

Comments, observations and proposed revisions from Smart & Biggar

Proposed Amendments to the Trademarks Regulations and Draft Practice Notices Pertaining to Proceedings Before the Trademarks Opposition Board

Background

This update of the *Trademarks Regulations* (the Regulations) follows the amendments to the *Trademarks Act* (the Act) contained in Part 4, Division 7 of the *Budget Implementation Act, 2018, No.2* (Bill C-86).

In April 2018, the Government of Canada announced the Intellectual Property (IP) Strategy to help entrepreneurs and innovators better understand and protect their IP rights. To that end, targeted legislative amendments were made to the Act under Bill C-86, which received Royal Assent on December 13, 2018, to introduce a series of measures destined to improve the efficiency of IP dispute resolution and discourage undesirable behaviors in proceedings.

Among other changes, Bill C-86 gave three new authorities to the Registrar of Trademarks, to be exercised in the context of opposition, objection and section 45 proceedings.

They are 1) awarding costs, 2) granting confidentiality orders and 3) case managing proceedings. Although Bill C-86 enabled the new authorities, the procedural aspects necessary to support and implement these authorities were left to the Regulations.

This document provides information regarding the proposed additions to the Regulations and accompanying draft practice notices, that CIPO has developed to carry out the amendments that were made to the Act. In addition to being consistent with the IP Strategy, these amendments aim to provide the TMOB with the tools needed to discourage undesirable behaviors in proceedings, protect confidential evidence and manage complex cases. The introduction of these proposed amendments will also increase the overall effectiveness of the TMOB and ensure that it continues to deliver trademark rights in a timely manner.

In order to ensure that these proposed amendments address our clients' needs, CIPO is undertaking this consultation. Your feedback, comments and suggestions on the proposed amendments and the draft practice notices will help guide the amendments to the regime and ensure that the drafted rules and the proposed practices streamline and clarify procedures prior to their pre-publication in the Canada Gazette Part 1.

The document is divided into three sections, each of which presents the proposed amendments to the Regulations.

Section 1: Cost Awards

This section outlines in which circumstances the Registrar will award costs in opposition, section 45 and objection proceedings, sets the period and mechanism in which a party may request costs and respond to a costs request made by the other side.

Section 2: Confidentiality Orders

According to section 45.1(4) of the Act, introduced under Bill C-86, the Registrar must be satisfied that the information in the proposed evidence should be treated as confidential, notwithstanding the public interest in open and accessible proceedings, before ordering that such evidence be kept confidential.

This section details the process by which a party may request a confidentiality order.

Section 3: Case Management

This section provides information on the two different ways in which case management will be practiced by the Registrar in opposition, section 45 and objection proceedings.

Section 1: Cost Awards

Under the proposed amendments, cost awards may be awarded in an opposition, section 45, or objection proceeding only at the request of a party. The proposed Regulations also set out that the Registrar may direct by which party and to which party costs are to be paid and specify that costs will not be awarded for proceedings which do not reach a decision.

The proposed Regulations will also list in which circumstances the Registrar may award costs. Specifically, they set out that for opposition, objection and section 45 proceedings, the Registrar may order costs, if:

- a party who filed a request for a hearing withdraws their request less than two weeks prior to the scheduled hearing date; or
- a party engages in unreasonable conduct which causes undue delay, complexity or expense in a proceeding.

In addition, for opposition proceedings only, the proposed amendments will also set out two additional circumstances for cost awards:

- 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; and
- 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.

Commented: This seems inconsistent with the following sentence. Presumably, a party that requests a cost award intends to receive the award, not pay it. Could the proposed Regulations and draft practice notice give rise to a situation in which a party requests a cost award but that award is ultimately levied against it?

Commented: See above. May the Registrar make such a direction if it is inconsistent with a party's request for a cost award? The proposed Regulations and draft practice notice are unclear on this point.

Commented: As noted below, the party that withdraws their request should not be penalized if the hearing was going to be held in any event.

Commented: What if the application is refused on a different basis, and it is not necessary to consider the applicant's alleged bad faith? Can an applicant escape a cost award on this basis if the opponent succeeds on another ground? The proposed Regulations and draft practice notice are unclear on this point.

Commented: There may be circumstances in which an applicant divides an original application in good faith, for a valid reason. Only where the divisional application(s) is/are patently unnecessary and unreasonable should a cost award be levied against the applicant.

The proposed amendments will detail the mechanism by which parties may request costs including that:

- a request for costs must be filed using [TMOB's online E-services](#) and include the reasons for the request within 14 days of a hearing and, where there is no hearing, within 14 days of the deadline to request a hearing or the cancellation of a hearing; and
- the other party may respond by using [TMOB's online E-services](#) within 14 days after the day on which the Registrar gives notice of the costs request.

The amounts proposed to be awarded for each of the triggers are as follows:

- If a hearing request is cancelled less than two weeks prior to the scheduled hearing date – two times the prescribed fee to commence the proceeding (ie) the prescribed fee for a statement of opposition under subsection 38(1) of the Act, for a statement of objection under subsection 11.13 (1) of the Act or the prescribed fee for a request for the giving of a notice under subsection 45(1) of the Act.
- If there is unreasonable conduct which causes undue delay, complexity or expense – five times the prescribed fee to commence the proceeding (ie) the prescribed fee for a statement of opposition under subsection 38(1) of the Act, for a statement of objection under subsection 11.13 (1) of the Act or the prescribed fee for a request for the giving of a notice under subsection 45(1) of the Act.
- With respect to an opposition proceeding where a bad faith ground of opposition succeeds - ten times the prescribed fee for a statement of opposition under subsection 38(1) of the Act.
- For each divisional application for the registration of a trademark that was filed on or after the day on which the original application is advertised – two times the prescribed fee for a statement of opposition under subsection 38(1) of the Act.

The practice notice [Draft - Cost awards in proceedings under section 11.13, 38 and 45 of the Trademarks Act](#) provides guidance on how the Registrar will give effect to the amendments to the Act and the proposed amendments to the Regulations.

Section 2: Confidentiality Orders

The proposed amendments to the Regulations detail the mechanism by which a party may request a confidentiality order, which require a party to:

- use [TMOB's online E-services](#);
- include a description of the information in [the proposed evidence](#) that a party wishes to keep confidential;
- include a statement that the information in the proposed evidence has not been made public;
- include an explanation as to why the information in the proposed evidence should be treated as confidential;

Commented: This seems inefficient. Why not invite parties to make submissions regarding costs if/when they file their written representations? If they do not file any written representations, they can elect to file requests for costs within 14 days of a hearing, as proposed.

Commented: Presumably, these requests and responses cannot be supported by affidavit evidence. How then does one substantiate or support its request or response?

Commented: Further clarification is needed. As noted above, a party should not be penalized if the hearing was going to be held in any event.

Commented: Again, how is a party to support its request for a cost award on this basis without affidavit evidence?

Commented: See above. Will the Registrar still award costs if the application would nevertheless be refused on different grounds?

Commented: Again, there may be circumstances in which an applicant divides an original application in good faith, for a valid reason. Only where the divisional application(s) is/are patently unnecessary and unreasonable should a cost award be levied against the applicant.

Commented: Presumably, the "evidence" includes transcripts, responses to requests for undertakings, etc.

- indicate whether the party has obtained the consent of the other party in making the request; and
- provide all the information required to complete the model confidentiality order provided by the Registrar.

The Registrar views requests for confidentiality orders as exceptional because they involve a major departure from the open court principle. The practice notice [Draft-Practice notice on confidentiality orders](#) provides guidance on how the Registrar will give effect to the amendments to the Act and the proposed amendments to the Regulations.

Section 3: Case Management

The proposed amendments provide that case management will be practiced by the Registrar in two different ways in opposition, section 45 and objection proceedings.

First, in situations where, in relation to a proceeding or a step in a proceeding, matters need to be dealt with in a more efficient and cost-saving manner, the proposed Regulations allow the Registrar to give a direction or make an order that would supplement the Regulations.

Second, in cases where a specific proceeding requires a heightened and ongoing direction, the proposed amendments allow for a more engaged form of case management to be exercised. Specifically, they specify that in such cases, the Registrar is able to order, at any time during the proceeding, that such proceeding continue as a case-managed proceeding. In deciding to do so, the Registrar will have regard to all the surrounding circumstances, including:

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

For case managed proceedings, the Registrar may give a direction or make an order that varies, supplements or dispenses with the application of any of the Regulations with respect to the proceeding or any step in the proceeding or fixes the time by which or the manner in which any step in the proceeding is to be completed.

The proposed amendments also set out that the Registrar is not permitted to 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.

The practice notice [Draft - Case management in proceedings under sections 11.13, 38 and 45 of the Trademarks Act](#) provides guidance on how the Registrar will give effect to the amendments to the Act and the proposed amendments to the Regulations.

Commented: In either case, the Regulations should allow for the parties to request a certain direction or order, or case management generally, on consent.

Comments, observations and proposed revisions from Smart & Biggar

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

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. As such, costs will only be awarded in exceptional cases.

II. Request for Cost Awards

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 will not do so on its own initiative.

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

Commented: Parties should be permitted to request a cost award in their written representations. It is unduly burdensome to prepare and file further representations to request a cost award.

Commented: We suggest that the Registrar provide an example or two of “unreasonable conduct” at the hearing itself.

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'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.

Commented: Presumably, such "supporting documentation" may include affidavits and/or statutory declarations.

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.

Commented: We strongly suggest that the Registrar reconsider this position. To improve efficiency and minimize costs, the Registrar should consider a request for costs as part of the parties' written representations.

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-a 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 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. 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/received will not be considered by the Registrar.~~

II.2.b-e 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 ~~one~~ single-sided, standard letter size page in length but may be accompanied by relevant supporting documentation, including, for example, an affidavit or statutory declaration, 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, and the hearing is cancelled as a result; 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 (i) a party who filed a request for a hearing withdraws their request for a hearing less than two weeks prior to the scheduled hearing date, and the hearing is cancelled as a result, or (ii) a party engages in unreasonable conduct which causes undue delay, complexity or expense in a proceeding (section XX and XX of the Regulations).

11.3.a Bad faith

In the case of a request for costs ~~for the reason that~~ because 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 in which the bad faith ground of opposition succeeds including a successful bad faith ground of opposition, costs will generally be awarded per application. The Registrar may award costs on this basis regardless of whether the application that is the subject of an opposition proceeding was also refused on another ground of opposition.

11.3.b Divisional application

In the case of a request for costs ~~for the reason that~~ because 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 number(s) of ~~all~~ the divisional application(s); and

Commented: Will the Registrar award costs if the application is refused on other grounds? Or must the application be refused only on the ground that it was filed in bad faith?

Commented: See above. There may be circumstances in which an applicant divides an original application in good faith, for a valid reason. Only where the divisional application(s) is/are patently unnecessary and unreasonable should a cost award be levied against the applicant.

Commented: So as to avoid a party's being penalized for cancelling its hearing request if the hearing proceeds anyway with one party.

Commented: The purpose of this circumstance is to avoid a multitude of opposition proceedings. Thus, the Registrar should not award costs where only one application is the subject of an opposition proceeding.

d) the date(s) on which the divisional application(s) was/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. Only where the divisional application(s) is/are patently unnecessary and unreasonable will a cost award be levied against the applicant.

Section XX of the Regulations does not provide for the award of costs for the corresponding original application unless it too is opposed by the same opponent.

11.3.c Late cancellation of hearing

In the case of a request for costs ~~for the reason that~~because a party who filed a request for a 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. Even if a party who filed a request for a hearing withdraws their request for a hearing less than two weeks prior to the scheduled hearing date, the Registrar shall not award costs if the hearing proceeds in any event because the other party made an unconditional request for a hearing.

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.

11.3.d Unreasonable conduct

Costs 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~~because 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~~reason(s) why the conduct caused undue delay, complexity or expense ~~to the party~~ 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 parties. These factors are not exhaustive, and 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 a proceeding:

a) Failing to attend a hearing that a party has requested without informing the TMOB;

Commented: In deciding whether to award costs, the Registrar should consider the alleged delay, complexity or expense suffered by both parties, not just the one that requested the costs award.

- 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 or good reason;
- 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 for the sole purpose of make-making 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 failing to co-operation operate~~ with the other party ~~for in~~ scheduling ~~of a~~ cross-examination;
- g) A course of conduct necessitating unnecessary adjournments or delays;
- h) Acting disrespectfully or maligning the character of another party or its agent or counsel.

Commented: There are very few opportunities for such "abusive behaviours and tactics" in proceedings before the TMOB. Costs should be awarded in these rare circumstances only when it is abundantly clear that the objectionable conduct is for the sole purpose of making things "inordinately difficult" for the other side. A party should not be penalized for filing a voluminous evidentiary record that relates to the issues before the Board, for example.

Commented: it's not clear to me why you deleted this.

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 that~~ causes undue delay, complexity or expense in a proceeding, the Registrar may award costs in accordance with the amount set out 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 in respect of which the unreasonable conduct took place.

Commented: So as to avoid a situation in which a party is doubly penalized for unreasonable conduct that does not cause undue delay, complexity or expense in a related proceeding.

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 one+ single sided, standard letter size page in length but may be accompanied by relevant supporting documentation, including, for example, an affidavit or statutory declaration, 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.

Commented: As noted above, we strongly suggest that the Registrar reconsider this position. To improve efficiency and minimize costs, the Registrar should consider a request for costs as part of the written representations.

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. The Registrar may award costs against A-a party ~~may have a costs award order against them~~ even if (i) they wholly or partly succeed in the proceeding(s), or (ii) the circumstances underlying the costs award were the result of conduct of a predecessor-in-title that ~~were-was~~ a party to the proceeding(s).

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, upon 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 on or after this date, an applicant should consider the possibility of a-the Registrar awarding costs award against it when deciding whether to continue with the application.
- b) For a divisional applications filed after the advertisement date, the request for a divisional application is filed on or after this date [section XX of the Regulations].
- c) For the withdrawal of a 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)

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.

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 why~~ you are requesting costs by checking the appropriate box(es) and providing the requested information, when required:

- The other party ~~withdrew its's~~ hearing request ~~was withdrawn less than two weeks prior to the scheduled hearing date, and the hearing was cancelled as a result 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~~ reason(s) why the conduct caused undue delay, complexity or expense ~~to the party~~ in the proceeding. The particulars **must** be in 12-point font and not exceed a ~~one~~ single sided, standard letter size page in length and should be accompanied by relevant supporting documentation, ~~including, for example, an affidavit or statutory declaration, which is 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):

- ~~The applicant has filed at least one divisional application, and it was patently unnecessary and unreasonable to do so. 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 number(s) of ~~all~~ the divisional application(s) opposed:

The ~~date(s) on which the divisional application(s) was/were filed~~ date on which the request for divisional applications were filed:

Commented: The finalized language of the practice notice should be reflected in Schedule A. As drafted, there are inconsistencies in the language between the practice notice and Schedule A.

Commented: So as to avoid a party's being penalized for cancelling its hearing request if the hearing proceeds anyway with one party.

Comments, observations and proposed revisions from Smart & Biggar

Draft – Practice notice on confidentiality orders

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~~are best achieved by ensuring access.

Notwithstanding the above, the Registrar of Trademarks (the Registrar) may order that some of the evidence in trademark proceedings 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~~for example, yearly sales of over \$1 million ~~is~~ is) 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 to submit and serve their evidence.

Commented: Similar to a request for an interlocutory order.

II.2. Content of the request

A request for a confidentiality order must be filed using the Trademarks Opposition Board's online E-services and contain the following:

- a) 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);
- b) A statement that the information in the proposed evidence has not been made public;
- c) An explanation as to why the information should be treated as confidential;
- d) An indication ~~as to whether~~that (i) the requesting party has obtained the consent of the other party, or (ii) the other party does not object to the request; and
- e) 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.

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 before issuing the requested order.

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 this serious risk to the identified interest because reasonably alternative measures will not prevent this risk ~~that risk~~; and

- c) ~~as a matter of proportionality,~~ the benefits of the order outweigh its negative effects.

Commented: Revised to reflect the actual wording of *Sherman*.

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 public interest. An "important public interest" relating to sensitive information is, ~~for example, 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.

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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).

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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, for example, 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 party seeking it bears the onus ~~lies on the party seeking it or to justifying an exception to the open court principle~~ ~~departure from the requirement that evidence in a proceeding is available to public.~~

Commented: Language amended for consistency's sake.

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 of~~ 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~~.

Commented: "on a yellow background" is unclear.

VI. Subsequent documentation

VI.1 Service on other party

Any subsequent documentation referencing the confidential information (such as transcripts of cross-examinations, answers to undertakings or questions taken under advisement, or written submissions, including written representations and requests for cost awards) 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 transcripts of cross-examinations, answers to undertakings or questions taken under advisement, or written submissions, including written representations and requests for cost awards)(~~such as cross-examinations or written submissions~~) will need to be submitted to the Registrar pursuant to the terms ~~in of~~ 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 ~~produced by 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 a party's~~ 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 directly to the parties, 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, upon being filed, becomes, and may be enforced as, an order of that 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].

Commented: Revised for consistency with section V of the practice notice regarding cost awards.

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 of the order, it ~~would be~~ up to ~~that the non-breaching~~ 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.

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;

This Registrar orders that:

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>

Whenever a party seeks to file with the Registrar documents or portions thereof, including affidavits, exhibits, transcripts, answers to undertakings or questions taken under advisement, or written submissions which that contain or discuss Confidential Information as defined in paragraph 1 of this Order, in a manner that would reveal its contentsuch Confidential Information, the Confidential Information shall be segregated from the other information and documentation being submitted for filingfiled and shall be submitted to the Trademarks Opposition Board in the form of electronic documentations with the confidentiality designation reflected in the file name.

A public version of the document from which the Confidential Information has been redacted must also be filed at the same time as part of the public record.

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.

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 contractors, and the following:

- a) Party A and Party B;
- b) agents for the parties, and its-their employees and contractors;
- c) any consultants, foreign agents of the agents for the parties, and their employees and contractors; and
- d) such other persons as the Parties may agree in writing or as the Registrar may order.

Where it appears to the Registrar or to a party that documents have been filed under seal pursuant to this Confidentiality-Order which that 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 other than through disclosure in this proceeding, or has been made public and should no longer be treated as Confidential Information, the Registrar may unilaterally direct the filing party to show cause why the documents should not be unsealed and placed on the public record, or the party may seek directions from request the Registrar to so direct the filing party or the Registrar may unilaterally issue directions for the filing party to show cause why the documents should not be unsealed and placed on the public record.

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 and employees or contractors of CIPO. Notwithstanding this section, on appeal, the ~~C~~onfidential ~~I~~nformation will be included in the certified file history transmitted to the Federal Court.

The Confidential Information shall be used solely for the purpose of this proceeding and may not be used for any other purpose.

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. Other than as expressly provided herein, The ~~the~~ provisions of this Order shall continue after the final disposition of this proceeding.

No more than sixty (60) days after the final disposition of this proceeding~~Upon final termination of this proceeding~~ (including any appeals thereof), each ~~p~~Party shall destroy within sixty (60) days all items within its possession, power or control that containing information designated as Confidential Information pursuant to this ~~Confidentiality~~ Order. Notwithstanding the above, only agents for the parties, including their employees and contractors, ~~agents for the Parties~~ 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).

Commented: To keep the language consistent with the foregoing terms of the Order.

Comments, observations and proposed revisions from Smart & Biggar

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

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, 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 includ~~inges 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 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.

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

IV. Parties May Request Case Management

Where the parties to a proceeding agree that the proceeding should be case managed, they may write to the Registrar to request case management. Any such request should include a brief explanation as to why the parties believe that the proceeding should be case managed, and refer to those circumstances where a proceeding may become a case-managed proceeding, as applicable (see section IX).

Notwithstanding the parties' joint request for case management, the Registrar may either grant or deny the parties' joint request. Whether a proceeding is case managed shall be a matter in the discretion of the Registrar.

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V. Parties Will Be Advised

When the Registrar determines that case management will be employed in a given proceeding, 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 to the proceeding will be advised in writing.

VI. Case Management is Procedural, not 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.

VII. 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.

VIII. 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 grant a party's request to submit additional evidence. To do so would introduce uncertainty, inefficiency and delay into a proceeding, which runs contrary to the purpose of case management.

IXVIII. Circumstances Where a Proceeding May Become a Case-Managed Proceeding

In exceptional cases, 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; and
- h) whether substantial delay has occurred or is anticipated in the conduct of the proceeding.

(section XX of the Regulations)

~~Two situations have been currently identified by t~~The Registrar has identified two situations 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 that~~ 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.

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

Corrections to Protocol Applications

If a substantive amendment to a Protocol application 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.~~

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~~, the time by which or the manner in which a step in the proceeding is to be completed despite any time or manner that is provided for under the Act (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~~ the opponent's 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 of~~ proceedings involving a corrected Protocol application ~~which that~~ has been re-advertised after correction, the Registrar may notify the parties that any documents already submitted/served in the course of the opposition are deemed 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 achieve procedural efficiency and cost-savings ~~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.