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November 28, 2014

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Ms Darlene Carreau
Chair, Trade-marks Opposition Board
Canadian Intellectual Property Office (CIPO)
50 Victoria Street, Room C232-35B
Gatineau, Quebec K1A 0C9

New York

Dear Ms Carreau:

We are submitting these comments on the *Proposed Amendments to the Trade-marks Regulations 2014* and request that they be considered as part of CIPO's consultation on these proposed amendments.

As a preliminary comment, we urge CIPO to reconsider introducing through the *Trademark Regulations* (the "*Regulations*") a requirement for the filing of use information or, as a less desirable alternative, an incentivized opportunity for applicants or registrants to voluntarily furnish use information. The abolition of any requirement that use be asserted during prosecution or that any proof of use be required in order to secure or maintain trademark rights in Canada is an issue that has been the subject of considerable criticism and expressions of concern by numerous interested practitioners, industry groups and professional organizations. We share these concerns and submit that none of the international treaties to which Canada has recently acceded preclude the mandatory (or voluntary) furnishing of use information either before registration or post-registration.

Our comments on the published draft *Regulations* are set out below:

Part 1 – Examination and General Provisions

1) What standard or evidentiary threshold will CIPO apply in assessing evidence of distinctiveness when an applicant relies on the new subsection 12(3) of the *Trademarks Act*?

The wording of new subsection 12(3) incorporates elements from the repealed subsection 14 (specifically, subsection 14(1)(b): "having regard to all the circumstances of the case including the length of time during which it has been used [in any country]").

If CIPO proposes to apply the current subsection 12(2) evidentiary standard, the new standard will effectively preclude registration in Canada of marks which have become very well known abroad until such time as the mark has been used in Canada for at least

five years and has acquired distinctiveness in this country. The imposition of the current subsection 12(2) standard, without any commensurate change in internal practice, will deny registration to marks which are objectionable under subsection 12(1)(a) or 12(1)(b) which may be very well known, even famous, in Canada despite the fact that the level of “use” in this country would not satisfy the subsection 12(2) threshold. This change in practice would deny registration in Canada of many marks which would have been registrable in the past on the filing of evidence that the mark was “not without distinctive character” and would disentitle the owner of a brand (such as the name of a popular entertainer or well known fashion designer) from being in a position to secure a registration and enforce the brand owner’s rights against an unauthorized user in the context of an infringement action. The absence of a registration will also hamper the ability of law enforcement or customs authorities to stem the importation or sale of counterfeit products in Canada in such cases. Brands comprising designer names are among those which are the most impacted by counterfeiting. We submit that imposing a subsection 12(2) standard in cases such as this would represent a marked departure from the previous practice and would be inconsistent with the protection afforded well known or famous marks in other jurisdictions.

2) Part 1-21 adds a new provision to the *Regulations* to provide that any person may pay a registration or renewal fee. In cases where the registration or renewal fees are payable by persons other than the appointed trademark agent, will the agent still receive written notice from the Registrar?

3) Part 1-29(a) amends subsection 14 of the *Regulations* to provide that the Registrar “will refuse to take cognizance of any document submitted to the Registrar that is not in the English or French language unless a translation of the document into one of those languages is submitted to the Registrar”.

The *Regulations* should require only a translation of the relevant extracts of the document. This would reduce the time and expense related to obtaining translations of lengthy documents where only a portion of the document is needed (for example, extracts from foreign language corporate/commercial registry documents, change of title documents/agreements, assignment clauses contained in lengthy asset purchase agreements, etc.).

4) Part 1-69 adds a new provision that will require the renewal of trademark registrations to be submitted electronically (i.e. there will be no more renewals by hand). Currently, CIPO’s system does not permit any updating of the identity of the registrant or the registrant’s address to be completed electronically concurrently on renewal. Will CIPO’s systems be updated to permit the identity of the registrant or the registrant’s address to be updated electronically concurrently with the renewal?

Part 2 – Implementation of the Madrid Protocol

The implementation of the Madrid Protocol will entail a very significant overhaul to current CIPO practices and raises detailed and complex procedural issues. For these reasons, we recommend that the pace of implementation reflect these complexities and not be unduly hasty.

The draft *Regulations* do not address the issue of CIPO's proposed fee structure. The lack of information about the fee structure intended to be implemented makes it difficult to provide meaningful comment. This is compounded by the fact that the draft *Regulations* which have been published for comment are quite general in nature so it must be assumed that the fuller details of the new Madrid "regime" will presumably be set out in Practice Notices or in a new or updated examination manual.

Subject to the foregoing, our general comments are as follows:

- 1) Canada should consider imposing or formalizing an intention to use/use requirement for applicants utilizing the Madrid Protocol to obtain Canadian trademark rights.
- 2) If a certification fee is imposed, then it should be similar to the certification fees prescribed by other member states (Part 2-7(d)) to ensure that Canadian applicants are not de-motivated to file an application for international registration.
- 3) Canada should also allow for paper filing (Part 2-8). Currently, CIPO has advised that it will only accept electronic filing of Madrid applications.
- 4) Canada should adopt measures to guard against a two-track system whereby Madrid applications receive prompter action or examination as non-Madrid applications (Parts 2-10 to 2-17).
- 5) Canada should maintain standards of formal and substantive examination which are no less rigorous than those currently adhered to and applied by CIPO to domestic applications.

Part 3 – Proposed Amendments to Opposition and Section 45 Summary Cancellation Proceedings

Many of the changes outlined in this section have been discussed in earlier consultations.

Our principal concern relates to the changes proposed to the timing for the completion of cross-examination. The changes proposed do not appear to represent any improvement over the current practice.

The amendment proposed at Part 3-17 sets out that the deadline for completion of cross-examination will expire four months from the expiry of the time for filing reply evidence. The rules governing opposition proceedings should anticipate that either party may wish to file additional evidence to address one or more issues which come to light during cross examination and that, while the grant of leave to file additional evidence is within the discretion of the Opposition Board, the parties should be able to assume that leave will be granted absent exceptional circumstances.

With respect to the filing of written submissions and in the interest of limiting the number of cases in which a party will request that an oral hearing be held, the rules should permit the opponent to file a written rebuttal to the applicant's submissions.

Yours very truly,

A handwritten signature in black ink, appearing to be 'John H.', with a long horizontal flourish extending to the right.