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Via Email

Ms Iyana Goyette
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Innovation, Science and Economic
Development Canada
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Re : Public Consultation regarding Draft Practice Notice for Section 9(4) Proceedings

Dear Ms. Goyette,

We are writing to provide comments in connection with the above-noted public consultation. These comments should not be taken as a position expressed by Fasken Martineau DuMoulin LLP nor as a position expressed on behalf of any of its clients.

Burden of Proof on Requesting Party

The draft practice notice is not clear on what burden of proof is imposed on the requesting party, nor is this defined in new paragraph 9(4) of the Trademarks Act. In most parts of the draft practice notice it is simply indicated that the Registrar must be “satisfied” that it is necessary to send a request, while another part appears to indicate that establishing a doubt would be sufficient

This issue should be clarified. In doing so, it is necessary to carefully consider public interest considerations and the historical context of the official marks regime when defining the burden and standard of proof.

The presence of an official mark on the register will block applicants for regular trademarks in all classes of goods and services. Moreover, the holder of the official mark is able to enforce its rights through legal proceedings against any person using the symbol (or a symbol so nearly resembling it so as to be likely to be mistaken for it) in any line of business, whether as a trademark or “otherwise”. If private parties wield these kinds of powers without being subject to significant control by a Canadian government, this raises serious public interest concerns. As pointed out by CIPO, the case law is now clear on this requirement of control.

This brings us to the historical context. Section 9 of the Trademarks Act has allowed the publication of official marks since the 1950s, when this legislation came into force. Yet it is only in the 2000s that the relevant test to determine whether a party is a public authority really crystallized in the jurisprudence and was codified by the Registrar via more rigorous practice notices.

Prior to the publication of these more rigorous standards, a significant number of private parties successfully secured the publication of official marks that would never be allowed if they applied today. At one point, merely being a registered charity seems to have been a significant factor considered by the Registrar in determining whether a party is a public authority.

It is also important to consider which party is best-placed to provide the relevant evidence. Access to relevant information regarding government control can be a challenge for a requesting party in many cases. While many parties holding official marks are the subject of legislation, regulations, decrees or other publicly-accessible documentation, this is not universally true.

In many cases, there could be contracts or other arrangements in place that provide the requisite degree of control, but it will be impossible for a requesting party to gain access to these contracts (consider the case of entities that are born of public-private partnerships, which often have a contractual foundation). For official marks that predate more stringent CIPO requirements, there may not be much information available in the prosecution history. Finally, in the case of private entities who may have improperly claimed public authority status, there will, by definition, be no evidence of government control. Asking the requesting party to prove a negative will not be as productive as asking the entity claiming public authority status to prove that status.

In order to strike a proper balance, our suggestion would be that the practice notice draw upon the Registrar’s existing experience with the burden of proof in the context of opposition proceedings. Opponents have a relatively light initial burden to substantiate each ground of opposition. This has been described by the Courts as a requirement to make out a “prima facie” case that the ground of opposition is well-founded (*Republic of Cyprus (Commerce and Industry) v. International Cheese Council of Canada*, 2011 FCA 20, paraa. 25-28; *Domaines Pinnacle Inc. v. Les Vergers de la Colline*, 2016 FC 188, para. 49). Once that prima facie case has been demonstrated, the burden

shifts to the other party to prove its case on a balance of probabilities. This could be a valid source of inspiration for the contestation of official marks pursuant to new paragraph 9(4) of the Trademarks Act. This jurisprudence is well-understood by trademark agents and the Registrar. It also ensures that applicants have to advance at least some evidence to substantiate their case, but if they do so, it places the ultimate burden of proof on the entity claiming to be a public authority. This is the party best-placed to provide evidence on that issue, so it is logical that the burden lie upon that party.

We suggest that the practice notice clarify that the Registrar will assess whether the requesting party has made a prima facie case that (i) either party that owns the official mark is not a “public authority” or (ii) that the owner of the official mark no longer exists. After that prima facie demonstration is made, the burden shifts to the public authority to prove on a balance of probabilities that it exists and/or has public authority status under the Act. With respect to the prima facie case requirement, the requesting party should be allowed to make out a prima facie case by pointing to the absence of sufficient evidence from the prosecution history.

The practice notice does imply in the section entitled “Reasons why the Registrar may not send a notice to the official mark holder” that a notice will be sent if the requesting party raises a doubt. If CIPO wishes to preserve such a low standard it may want to specify this standard more clearly throughout the practice notice and consider referring to a “reasonable doubt”. The Registrar should however recognize that there are many parties holding official marks that continue to be in existence and are the subject of sufficient control. The applicable standard should be significant enough to forestall abusive requests.

Standard of Proof

A separate question from who bears the ultimate burden of proof is what standard that person must meet. The applicable rules are not clearly defined in the practice notice.

The ultimate burden of proof should be on the party holding the official mark, as only it has access to all relevant facts. Moreover, that party should be required to show that it exists or is a public authority on the balance of probabilities, given the significant impact that official marks have on others. These standards should be clearly set out in the practice notice.

Reply Representations by the Requesting Party

Since the requesting party is providing evidence and written representations to initiate the process, it is somewhat surprising that it is not given an opportunity to provide reply representations in light of the evidence provided by the owner of the official mark. Given that some of the material may not be publicly available and would never have been seen by the requesting party, denial of reply submissions raises serious procedural fairness concerns.

Indeed, denying a party the right to make reply submissions on key evidence violates the audi alteram partem principle. It is only fair that the requesting party be allowed to provide reply written representations after being provided with the official mark holder's evidence. Given the significant impact of official marks on the public, there is also a public interest in allowing reply submissions on the complete record, since this will ensure that alleged public authorities are held to a significant level of scrutiny in an adversarial process. It will likely increase the quality of decision-making by the Registrar, since the examiner will have the benefit of the requesting party's comments on the evidence.

Failure to include a right of reply could potentially expose the Registrar's decision to judicial review or appeal on procedural fairness grounds.

Furthermore, if the Registrar maintains the currently-proposed approach, requesting parties may feel obliged to appeal or judicially review the Registrar's decisions simply to have a chance to provide submissions if they feel that a key aspect of the file was overlooked or misunderstood by the examiner. By contrast, there would be no need to do so if the requesting party could simply comment on the evidence in first instance via reply submissions.

In sum, by giving the requesting party a chance to make reply submissions, the quality of the Registrar's decisions will be improved, procedural fairness is more likely to be satisfied, and there will likely be fewer appeals or judicial reviews.

Conclusion

We thank the Registrar for this opportunity to make submissions on this issue, and remain available to discuss the content of these written representations.

Best regards,

FASKEN MARTINEAU DuMOULIN LLP



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Michael Shortt

JPM-MS/dc