, the documents submitted in respect of the original application may be deemed submitted in respect of each of the divisional applications. This would, for example, permit an opponent to submit a statement of opposition against the original application and that at their election, the statement of opposition may be deemed submitted against each divisional application. This would also permit a party to submit an extension request in the original application and, at the party's election, the extension request may be deemed submitted against each divisional application. Consolidation will not apply to the submission of fees to the Registrar. Pursuant to the practice notice *Fee waivers and refunds*, all the prescribed fees in respect of each application will still be required.

In respect to proceedings involving a corrected Protocol application which has been re-advertised after correction, the Registrar may notify the parties that any documents already submitted/served in the course of the opposition to have been filed/served in the proceeding against the corrected Protocol application, and inform the parties that it is not necessary to re-file and re-serve those documents. Pursuant to the practice notice *Fee waivers and refunds*, all the prescribed fees in respect of the corrected application will still be required.

Once it is no longer necessary for a case to be a case-managed proceeding to facilitate efficiency, the Registrar will advise the parties and the proceeding will continue in accordance with the provisions set out in the Act and the Regulations.

This practice notice is intended to provide guidance on the Canadian Intellectual Property Office practice and interpretation of relevant legislation. In the event of any inconsistency between this notice and the applicable legislation, the legislation must be followed. The provisions of this practice notice are general guidelines only, are not binding in any particular case and are subject to change.

## Draft – Practice notice on confidentiality orders

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From: [Canadian Intellectual Property Office](#)

Publication Date: 202X-XX-XX

This practice notice sets out the practice of the Registrar of Trademarks (the Registrar) with respect to confidentiality orders under section 45.1 of the *Trademarks Act*.

[Consultation note: This draft practice notice makes reference to proposed amendments to the *Trademarks Regulations* which also form part of this consultation. [See here](#) for a description of the proposed regulatory amendments.]

## Relevant legislation and practice notices

- [Trademarks Act \(the Act\)](#)
- [Trademarks Regulations \(the Regulations\)](#)
- [Practice in Objection Proceedings under Section 11.13 of the Trademarks Act](#)
- [Practice in trademark opposition proceedings](#)
- [Practice in section 45 proceedings](#)

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## I. Introduction

As a general rule, all documents relating to trademark proceedings including in proceedings under section 11.13, 38 and 45 of the Act, are available to the public [section 29(1)(f) of the Act]. Hearings in trademark proceedings are also open to the public, consistent with the open court principle which provides that public confidence in the integrity of the justice system and understanding of the administration of justice is best achieved by ensuring access.

Notwithstanding the above, the Registrar of Trademarks (the Registrar) may order that some of the evidence should be kept confidential in trademark proceedings pursuant to section 45.1(4) of the Act and XX of the Regulations.

The Registrar views these requests as exceptional because they involve a major departure from the open court principle. Specifically, the excessive use of or overly broad confidentiality orders may undermine the Registrar's ability to issue reasons for decisions that publicly disclose all the relevant information upon which decisions are based. The Registrar is of the view that for most proceedings redacting documents or describing evidence broadly, for example, yearly sales of over \$1 million, is sufficient for a just determination.

## II. Requests for confidentiality orders

A party to a proceeding under sections 11.13, 38 and 45 of the Act may request that some of the evidence that they intend to submit to the Registrar be kept confidential [section 45.1(1) of the Act]. As section 45.1(1) of the Act is specific to evidence, the Registrar will not consider requests to keep a statement of opposition or counter statement or part of a statement of opposition or counter statement confidential.

## II.1. Timing

According to section 45.1(2), a request to keep some of the evidence confidential must be made prior to submitting the evidence at issue. The Registrar will not consider a request for a confidentiality order if the evidence at issue is submitted before the Registrar notifies the party in accordance with sections 45.1(3) and (4) of the Act. A request for a confidentiality order will have no effect on a party's deadline for submitting and serving their evidence unless the party specifically requests an extension of time under section 47 of the Act prior to or at the same time they request the confidentiality order. In such cases, the Registrar will generally grant the party a one-month extension of time from the date of the confidentiality order (or, alternatively, from the Registrar's refusal of the request for a confidentiality order) to submit and serve their evidence.

## II.2. Content of the request

A request for a confidentiality order must be filed using the [Trademarks Opposition Board \(TMOB\)'s online E-services](#) and contain the following:

- i. A description of the information in the proposed evidence that a party wishes to keep confidential (for example, personal medical information, terms of a settlement agreement, internal marketing plans);
- ii. A statement that the information in the proposed evidence has not been made public;
- iii. An explanation as to why the information should be treated as confidential;
- iv. An indication as to whether the party has obtained the consent of the other party; and
- v. All the information required to complete the model confidentiality order provided by the Registrar.

[section XX of the Regulations]

The submissions in the request must have sufficient information to fulfil the test as set out below.

Parties should note that even if a confidentiality order is granted, the request for a confidentiality order and any submissions received from the other party, remain available to the public.

In circumstances where a confidentiality order has already been issued in a matter and a party wishes to have the order designate additional proposed evidence as confidential under the order, it shall file a request for an amended confidentiality order in the same manner as set out above. The other provisions of this practice notice shall apply with necessary modifications to a request for an amended confidentiality order.

## III. Comments from the other side

Where consent from the other party is not indicated, the Registrar will ask the other party for its comments.

# IV. Test used to grant or deny confidentiality orders

## IV.1 Tests for issuing a confidentiality order as set out in *Sierra Club* and *Sherman*

The test for issuing a confidentiality order, as articulated by the Supreme Court of Canada in *Sierra Club of Canada v Canada (Minister of Finance)*, 2002 SCC 41 at para 53 and as recast in *Sherman Estate v Donovan*, 2021 SCC 25 at para 38, includes three core prerequisites that are to be established by a person seeking an exception to the open court principle (*Sherman* at para 38 citing *Sierra Club* at para 53):

- a. court openness poses a serious risk to an important public interest because reasonably alternative measures will not prevent the risk;
- b. the order sought is necessary to prevent that risk; and
- c. the benefits of the order outweigh its negative effects.

### IV.1.a Serious risk to an important public interest

The Registrar will generally qualify a "serious risk" as a risk that is real and substantial, and that poses a serious threat to an important interest. An "important interest" relating to sensitive information is an interest which can be expressed in terms of a **public interest** in confidentiality, as opposed to an interest that is merely specific to the party requesting the order.

Important public interests include: a party breaking its contractual obligations to protect the confidential information of a third party (*Sierra Club*), the public interest in preserving human dignity (*Sherman*), and the public interest in fair competition (*Resolve Business Outsourcing Income Fund v Canadian Financial Wellness Group Inc.*, 2014 NSCA 98). The Federal Court has previously found potential harm to a competitive position and negotiations with suppliers, customers, competitors and brand companies to not form a serious risk to a public interest (*Pharmascience Inc. v Meda AB*, 2021 FC 1216).

### IV.1.b Reasonably alternative measures

In considering "reasonably alternative measures", the Registrar will consider, for example, whether redacting information in the documents at issue, would be a reasonable alternative to a confidentiality order. If a confidentiality order is issued, the Registrar will restrict the order as much as is reasonably possible while preserving the interest in question.

### IV.1.c Benefits of the order outweigh its negative effects

In considering whether the benefits of a confidentiality order outweigh its negative effects, the Registrar will consider whether the confidential information is required and/or relevant to the proceeding.

## IV.2 Consent

While the consent of the other party in the proceeding may inform the Registrar's assessment of the prerequisites set forth in the Regulations and *Sierra Club* and *Sherman*, nevertheless, a confidentiality order is an extraordinary order, and the onus lies on the party seeking it to justify a departure from the requirement that evidence in a proceeding is available to public.

# V. Manner of serving and submitting confidential information

The confidentiality order issued by the Registrar is based on the Federal Court's model confidentiality order with modifications to set out that all documents including confidential information must be submitted electronically through the [TMOB's online E-services](#). A model order is set out at [Schedule A](#).

## V.1 Service on other party

The confidentiality order will confirm the method of serving the confidential information on the other party, as well as any other terms. Typically, the parties will be directed to use the service function through the [TMOB's online E-services](#).

## V.2 Submission to the Registrar

Evidence that has been ordered to be kept confidential according to section 45.1(4) of the Act must be submitted to the Registrar pursuant to the terms in the confidentiality order. These terms may require that two versions be submitted electronically, namely:

- a. a **public version** with the reference to the confidential information redacted; and,
- b. a **confidential version** containing all the references to the confidential information highlighted in yellow or on a yellow background.

# VI. Subsequent documentation

## VI.1 Service on other party

Any subsequent documentation referencing the confidential information (such as cross-examinations or written submissions) will need to be served under the same terms as the original confidential information (as per the confidentiality order).

## VI.2 Submission to the Registrar

Any subsequent documentation referencing the confidential information (such as cross-examinations or written submissions) will need to be submitted to the Registrar pursuant to the terms in the confidentiality order. These terms may require that two versions be submitted electronically, namely:

- a. a **public version** with the reference to the confidential information redacted; and,
- b. a **confidential version** containing all the references to the confidential information highlighted in yellow or on a yellow background.

## VII. Hearing

At the beginning of the hearing, the Registrar will explain how the portions of the hearing dealing with the confidential information will be handled and any members of the public attending the hearing will be excluded from those parts dealing with confidential information.

## VIII. Reference to confidential information in decision

Wherever possible, the Registrar ensures that public documents that the Registrar produces contain only information that has been put into the public domain and do not include confidential information.

If it is necessary to refer to the confidential information in a ruling or decision, two versions of the decision will be issued by the Registrar, namely:

- a. a **public version** with any confidential information redacted; and a
- b. a **confidential version**.

If warranted, after issuing the confidential version of the decision, the Registrar may contact the parties to confirm the redactions on the public version in advance of the public version being issued.

## IX. Confidentiality order may be filed with the Federal Court

The Act provides that a certified copy of the Registrar's confidentiality order may be filed in the Federal Court and, on being filed, the order becomes and may be enforced as an order of that Court [section 45.1(6) of the Act].

## X. Breach of a confidentiality order

Parties are bound by the confidentiality order to protect any confidential information provided to them pursuant to the order. Should a party become aware of a confidentiality breach or even a potential confidentiality breach, it would be up to that party to seek a remedy at the Federal Court.

If a party breaches the confidentiality order during the course of a proceeding, the Registrar may award costs against that party.

This practice notice is intended to provide guidance on the Canadian Intellectual Property Office practice and interpretation of relevant legislation. In the event of any inconsistency between this notice and the applicable legislation, the legislation must be followed. The provisions of this practice notice are general guidelines only, are not binding in any particular case and are subject to change.

## Schedule A (Model Order)

### Trademarks Opposition Board Confidentiality Order

**Upon request** made by the <insert> for an order pursuant to section 45.1(1) of the Act that certain information relating to <insert>, be treated as confidential and be sealed in the Registrar's records;

**And upon** considering the submissions and the consent <if applicable> of the parties attached hereto; (the “Parties”);

~~This registrar~~ The Registrar orders that:

1. For the purpose of this Order the following is designated as Confidential Information and may be filed and treated as confidential in accordance with this Order:
  - a. <insert>
2. Whenever a party-Party seeks to file with the Registrar documents or portions thereof, including affidavits, exhibits, transcripts or written submissions which contain or discuss Confidential Information as defined in paragraph 1 of this Order, in a manner that would reveal its content, the Confidential Information shall be segregated from the other information and documentation being submitted for filing and shall be submitted to the Trademarks Opposition Board in the form of electronic documents with the confidentiality designation reflected in the file name.
3. A public version of the document from which the Confidential Information has been redacted must also be filed as part of the public record.

4. The terms and conditions of use of Confidential Information and the maintenance of the confidentiality thereof during any hearing of this proceeding, shall be a matter in the discretion of the Registrar.
5. In the absence of written permission from the Party who disclosed Confidential Information, Confidential Information shall not be disclosed to anyone except the Registrar, Canadian Intellectual Property Office (CIPO) employees and the following:
  - a. Party A and Party B
  - b. agents for the ~~parties~~Parties, and ~~its-their~~ employees and contractors;
  - c. any consultants, foreign agents of the agents and their employees and contractors; and
  - d. such other persons as the Parties may agree in writing or as the Registrar may order.
6. Where it appears to the Registrar or to a ~~party~~Party that documents have been filed under seal pursuant to this Confidentiality Order which do not fall within the scope of this Confidentiality Order or that information designated by this Confidentiality Order as Confidential Information is available or has been obtained by the receiving ~~party~~Party other than through disclosure in this proceeding, or has been made public and should no longer be treated as Confidential Information, ~~the party-a~~ Party may seek directions from the Registrar or the Registrar may unilaterally issue directions for the filing ~~party~~Party to show cause why the documents should not be unsealed and placed on the public record.
7. Any Confidential Information submitted to the Registrar in accordance with this Confidentiality Order shall be treated as confidential by ~~the~~ Registrar and shall not be available to anyone other than the ~~parties~~Parties and employees or contractors of CIPO. Notwithstanding this section, on appeal, the ~~confidential information~~Confidential Information will be included in the certified file history transmitted to the Federal Court.
8. The Confidential Information shall be used ~~by the receiving Party~~ solely for the purpose of this proceeding and may not be used ~~in any other proceeding or~~ for any other purpose.
9. Subject to any further order of the Registrar, the termination of this proceeding shall not relieve any person to whom Confidential Information was disclosed pursuant to this Confidentiality Order from the obligation of maintaining the confidentiality of such information in accordance with the provisions of this Confidentiality Order. The provisions of this Order shall continue after the final disposition of this proceeding.
10. Upon final termination of this proceeding (including appeals), each Party shall destroy within sixty (60) days all items containing Confidential Information ~~received from the opposite Party~~ pursuant to this Confidentiality Order. Notwithstanding the above, agents for the ~~Parties-receiving Party~~ may keep one (1) copy of Confidential Information in their files. The Registrar will retain the Confidential Information until such time as the Registrar may elect to destroy it (see section 29.1 of the *Trademarks Act*).

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# Draft – Cost awards in proceedings under sections 11.13, 38 and 45 of the *Trademarks Act*

From: [Canadian Intellectual Property Office](#)

Publication Date: 202X-XX-XX

This practice notice is intended to set out the practice of the Registrar of Trademarks (the Registrar) with respect to costs awards in proceedings under sections 11.13, 38 and 45 of the *Trademarks Act*.

Consultation note: This draft practice notice makes reference to proposed amendments to the *Trademarks Regulations* which also form part of this consultation. [See here](#) for a description of the proposed regulatory amendments.

## Relevant legislation and practice notices

This draft Practice Notice makes reference to the following legislation and practice notices:

- [Trademarks Act \(the Act\)](#)
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- [Practice in Objection Proceedings under Section 11.13 of the Trademarks Act](#)
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- [Opposition to Protocol applications and section 45 cancellation proceedings against Protocol registrations](#)
- [Practice in section 45 proceedings](#)
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## I. Introduction

The Registrar may, at the request of a party, award costs in proceedings under sections 11.13, 38 and 45 of the Act in specific circumstances. Costs may be awarded against a party that has engaged in certain ~~circumstances~~ conduct during a proceeding and will help ensure that parties are incentivized to move efficiently through a proceeding before the Registrar.

Cost awards are not intended to prevent a party from participating fully in a proceeding or from receiving resolute or zealous representation conducted in a professional manner. As such, costs will only be awarded in exceptional cases.

## II. Request for Cost Awards

~~The~~ Generally, the Registrar will only consider awarding costs in a proceeding at the request of a party (section XX, XX or XX of the Regulations). ~~The Registrar and~~ will not do so on its own initiative. If, however, the Registrar is of the view that one party's conduct would justify a costs award in favour of an opposite, unrepresented party, it may of its own initiative advise the unrepresented party of its entitlement to seek costs pursuant to this practice notice and/or establish a simplified procedure for the parties to follow to process a request for a costs award.

### II.1 Timing

If neither party requests to make representations to the Registrar at a hearing under section 58, 74(1) or 93(1) of the Regulations, a party may file a request for costs within 14 days after the expiry of the one-month period for filing a hearing request (section XX, XX or XX of the Regulations).

If both parties file requests to be heard that are conditional on the other party also requesting to be heard, the file will be treated as if neither party has requested to be heard. As such, a party

may file a request for costs within 14 days after the expiry of the one-month period for filing a hearing request (section XX, XX or XX of the Regulations).

If, however, one party requests to make representations at a hearing in accordance with section 58(1), 74 or 93(1) of the Regulations, a party may file a request for costs within 14 days after either the end of the hearing or after the Registrar notifies the parties that the hearing has been cancelled (section XX, XX or XX of the Regulations). This is to ensure that a party may request costs for unreasonable conduct leading up to and at the hearing.

Upon request, the Registrar will generally grant a **single extension of time of up to 14 days** of the deadline to file a request for costs. All requests for an extension of time pursuant to section 47(1) of the Act must be accompanied by the prescribed fee (See [section X of Practice in trademark opposition proceedings](#)).

## II.2 Filing a Request

A request for costs must be filed in writing through the General Correspondence tab of the [Trademarks Opposition Board \(TMOB\)'s online E-services](#) (section XX, XX or XX of the Regulations). The request should be in 12 point font and not exceed one single sided, standard letter size page in length but may be accompanied by relevant supporting documentation not otherwise included in the Registrar's files.

A request for costs not filed through the General Correspondence tab of the [TMOB online E-services](#), including any paper requests and any submissions made as part of the written representations or in the statement of opposition, will **not** be considered by the Registrar.

### II.2.a Plan ahead

It is recommended to plan ahead. Because unexpected technological problems can occur, users should keep filing deadlines in mind and allow plenty of time to resolve any issues which may arise.

### II.2.b Procedure when the on-line system for filing a request for costs is down

If the [TMOB online E-services](#) are down during CIPO's business hours, the Registrar will place an alert on CIPO's website, send a notification through the Trademarks Listserv and change the voicemail message on the general information number to advise that the system is down.

If, when filing a request for costs, outside of business hours, the [TMOB online E-services](#) are down or **there is** no confirmation that the request for costs has been received upon filing, please follow the procedure outlined below for when the [TMOB online E-services](#) are down.

When the [TMOB online E-services](#) are down or no confirmation is received outside of business hours, requests for costs must be filed by attaching the request to an email and sending it to the following address: [cipotmobrec-opiccomrec@ised-isde.gc.ca](mailto:cipotmobrec-opiccomrec@ised-isde.gc.ca). To assist in the preparation of an offline request, the form at Schedule A should be used. Requests for costs sent to this email

address at any time other than when the (i) [TMOB online E-services](#) are down or (ii) no confirmation has been sent out will not be considered by the Registrar.

### **II.2.c Requirement to copy the other party**

The party requesting costs is required to copy the other party with its request (section 44, 69, or 80 of the Regulations).

## **II.3 Reasons and Particulars**

A request for costs must include the reasons for the request and the particulars of the circumstances for which costs are sought (section XX, XX or XX of the Regulations). The request should be in 12 point font and not exceed 1 single sided, standard letter size page in length but may be accompanied by relevant supporting documentation which is not included in the Registrar's files.

In the case of an opposition proceeding, section XX of the Regulations provides that the Registrar may award costs:

- a. if an application for the registration of a trademark is refused with respect to one or more of the goods or services on the ground that it was filed in bad faith;
- b. if a divisional application was filed on or after the day on which the original application is advertised under subsection 37(1) of the Act;
- c. if a party who filed a request for hearing withdraws their request for a hearing less than two weeks prior to the scheduled hearing date; or
- d. if a party engages in unreasonable conduct which causes undue delay, complexity or expense in a proceeding.

In the case of a section 45 proceeding or an objection proceeding, the Registrar may only award costs if a party who filed a request for hearing withdraws their request for a hearing less than two weeks prior to the scheduled hearing date or if a party engages in unreasonable conduct which causes undue delay, complexity or expense in a proceeding (section XX and XX of the Regulations). [Unreasonable conduct could include a party's conduct in requesting the commencement of a section 45 proceeding or an objection proceeding solely as a nuisance.](#)

### **II.3.a Bad faith**

In the case of a request for costs for the reason that an application that is the subject of an opposition proceeding was filed in bad faith, it would be sufficient for the opponent to identify the relevant ground of opposition set out in the statement of opposition. In the case where the parties are involved in multiple proceedings including a successful bad faith ground of opposition, costs will generally be awarded per application.

### **II.3.b Divisional application**

In the case of a request for costs for the reason that an application that is the subject of an opposition proceeding is a divisional application filed on or after the day on which the original application is advertised under subsection 37(1) of the Act, the opponent should include the following:

- a. the application number of the original application;
- b. the date on which the original application was advertised;
- c. the application numbers of all the divisional applications; and
- d. the date(s) on which the divisional applications were filed.

The Registrar will generally not award costs in cases where only one divisional application was filed on or after the date of advertisement of the original application as it might assist in settlement negotiations and allow for subsequent withdrawal of an opposition against some goods or services.

Section XX of the Regulations does not provide for the award of costs for the corresponding original application.

### **II.3.c Late cancellation of hearing**

In the case of a request for costs for the reason that a party who filed a request for hearing withdraws their request for a hearing less than two weeks prior to the scheduled hearing date, it would be sufficient for the party to identify the hearing date set and the date of the cancellation.

In the case where a party who requested a hearing withdraws their request for a hearing less than three weeks prior to the scheduled hearing date, the Registrar will generally not award costs if the other party also cancels its request less than two weeks prior to the scheduled hearing date.

In the case where a hearing concerning more than one proceeding is cancelled, costs will generally be awarded per each application, indication or registration.

### **II.3.d Unreasonable conduct**

Costs [awards](#) may be used to deter or mitigate unreasonable conduct in a proceeding and to encourage parties to comply with the legislation, the TMOB's practice notices and the Registrar's orders and directions.

In the case of a request for costs for the reason that a party engaged in unreasonable conduct, the request should contain sufficient details of the alleged unreasonable conduct in question, including the dates on which it occurred, and the manner in which the conduct caused undue delay, complexity or expense to the party [requesting costs](#) in the proceeding.

In determining whether there was undue delay, complexity or expense in the proceeding, the Registrar will have regard to the overall context, including the nature and purpose of the proceeding, the length and causes of the delay, the complexity of the facts and issues in the case, and the extent and causes of the expenses incurred by the party [requesting costs](#). These factors are not exhaustive, additional contextual factors can be considered in a particular case.

The following are examples of conduct that the Registrar may consider to be unreasonable causing undue delay, complexity or expense in-, or in the commencement of, a proceeding:

- a. Failing to attend a hearing that a party has requested without informing the TMOB;
- b. Failing to attend a cross-examination that a party has requested without informing the other party or cancelling a cross-examination on short notice without consent;
- c. Failing to follow the directions of the decision maker or upsetting the orderly conduct of the hearing;
- d. Engaging in litigation bullying in the form of abusive behaviours and tactics intended to defeat or make inordinately difficult the resolution of legitimate proceedings including "burying" the other party in needless or disproportionate paperwork;
- e. Breaching a confidentiality order;
- f. Lack of co-operation with the other party for scheduling of cross-examination;
- g. A course of conduct necessitating unnecessary adjournments or delays;
- h. Acting disrespectfully or maligning the character of another party or their agents.

The Registrar will generally not order costs for minor issues that arise during a proceeding. Even so, while a single act may not be unreasonable in and of itself, the Registrar may still award costs if a series of acts amount to a party's overall conduct being unreasonable causing undue delay, complexity or expense.

If the Registrar determines that a party has engaged in unreasonable conduct which causes undue delay, complexity or expense in a proceeding, the Registrar may award costs in accordance with the amount set out in section XX of the Regulations. The Registrar will not vary the amount to reflect the severity of the conduct that took place over the course of a single proceeding. In the case where the parties are involved in multiple proceedings, costs will generally be awarded per application, indication or registration.

### **III. Response**

The other party may file a response within 14 days after the day on which the Registrar gives notice of the costs request to the other party (section XX, XX or XX of the Regulations). The response must be filed in writing through the General Correspondence tab of the [TMOB online E-services](#) (section XX, XX or XX of the Regulations). The response should be in 12 point font and not exceed 1 single sided, standard letter size page in length but may be accompanied by relevant supporting documentation which is not included in the Registrar's files.

A response not filed through the General Correspondence tab of the [TMOB online E-services](#) including any paper response and any submissions made as part of the written representations, will not be considered by the Registrar.

### **IV. Decision on Costs**

The Registrar will provide reasons for its decision on costs in the final disposition of the proceeding. In doing so, the Registrar may direct by which party and to which party any costs are to be paid [section XX, XX or XX of the Regulations] in accordance with the amounts for costs awards as set out in section XX of the Regulations. A party may have a costs award ~~order~~ ordered against them even if the circumstances underlying the costs award were the result of conduct of a predecessor-in-title that ~~were~~ was a party to the proceeding.

For information on appeals of the Registrar's final decisions including final decisions with respect to costs awards, please see the practice notice [Appeals of the Registrar's Decisions: Service and Filing of Documents, Stays and Judgments](#).

## V. Enforcement

A certified copy of an order for costs may be filed by a party in the Federal Court and, on being filed, the order becomes and may be enforced as an order of that Court (sections 11.13(10), 38.1(2) and 45(4.2) of the Act).

## VI. Cost Awards in Proceedings Pending at Coming Into Force

The regime for costs awards begins on XXXX. Prior to this time, the Registrar has not awarded costs in proceedings. Consistent with the principle that parties must have knowledge of the law before acting, the Registrar may only award costs in proceedings pending as of XXXX as follows:

- a. For a successful bad faith ground of opposition where the bad faith ground of opposition was included in a statement of opposition filed or amended on or after this date (section XX of the Regulations). With respect to oppositions where a bad faith ground of opposition is included in a statement of opposition filed or amended after this date, an applicant should consider the possibility of a costs award when deciding whether to continue with the application.
- b. For divisional applications filed after the advertisement date, the request for a divisional is filed on or after this date [section XX of the Regulations].
- c. For the withdrawal of hearing requests within two weeks of the scheduled hearing, for hearings scheduled to be held at least two weeks after this date [section XX, XX or XX of the Regulations].
- d. For unreasonable conduct where the unreasonable conduct occurred on or after this date [section XX, XX or XX of the Regulations].

# Schedule A (Sample form for a request for costs)

[View as PDF](#) (PDF: 260 KB; 2 pages)

Only in the event that the [TMOB online E-services](#) are down, the following form may be used to prepare a request for costs. Completed forms may be sent by email to the following address: [cipotmobrec-opiccomcrec@ised-isde.gc.ca](mailto:cipotmobrec-opiccomcrec@ised-isde.gc.ca).

Provide the following information concerning the **proceeding for which costs are sought**:

**Trademark application, registration or indication no.**

**Trademark or Indication**

Provide the following information concerning the **party requesting costs**:

**Full name of the party**

**Full name of the party's agent**

Please indicate the reason(s) that you are requesting costs by checking the appropriate box and providing the requested information, when required:

- The other party's hearing request was withdrawn less than two weeks before the scheduled hearing.
- The other party has engaged in unreasonable conduct.

Please attach particulars detailing the date(s) of the alleged unreasonable conduct along with a description of the manner in which the conduct caused undue delay, complexity or expense to the party in the proceeding. The particulars be in 12 point font and not exceed a single sided, standard letter size page in length and should be accompanied by relevant supporting documentation not otherwise included in the Registrar's files.

- There is a bad faith ground of opposition.

Please identify the relevant ground in the statement of opposition (by paragraph number or heading):

- Opposition to divisional applications has been filed.

Please identify the following information:

The application number of the corresponding original application:

The date on which the corresponding original application was advertised:

The application numbers of all the divisional applications opposed:

The date on which the request for divisional applications were filed: