



CHAMBERS
Global Practice Guides

Trade Marks

Canada – Law and Practice

Contributed by
Blaney McMurtry LLP

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CANADA

LAW AND PRACTICE:

p.3

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The 'Law & Practice' sections provide easily accessible information on navigating the legal system when conducting business in the jurisdiction. Leading lawyers explain local law and practice at key transactional stages and for crucial aspects of doing business.

Law and Practice

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Blaney McMurtry LLP Intellectual Property Practice Group provides a full range of services and works with other members of the firm. We work with our clients to equip them with the knowledge required to determine proactively and strategically how to identify, perfect and manage their intellectual property assets which may include patents, trade-marks, copyright, industrial designs or trade secrets. Lawyers also assist

with the development and implementation of strategies for the exploitation and enforcement of these rights, specifically: preliminary registrability; opinions for proposed trade-marks and trade names; monitoring and mark-watching services, by mark, applicant or product/service; preparation, filing and prosecution of trade-mark applications in Canada, the US and internationally; trade-mark management and renewal.

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1. Types of Trade Marks & Registration

1.1 Types of Trade Marks

The Trade-marks Act (RSC 1985, c T-13) (the “Act”) and the Trade-marks Regulations (SOR/96-195) (the “Regulations”) provide for registrability and enforceability of registered and unregistered marks within Canada, and are supplemented by common law and additional federal and provincial laws.

Trade marks can comprise:

- words, sounds, designs (including colour as a feature) or a combination of these used to distinguish the goods or services of one person or organisation from those of others;

- certification marks (known in some jurisdictions as “collective marks”), which can be licensed to individuals or business entities for the purpose of showing that certain goods or services meet a defined standard; and
- distinguishing guises/trade dress, which protect the shape of goods or their containers, or a way of wrapping or packaging goods.

The word “mark” is also used to refer to:

- a geographical indication;
- a mark protected by a federal act of incorporation;

- a mark protected by an act respecting the Royal Canadian Legion; and
- a prohibited mark.

Amendments to the Act projected to come into force in 2019 would augment eligibility for registration of a “sign” to include a word, personal name, design, letter, numeral, colour, figurative element, three-dimensional shape, hologram, moving image, mode of packaging goods, scent, taste and texture, positioning of a sign as well as a certification mark that is proposed to be used. Proposed Trade-marks Regulations have been published for public consultation, setting out rules of general application, affecting implementation of the Madrid Protocol and providing transitional provisions, repeal and coming into force of the amendments.

The Canada–European Union Comprehensive Economic and Trade Agreement (CETA) Implementation Act entered into force in Canada on 21 September 2017 to:

- protect EU geographical indications found in Annex 20-A of CETA;
- provide a mechanism to protect other geographical indications with respect to agricultural products and foods;
- provide for new grounds of opposition, a process for cancellation, exceptions for prior use for certain indications, for acquired rights and for certain terms considered to be generic; and
- transfer the protection of the Korean geographical indications listed in the Canada–Korea Economic Growth and Prosperity Act into the Act.

Marking requirements for goods such as precious metals, textiles, food, drugs and plants, and for delivery of services such as banking, gaming, use of packaging and labelling, and selection of business names are to be found in other federal and provincial legislation that coexists with the Act. For example, clearance of pharmaceutical names should be undertaken with the Canadian Intellectual Property Office (CIPO) and Health Canada, as each department of the federal government applies independent criteria for approval. Reference to “banking” services in an application should indicate compliance with the federal Bank Act. Reference to “lotteries” suggests an activity that is regulated by each of the provinces.

1.2 Trade-Mark Rights

Most trade-mark rights arise through use independent of registration. Rights in an unregistered mark arise under common law from use of the mark in Canada. Such common law rights only extend to the geographic area in which the mark enjoys goodwill or reputation. The Québec Civil Code and *Charte de la langue française* should be consulted with respect to the use of trade marks in Québec. Because rights arise in the absence of registration, it is useful to search be-

yond the Trademarks Database maintained by CIPO and to do so in both official languages, as the average consumer is deemed to be bilingual.

Unregistered marks may be more limited in venue of enforceability. Unregistered rights arise in the venue of use under passing off, whereas trade mark registration extends protection across the country, unless expressly restricted (eg, by registration or consent). Use in social media has increased the potential for enforcement of marks used and made known through internet communication received in Canada.

Registration is (currently) required for certification marks and recording is required by a public authority for a mark to be noted as “advertised” (rather than registered) on the CIPO database.

Registration supplements the options available for enforcement, conferring rebuttable presumptions and access to the Federal Court. Registration is required to assert depreciation of goodwill associated with a mark. In addition, a regime for obtaining assistance from border protection authorities with respect to counterfeit goods is available to owners of registered trade marks. To enlist the assistance of the Canada Border Services Agency (CBSA) in detaining suspected shipments of counterfeit products, a request must be presented to the CBSA together with trade mark and copyright particulars.

1.3 Standards for Registering

Depending on the type of mark, objections may be encountered by an applicant for registration during examination and prior to allowance of a mark, if opposed.

Certification marks must be used prior to filing (such a requirement will change when the amendments to the Act come into effect). The applicant cannot use the mark itself and must disclose the standards on which certification is based.

A public authority can secure a mark without undergoing opposition proceedings (a mark is noted on the CIPO database as “advertised” rather than registered) and benefit from protection that does not expire, and that is not limited to one or more classes of goods or services.

An applicant for a “famous mark” can be faced, during prosecution, with objections by the examiner or oppositions alleging that the mark is not registrable or that the applicant is not the person entitled to registration of the mark. Fame per se does not negate the need to refute likelihood of confusion, in view of the consumer protection element of Canadian trade mark law.

To register a distinguishing guise as a trade mark, the applicant must present evidence demonstrating that the distinguishing guise has acquired distinctiveness and actually serves to distinguish the goods of the applicant from those of others. Probable purchasers would include resellers and the consumers.

During the examination phase, an applicant may receive notification from CIPO setting out the bases for an examiner's objections (technical, absolute and relative grounds) and deadlines within which to respond. Time extensions to respond may be available during examination.

Evidence, such as incorporation of a name or use as a surname, may be filed to support the argument that a mark has acquired distinctiveness to overcome objections on the grounds of descriptiveness. Approval for advertisement and allowance by the registrar are discretionary.

1.4 Trade-Mark Register

CIPO is an agency of Innovation, Science and Economic Development Canada, a federal government department, and maintains a register that is available to the public, online, without charge. Details relating to pending and abandoned applications, and relating to active and inactive trade-mark registrations are available on the CIPO Trademarks Database. Contents of files (eg, images of actual documentation filed and correspondence) are not yet available to the public online.

CIPO also publishes online weekly the Canadian Trademarks Journal, which provides notification of applications that are advertised for opposition within the mandatory due dates (see below) for those who seek to oppose a trade mark application. Practice notices published by the Trademarks Office also appear online and provide useful guidance on Trademarks Office practice.

1.5 Types of Registers

There is only one trade mark register.

1.6 Searching for Prior Trade Marks

Searching of the Canadian federal Trademark Database is undertaken by examiners in conjunction with their review of each application. Searching is generally recommended to identify proactively any potential barriers to use and registration, risks of an adverse administrative decision and liability for infringement. Currently the delay between application and a first examiner's report may be several months, while adoption and first use of the mark may be undertaken beforehand.

Although there is no supplemental trade-mark register, other public registers may be consulted when clearing registrability of a trade mark, including registries of drugs, business

names and domain names, telephone directories and French and English dictionaries (to determine the meaning in both English and French as the average Canadian is deemed to be bilingual). Private search firms may be enlisted for preparation of search reports. The databases may provide useful clues for further investigation of third-party use and the potential for co-existence or, conversely, clash.

1.7 Registration Requirements

An application may be filed online with a government filing fee. The application must set out the following information:

- The legal name and address of the applicant.
- The trade mark: word mark or visual representation of a design (which may claim colour as a feature) or of a sound.
- The goods and services, which should be described in ordinary commercial terms, preferably according to the Nice classification system, the use of which is currently still optional, although encouraged by the registrar.
- The filing bases, currently differentiating between proposed use and actual use, providing the date when use has occurred in Canada in respect of each of the goods and services, although this delineation will not be required when the amendments are implemented.
- The identity of the user(s) and predecessors in title by name (currently), if any.
- Details of a foreign registration on which the Canadian application is based.
- Particulars of any foreign application on the basis of which convention priority is claimed. Currently, the country of origin of the applicant must serve as the basis for a convention priority claim. Once amended, reliance on an application filed anywhere within the Paris Union, within six months of filing plus a seven-day grace period may be referenced.
- A declaration of use in Canada of a mark that is proposed to be used in Canada must be filed after allowance is a current requirement. This requirement will be eliminated under the proposed revisions.

A foreign applicant should appoint a duly authorised representative for service of correspondence in Canada.

The language of the application should be English or French (consistently throughout).

1.8 Registering a Trade Mark

A person (as defined in the Act, including an individual or a legal entity such as a lawful trade union, trade association, joint venture or a professional association) may register in Canada, without the need to be a citizen, resident or otherwise domiciled in Canada. A mark functions to identify a single source. The proposed amendments clarify that the reference to "person" includes two or more persons who, by

agreement, do not have the right to use the trade mark in Canada except on behalf of both or all of them.

1.9 Registering Signs

Amendments to the Act projected to come into force in 2019 would augment eligibility for registration of a “sign” to include a word, personal name, design, letter, numeral, colour, figurative element, three-dimensional shape, hologram, moving image, mode of packaging goods, scent, taste and texture, positioning of a sign as well as proposed certification marks.

Currently, registration is available for trade marks made up of:

- words, sounds, designs (including colour as a feature) or a combination of these used to distinguish the goods or services of one person or organisation from those of others;
- marks that can be licensed to many people or companies for the purpose of showing that certain goods or services meet a defined standard; and
- distinguishing guise/trade dress, which protects the shape of goods or their containers, or a way of wrapping or packaging goods.

1.10 Other Rights to Signs

The federal and provincial laws of Canada provide protection for source-identifiers in addition to trade marks, including:

- legal names and business names, which may be searched by reference to a federal business name register and a provincial register in each province;
- domain names, under the .CA registry by those who satisfy the local presence requirements; and
- products listed on the Health Canada Drug Products database.

Such rights generally arise through registration with one or more government authorities.

1.11 Registration Procedure

An application for registration may be filed by delivery to any of the regional offices of CIPO, or online, along with the prescribed fee. The application sets out, inter alia, the identity of the applicant, the mark and the basis (or bases) on which registration is sought. The first phase of scrutiny is by the examiner. Once the examiner completes examination and related searches, and is satisfied that the mark is registrable and that the applicant is entitled to registration of the mark, the application is approved for advertisement in the Trademarks Journal for opposition. If opposition proceedings are commenced but are withdrawn or are otherwise not successful, the application is allowed. A declaration of use is required for applications that were filed based on proposed

use. Following allowance of the application, a registration fee must be paid before a registration will issue.

An applicant pays the same government filing fee regardless of the number of classes, but this will change when the amendments to the Act come into force. The registrar is sending requests for classification under the Nice system and a fee for each class will be imposed once the amendments are implemented.

Currently, payment of a registration fee and a declaration of use for proposed use applications are required. Both of these requirements will be eliminated once the amendments to the Act come into force. No evidence of use or samples of use need to be filed at the time of filing, nor on payment of the registration fee or renewal fee to secure registration of a mark.

Practice notices on the CIPO website set out the availability of extensions through the various stages of examination to registration.

1.12 Use in Commerce

An applicant is not required to file specimens of use at the time of filing, allowance of a trade-mark application or renewal of a trade-mark registration. As of now, use of the mark must commence before a registration will issue. During examination, specimens of use may be filed, to support a claim of acquired distinctiveness. During opposition, specimens of use may be necessary (see discussion below re opposition). After allowance, a declaration of use is required for an application based on proposed use. Following implementation of the amendments, such a requirement will cease to apply.

The tests for use in Canada on goods, services and for export, respectively, differ. The relationship between the owner of a mark and the user should be considered at the time of filing, controlled during the life of a mark. Advertising of services demonstrates use provided that the services are actually delivered within Canada.

1.13 Registration of Series Marks

Each application covers one mark only. Separate applications would be required for each variation of a particular mark.

Currently, the registrar may register marks that resemble each other and are owned by the same person as “associated marks”, which cannot be assigned separately. Verification of associated marks is necessary during due diligence proceedings, as the inability to transfer a mark apart from the associated marks may negatively impact on valuation and impede timeliness if not feasibility of closing. Once the amendments to the Act come into effect, the registrar will abandon the practice of recording marks as “associated marks” on the Trademarks Register.

1.14 Length of Registration Process

In the absence of any office action or opposition, the time interval from application to registration is roughly 12 to 18 months, depending on delays arising during examination and the number of extensions that are requested by an applicant. Opposition proceedings progress along a schedule that may significantly add to the timeline, even if based on weak grounds.

Use of a trade-mark agent for searching, preparation and prosecution of an application and representation during opposition proceedings is recommended but not required.

In the absence of opposition proceedings, CIPO fees are often less than CAD750. Agent fees vary.

1.15 Grounds for Refusal

The examiner may refuse to approve an application based on absolute and relative grounds. The absolute grounds pertain to registration of a word that is:

- primarily merely the name or surname of an individual who is living or has died within the preceding 30 years;
- the trade mark is, whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive of the character or quality of the goods or services in association with which it is used or proposed to be used, or of the conditions of or the persons employed in their production or of their place of origin;
- the name in any language of the goods or services with which it is used or proposed to be used; and
- consists of a protected geographical indication, or consists of plant varieties under the Plant Breeders' Rights Act.

1.16 Process for Overcoming Objections

An official letter from the examiner will provide reasons for any objections raised, as well as at least one opportunity to respond. The nature of a response will depend on the type of objection.

When an objection is raised pertaining to descriptiveness or to a surname, an applicant may request reconsideration citing past decisions of the registrar or the courts. The Registrar and the Federal Court each maintain a list of authorities that are frequently relied on in trade mark proceedings before the examiner, the Opposition Board and in judicial proceedings.

During examination, rather than attempting to refute the examiner's objections by way of written argument, the applicant may file evidence that, through use, the applied-for mark has become known to the public so as to merit registration. For example, a surname objection can be overcome when through recognition it becomes a brand. An applicant may attempt to overcome an examiner's descriptiveness or name objection by filing to show that the applied-for mark

has acquired distinctiveness or is not without distinctive character. Evidence of use may describe sale and advertising in Canada, and attach invoices, promotional materials and market research, including surveys, magazines, newspapers and web presence.

When likelihood of confusion is the basis for an examiner's objection, the applicant may assert that coexistence is feasible without likelihood of confusion. The examiner may be requested to take notice of the state of the federal trade mark register and dictionary definitions. State of the register evidence unsupported by evidence of use may not be accorded much weight by the Registrar.

Consents are not binding on the Registrar. However, the registrar will usually accept consent from a public authority that is recorded as the owner of the official mark if the citation is to a mark advertised under the Act. When requesting consent from a public authority, it is helpful to specify the limitations on intended use.

1.17 Consideration of Prior Rights

Registrability of an applied-for mark may be impeded by the existence of a previously filed application or a pre-existing registration likely to give rise to confusion. Examiners look at the filing date to ascertain priority. As a result, a prior filed application or registration will serve as a block to impede further examination of a subsequently filed application. Determinations of priority at the Trademarks Opposition Board and the Federal Court/provincial courts take into account length of use.

Confusion is assessed by reference to the average consumer having a vague or imperfect recollection of another mark. An open-ended list of factors is set out in the Act. The weight of each factor depends on the circumstances of the case.

A new procedure will permit a third party to correspond with CIPO during examination, to bring to the attention of the examiner considerations that may impact on whether or not an applied-for mark will be approved.

1.18 Third-Party Rights

Within two months after advertisement of an application for registration, a statement of opposition can be filed by any person(s), provided the opponent(s) assert at least one of the grounds of opposition set out in the Act, namely:

- the application does not conform to the requirements of the Act regarding the content of the application (eg, failure to describe the goods and services in ordinary commercial terms, or to state accurately the particulars of use, non-use or making known); failure to set out the standards of a certification mark, or to be satisfied of entitlement to registration;

- the trade mark is not registrable; eg, because the mark is primarily merely a name, clearly descriptive or misdescriptive of the goods or services or conditions of production or origin in English or French, the name in any language of the goods and services, a mark or denomination that is prohibited, a geographical indication, or a mark that is prohibited by the Olympic and Paralympic Marks Act;
- the applicant is not the person entitled to registration of the trade mark because of previous use or making known as a mark or a trade name in Canada by another person, or a previous filing or previous registration by another person; and
- the trade mark does not distinguish the goods or services in association with which it is used by its owner from the goods or services of others, nor is it adapted to distinguish them.

The material dates for each of the grounds of opposition differ and are set out in the Act. Decisions of the Trademarks Opposition Board can be appealed to the Federal Court.

Interlocutory motions may be filed to strike out all or part of a statement of opposition. Decisions arising therefrom may also be appealed to the Federal Court.

1.19 Revoke, Change, Amend or Correct an Application

Depending on timing, certain types of amendments are permissible following filing. Some changes to an application can only be made before advertisement. Some changes can be made any time (eg, to limit the statement of goods or services), while other changes cannot be made at any time. At no time can an application be amended to change:

- the identity of the applicant, except after recognition of a transfer by the registrar;
- the trade mark, except in respects that do not alter its distinctive character or affect its identity;
- the date of first use or making known in Canada of the trade mark to an earlier date, except where the evidence proves that the change is justified by the facts;
- the application from one not alleging use or making known of the trade mark in Canada before the filing of the application to one alleging such use or making known; or
- the statement of wares or services so as to be broader than the statement of wares or services contained in the application at the time the application was filed.

Errors in prosecution that cannot be corrected include:

- incorrect identification of the trade mark;
- failure to include goods or services in an application;
- missed due dates relating to claiming of convention priority, filing a statement of opposition or other steps within that proceeding;

- failure to renew after the expiry of a grace period; and
- failure to respond to a statement of opposition by filing a counterstatement.

An application may be amended to limit the goods or services claimed in the application at any stage of the application process and following registration, but not to extend the list. Settlement discussions may be premised on the willingness of a party to do so voluntarily.

Minor clerical errors may be corrected with the registrar's approval. Timing plays a role in determining whether a clerical error can be corrected. Errors in asserting priority can be corrected within the six-month priority filing period of the Paris Convention. Missing a due date to oppose, or the misfiling of a request for an extension to file a statement of opposition may result in loss of opportunity to oppose. Allowance without inclusion in an advertisement of a basis of entitlement may require re-advertisement.

1.20 Assigning an Application or Granting a Licence

Trade marks are transferable, whether registered or unregistered. It is useful to record the assignment during the application process and if an assignment occurs during the course of opposition or challenge, it is helpful also to amend the statement of opposition to reflect the change of ownership.

1.21 Remedies Against the Trade Mark Office

An appeal against a decision of the registrar lies with the Federal Court, within the timelines set out in the Act. The appeal is made by filing an originating notice of motion, by counterclaim in an action for infringement of a trade mark or by statement of claim in an action claiming additional relief under the Act.

1.22 Use of a Trade Mark

Currently, use is required prior to registration. The use must have occurred in Canada or in a foreign country if entitlement to registration in Canada is referenced in the Canadian application as based on a corresponding foreign registration. "Use" in relation to a trade mark is defined in a different manner depending on whether the subject matter is goods, services, or for export purposes.

An application may be filed based on proposed use in Canada — no use at time of filing. The applicant will need to demonstrate use by filing a declaration after allowance of the application and before a registration will issue. Extensions can be obtained pending use of the mark, which may be delayed for reasons such as the need to secure regulatory approval before a product launch. The requirement to file a declaration of use will be eliminated once the amendments to the Act come into force.

When an application claiming a date of first use is undergoing examination, the Trademarks Office does not receive or review specimens. However, an applicant may choose to file specimens of use for review by the examiner when responding to an official letter that objects where the applied-for mark is clearly descriptive/misdescriptive of the subject mark or is primarily merely a name or surname. During opposition proceedings, specimens of use will normally be filed to show how the mark was used in regard to the goods and/or services referenced in the application. Specimens are also filed in response to a notice of cancellation under the Act to counter the allegation of non-use. In all cases, it is necessary to show use of the mark as registered.

1.23 Dividing a Trade Mark

The proposed amendments will introduce the ability (not currently available) to file divisional applications, through which an applicant can retain the initial filing date for those portions of an application that are divided out. Currently, it is possible to delete from a declaration of use those goods or services recited in an application for the narrowed list. Those deleted claims can be captured by a new filing, albeit receiving a later filing date than would be the case by dividing an application. This question often arises after a mark has been allowed and it is necessary for an applicant to file a declaration of use (required for the time being in regard to applications based on proposed use).

1.24 Length of Term of Protection

The amendments propose to shorten the current term of protection — which is presently 15 years — to ten years. A grace period of six months from the date shown on notification from the Trademarks Office is available. An application for renewal of a trade mark should be accompanied by the required filing fee. Evidence of use is not required. The renewal application is straightforward and may be submitted online by the registered owner or an agent.

1.25 Requirements for an Exhaustion

The Supreme Court of Canada noted that “grey goods” were legitimately sourced from the trade mark-owner who had placed goods bearing the trade mark on to the Canadian market. The grey goods and the goods sold by authorised distributors were not different. The doctrine of exhaustion of trade-mark rights applied. In the absence of a disclaimer that lets consumers know of any differences, such as the absence of warranty services, remedies may be available for passing off, misleading advertising and other tortious conduct. Moreover, Canada-specific regulatory requirements such as labelling laws that apply to consumer products may be used to prevent import of grey goods into Canada.

Contractual restrictions regarding distribution of grey goods may be enforceable in some Canadian provinces and territories. The Ontario Court of Appeal has upheld a settlement

in which the parties had agreed to refrain from grey marketing of confectionery goods. The settlement was held not to constitute an improper restraint of trade.

1.26 Participation in the Madrid System

Participation in the Madrid System is a core feature of the recent amendments to the Act that are expected to be implemented during the winter of 2019. On the registration of a trade mark in the international register on the basis of an application that contains a request under the protocol for the extension to Canada of the protection of a trade mark resulting from its international registration, an application will be deemed to have been filed under the Act by the holder of the international registration of the trade mark and in respect of the same goods or services that are listed in that request. Reference to the CIPO website is recommended regarding pertinent requirements of the Draft Regulation that remains subject to public consultation at the time of writing. Part 2 is entitled Implementation of the Madrid Protocol.

1.27 Consequences for Providing Incorrect Information

As indicated above, certain errors can be corrected. Others will negate registrability and enforceability. An applicant declares good faith (bona fide intention to use) when initiating the process. Affidavits filed in the course of examination, opposition and enforcement proceedings are sworn documents tendered by way of proof of truth. Unsworn evidence is inadmissible as hearsay evidence.

1.28 Updating or Refreshing a Design Mark

Variations that are insubstantial may be covered under an existing registration and support use of the mark as registered. Each case stands alone based on its facts. Accordingly, as a precaution, variations should be left to a fresh application, to avoid uncertainty over whether a variation is substantive and, hence, not covered by an existing registration. For this purpose, a style guide setting out restrictions on permitted variations is often recommended. Examples of variation between registration and actual use may include colours, font, punctuation, placement and size of components. Because logos and sound marks may also enjoy protection under the Copyright Act, care should be taken to avoid variation without permission from the author and/or copyright-owner, so as to avoid infringement of copyright and violation of moral rights that may not be held by the trade mark-owner.

1.29 Denotation

Symbols are optional. The designation of TM and its French equivalent, MC, are helpful, although not required. The designation of ® and its French equivalent, MD, are reserved for registered trade marks.

2. Assignment and Licensing

2.1 Assignment Requirements or Restrictions

The Act provides for assignment of trade marks. Currently, a written document evidencing the assignment should be filed to give public notice of the details of transfer. An assignment of a registered or unregistered mark that splits ownership of a mark by goods, services or territory may, depending on the facts of use, impact detrimentally on the distinctiveness of the mark.

2.2 Procedure for Assigning a Trade Mark

Because a trade mark is an intangible property right, a written document detailing the transfer of ownership should be executed. Optionally, the details of an assignment of trade-mark applications and registrations are registered at CIPO by filing a copy of the document. A letter to CIPO should name the entity shown on the trade mark register as the assignor, the proposed assignee and explain any discrepancies between the named assignor and the owner of the mark shown on CIPO's Trademarks Database.

2.3 Registering or Recording the Assignment

Registration provides public notice of a conveyance. A purchaser in good faith without notice should be entitled to rely on the information contained on the public register. As a practical matter, failure to record an assignment can have adverse consequences in commercial transactions that purport to transfer a portfolio of marks. Rectifying the chain of title on the record after the fact can pose challenges impacting on the ability to file new trade-mark applications in the name of the assignee, to record transfers that occur after the gap, to enforce the subject trade marks in the name of the new owner and support use of a mark during opposition and cancellation proceedings.

2.4 Trade Marks and Security

Security in personal property (real and intangible) is the subject of provincial legislation. The Act creates a federal register that is a deposit system for documents that include security agreements and discharges of security interests. However, the deposit system maintained pursuant to the Act does not set up a priority system between lenders.

2.5 Licensing Requirements or Restrictions

The Act provides that if an entity is licensed by or with the authority of the owner of a trade mark to use the trade mark and the owner has, under the licence, direct or indirect control of the character or quality of the goods or services then the use, advertisement or display as or in a trade mark, trade name or otherwise by that entity is to the benefit of the owner of the mark in that country. The Act does not expressly require that the trade mark be registered, nor the subject of an application, nor that the licence be in writing.

The Act, which acknowledges that marks can be licensed, does not impose any limitations on the nature of the relationship between licensor and licensee. The Act does not require that licences be registered in the Trademarks Database maintained by CIPO.

2.6 Procedure for Licensing a Trade Mark

A licence is a contract. The basic requirements for formation of a contract may be informed by civil or common law, the underpinnings of which are consent and consideration. Good faith is an element of all contracts.

In the case of trade-mark licensing, the agreement should identify the mark subject to the licence as well as the scope (activities and territory) of permitted use, coupled with the consequences of non-authorized use and other grounds for termination. The agreement should ALSO explain how quality control is to be exercised by the owner and the consequence of non-compliance with the standards that are implemented by the owner.

2.7 Registering or Recording the Licence

While a licence need not be registered, it is useful to provide notice of the existence of a licence. Marking on goods and associating the mark with services provided under licence advantageously identify source and quality, thereby supporting distinctiveness of a mark.

2.8 Reasons to Deny Granting a Perpetual Licence

A registered trade mark is a creature of statute, the duration of which is finite (currently 15 years, to be shortened to ten) and requires renewal. Perpetuity exceeds expiry of the statutory period. Renewal is optional. Non-use leaves a registration vulnerable to cancellation. At common law, rights in a trade mark are created through use. Accordingly, a mark loses its *raison d'être* when it ceases to distinguish the source of goods or services. An owner should control the character and quality of the goods and services offered in association with a mark. Revocability of a licence for non-compliance with the standards set by the owner facilitates enforcement.

3. Opposition Procedure

3.1 Legal Grounds and Timeframes

Following examination for technical compliance, relative grounds and inherent registrability, the examiner may approve an application for advertisement in the Canadian Trademarks Journal. The date of advertisement begins a timeline for opposition due dates.

Bases of opposition pertain to:

- non-compliance with the Act or other legislation;

- opponent's prior filing, registration, making known, or use, in Canada of a confusing mark;
- inherent non-registrability such as clear descriptiveness or misdescriptiveness, name; and
- non-distinctiveness, ie, inability to distinguish the wares and services associated with the applied-for mark from those of others.

The grounds of opposition are set out in the Act, namely:

- the application does not conform to the requirements of the Act in regard to the content of the application (eg, failure to describe the goods and services in ordinary commercial terms, or to state accurately the particulars of use, non-use or making known), failure to set out the standards of a certification mark, or to be satisfied of entitlement to registration;
- the trade mark is not registrable; eg, because the mark is primarily merely a name, clearly descriptive or misdescriptive of the goods or services or conditions of production or origin in English or French, the name in any language of the goods and services, a mark or denomination that is prohibited, a geographical indication, or a mark that is prohibited by the Olympic and Paralympic Marks Act;
- the applicant is not the person entitled to registration of the trade mark because of previous use or making known as a mark or a trade name in Canada by another person, or a previous filing or previous registration by another person; and
- the trade mark does not distinguish the goods or services in association with which it is used by its owner from the goods or services of others, nor is it adapted to distinguish them.

The material dates for each of the grounds of opposition differ and are set out in the Act.

Interlocutory motions may be filed to strike out all or part of a statement of opposition. An opposition is an administrative proceeding and is therefore subject to rules of natural justice.

The proposed amendments will add to these grounds of opposition absence of use and absence of proposed use in Canada at the same time as eliminating use as a requirement for filing. It remains to be seen whether certain 45-class applications currently on file at CIPO based on proposed use will proceed to registration simply on payment of the CAD200 registration fee once the amendments are implemented, or will be delayed by opposition proceedings alleging lack of bona fide intention.

3.2 Filing an Opposition

Any person may file a statement of opposition, as set out in the Act. The government fee to initiate an opposition is

CAD750 and the government fee to obtain any permitted extension is CAD125. Legal fees will vary by agent.

3.3 Opposition Procedure

The opponent begins by filing a request for an extension of time to file the statement of opposition, or by filing the actual statement of opposition. This document is filed by the opponent with CIPO for initial review. The statement of opposition sets out the grounds of opposition.

CIPO forwards the Statement of Opposition to the applicant's registered agent, or to the applicant if none has been appointed. In response, the applicant must file a counterstatement of opposition. This is a short document that denies the grounds. An extension of time to file the counterstatement can be obtained. The application is deemed abandoned if no counterstatement is filed within the required timeframe.

The next step is the filing of evidence that should show the issues raised in the statement of opposition, or a statement that no evidence will be filed. Evidence is filed in sequence, by way of affidavits that must be sworn and each of the exhibits commissioned. The opponent may reply to the applicant's evidence.

Upon request, the registrar will issue an order for the affiants to attend for cross-examination, non-compliance with which could result in the affidavit evidence being inadmissible. When cross-examinations are complete, transcripts are filed with the registrar.

The last step is argument; written followed by oral arguments in response. The registrar will first set a date for filing of the written arguments by each party. After receipt of both parties' written arguments, the registrar will exchange them simultaneously. Upon request, the registrar will set a date for oral hearing, which can be conducted in person or remotely (by phone).

Deadlines are strictly observed in opposition proceedings. A small number of exceptions are available. One extension, a "cooling-off period" of nine months, is available to each party, on consent of the other, for the purpose of settlement discussions.

3.4 Legal Remedies

An appeal from a final decision of the registrar to the Federal Court of Canada is available within two months from the date on which notice of the decision was communicated by the Registrar. After expiry of the foregoing two-month period, leave of the Court is required. Further appellate review may be available from the trial division to the Court of Appeal and, with leave, to the Supreme Court of Canada. The rules of each court set out the requirements for leave and the timelines for filing the documentation.

4. Initiating a Lawsuit

4.1 Actions to Pursue Infringement

Different approaches may be pursued by an aggrieved owner of a trade mark, registered or unregistered, to prevent and recover damages for unauthorised use that would lead to confusion or mistake of various types of marks and indications covered by the Act.

The Act prohibits use and adoption of (i) a mark so nearly resembling another mark that has by ordinary and bona fide commercial usage become recognised as designating the kind, quality, quantity, destination, value, place of origin or date of production of any goods or services, and (ii) a designation under the Plant Breeders' Rights Act that would be likely to be mistaken.

Prohibitions apply with respect to use in connection with a business, as a trade mark or otherwise of indications that identify agricultural products or food, wines and spirits that are listed with the minister and published on the CIPO website. A statement of objection may be filed to object to an indication.

The owner of a registered trade mark can assert infringement and depreciation of goodwill. Unregistered trade marks are also enforceable under the Act for passing off and on the bases of various common law torts. A trade-mark registration serves as a basis for proceeding in the federal courts as well as the courts of the various provinces.

4.2 Initiating Infringement Proceedings

Recovery in respect of unregistered marks is ordered by the courts of the provinces and available in the Federal Court if asserted in conjunction with infringement of a federal law. A registration affords the potential for assistance from border authorities in accordance with the Combating Counterfeit Products Act that came into force on 2 January 2015. Infringement proceedings can be initiated within the Federal Court of Canada or the superior court of any province.

While the civil courts of each province are also appropriate venues for trade mark proceedings — particularly enforcement of unregistered rights, tortious conduct associated with marks and breach of licence agreements — only the Federal Court can direct the Registrar to amend the CIPO Trademarks Database in consequence of submissions that may be made during infringement proceedings. Variation or cancellation of a registration may be helpful to a defendant in infringement proceedings. Moreover, decisions of the Federal Court are binding in each of the provinces. The foregoing may bear on choice of court.

The Opposition Board has jurisdiction over registration only, ie, not over use of a mark.

4.3 Effect of Decisions on Infringement Actions

Decisions of the Trademarks Office do not bind the courts, nor do they bind examiners or the Opposition Board. The Registrar's decisions are generally fact-specific and decided on a case-by-case basis, often by reference to the common list of authorities — decisions of the Federal Court trial and appellate divisions.

4.4 Declaratory Judgment Proceedings

Declaratory relief is available to each party. For example, a plaintiff may seek to confirm that its mark is valid and infringed by the defendant's use of a confusingly similar mark. A defendant may seek an order that the plaintiff's mark is invalid and should be struck from the Trademarks Register or that the defendant's use would not give rise to confusion.

4.5 Jurisdiction of Courts

The federal and provincial courts have trial and appellate divisions. The Supreme Court of Canada may grant leave to hear appeals from civil and criminal appellate courts that raise issues of national importance or public interest.

The standard of review of a decision of the Registrar, in an appeal under the Act, depends on whether new evidence has been filed that would have affected the Registrar's findings of fact or exercise of discretion. Where new evidence is filed that meets this threshold, the court must consider *de novo* the issue to which that additional evidence relates.

4.6 Prerequisites to Filing a Lawsuit

It is not necessary to send a formal demand letter before initiating a lawsuit, although it is frequently done unless there is a reason not to give notice. For example, there may be a concern — particularly in the case of counterfeit goods — that a defendant may destroy or alter key evidence if notified.

4.7 Representation for Parties

Representation by a lawyer is not required before the Opposition Board, nor before the courts, although it is preferable given the technical nature of the procedure and substance. In Ontario, the small claims courts offer unrepresented litigants simplified recovery, albeit with a cap of CAD25,000.

4.8 Interim or Preliminary Injunctions

Interim and interlocutory injunctions are useful remedies for trade mark-owners, but infrequently granted due to the high standard of proof required to establish irreparable harm (harm not otherwise compensable in damages).

An applicant for an interlocutory injunction must establish (i) a serious issue to be tried, (ii) that irreparable harm would be suffered if the injunction is not granted and (iii) the balance of convenience favours the requesting party. A factor to consider is the lapse of time before court action is initiated. It is critical to move quickly if harm is

to be characterised as irreparable and not compensable in damages. An interim interlocutory injunction is reviewable after a short time set out in the order. A foreign plaintiff may be required to post a bond/security for costs. Permanent injunctions do not require proof of irreparable harm.

4.9 Protection for Potential Defendant

At any time, a potential or actual defendant can request the registrar to cancel any and all of the plaintiff's registrations that are not in use under the Act and oppose any and all of the plaintiff's marks that are within the opposition period (two months post advertisement in the Trademarks Journal). The defendant can also challenge the validity of the plaintiff's registrations as a separate court proceeding or, if the claim is before the Federal Court, within a counterclaim. To succeed in a challenge of this nature, a party must show that the trade mark was not registrable under the Act because of any one of the absolute grounds of registration, or that the mark is no longer distinctive of the registrant's goods or services.

A defendant may also refute the allegations of confusion and seek a declaration that it is not infringing the plaintiff's marks.

A foreign plaintiff may be required to post a bond for security for costs and damages that the defendant could suffer due to the litigation.

A defendant may make a formal offer to settle the case. In both the Federal Court and the provincial superior courts, formal offers (in contrast to revocable, confidential offers to settle that are exchanged between counsel on a confidential, without prejudice basis) may have a significant impact on the amount of costs ultimately awarded by the court.

4.10 Obtaining Information and Evidence

Evidence may be obtained by way of extraordinary remedies prior to commencement of a proceeding. Civil search warrants in the context of Anton Piller Orders and Mareva injunctions offer the opportunity to obtain information and evidence if there is a reasonable fear of destruction. Cross-examinations on affidavits take place in the context of an application, while discovery, offering a more extensive examination, takes place in the context of an action. A third party may be ordered to provide information that would be useful to the court, by way of subpoena.

4.11 Initial Pleading Standards

The level of detail must be sufficient to enable the responding party to plead in response, failing which the pleading may be struck in whole or in part. Pleadings may be amended and supplemented, by leave of the court or upon consent.

In trade-mark proceedings, appeals are of right from a decision of the Registrar to the Trial Division of the Federal Court and from the Federal Court Trial Division to the Federal Court of Appeal. Fresh evidence not before the Registrar may be filed on appeal to the Trial Division. An appellant may succeed on appeal if the Court determines that the decision of the Registrar was not reasonable having regard to the evidence before it or that the newly filed evidence is material and would have led the Registrar to a different result.

4.12 Representative or Collective Actions

Class actions for copyright infringement are under way in Canada. In contrast, for reasons related to preservation of distinctiveness, since a mark is owned by a single legal entity, rather than multiple individuals, certification of a class of aggrieved trade mark-owners is not common practice. However, multiple users of descriptive words may have a common interest in preventing appropriation of a word in common language to benefit a trade-mark registrant. The common use by competitors within an industry has proved useful in successfully counterclaiming for invalidity of a registered mark.

4.13 Restrictions on Trade Mark-Owners

The interface between IP (reasonable limitations) and competition legislation continues to be considered for all property rights. The proposed amendments to the Act would enable a court to direct cancellation of a registration that would be likely to limit unreasonably the development of any art or industry. A trade mark-owner should not imply to third parties (eg, retailers) that a defendant is infringing its mark before any such decision has been reached by a court. Forwarding to a retailer a copy of a demand letter addressed to a manufacturer that implies infringing conduct before a court has rendered a decision could support a claim for tortious interference with economic relations.

5. Infringement

5.1 Action for Infringement

Infringement is a term generally used with reference to registered trade marks. The Act enables a third-party licensee to require the owner to initiate infringement proceedings. If the owner refuses or neglects to do so within two months after being so called on, the licensee may institute proceedings for infringement in the licensee's own name as if the licensee were the owner, making the owner a defendant. This statutory right may be waived by agreement.

An owner of an unregistered mark that has been used or made known in Canada can proceed by way of a claim on the basis of passing off.

Third parties may be authorised to file an action for infringement or enforce unregistered trade-mark rights. For example, an agreement between an owner of an IP granting security in that portfolio may provide that the lender is authorised to take all actions useful or necessary to preserve the security, which would include monitoring unauthorised use and initiating actions for infringement and passing off, with co-operation of the trade mark-owner.

5.2 Signs and Infringement

Likelihood of confusion is central to the consumer protection orientation of the Act. All of the surrounding circumstances are open to consideration, by reference to the open list of factors recited in the Act. The factors are:

- inherent distinctiveness of the respective trade marks or trade names and the extent to which they have become known;
- length of time the trade marks or trade names have been in use;
- the nature of the goods, services or business;
- the nature of the trade; and
- the degree of resemblance between the trade marks or trade names in appearance or sound, or in the ideas suggested by them.

Confusion is to be determined based on the somewhat rushed, casual consumers' first impression, even where expensive goods are involved. Confusion is an element of depreciation of goodwill. The registered mark need not be identical to the unauthorised use. Disclaimers will not shield an unauthorised user from liability for disparaging imitation of a trade mark that is likely to cause confusion as to the source of the services. Depreciation of goodwill can also occur in regard to use of similar characters, containers and labels.

5.3 Use of a Sign by Defendant

"Use" (or misuse) by a defendant of a trade mark, to distinguish source, is required in regard to any infringement claim. This is not necessarily the case in terms of a claim based on depreciation of the plaintiff's goodwill in a trade mark. Remedies may be available under the Act where there is use or misuse of a trade name, domain name, or key word likely to cause confusion even in the absence of use or misuse by a defendant as a trade mark.

5.4 Defences Against Infringement

If a defendant's use of a mark is confusing and disparaging, the Act provides relief from depreciation of goodwill. Contrary to the Copyright Act, the Act does not provide defences of parody and fair use. Each law entails a separate assessment of wrongdoing.

Delay may preclude the ability to demonstrate urgency in securing an injunction. Co-existence may weaken or erode the distinctiveness of the mark sought to be enforced. Limitation periods may prevent recovery of damages; however, timing can run from the date the plaintiff had knowledge of the unlawful conduct.

A defendant's strategy may be to challenge the plaintiff's registered rights, asserting invalidity due to an absolute ground of entitlement to registration or other, such as non-use. If the plaintiff began the proceeding in the Federal Court, the challenge can be linked to a counterclaim that seeks an order to amend the Trademarks Register and expunge the plaintiff's registration.

5.5 Role of Experts and/or Surveys

Practitioners may consult with experts to gauge perception of the "ordinary person in a hurry" with a "vague recollection" of words, graphics and sounds. Experts may be helpful to practitioners and their clients when selecting and enforcing a mark.

Expert evidence is admissible if it meets the following criteria:

- relevance;
- necessity in assisting the trier of fact;
- absence of any exclusionary rules; and
- tendered by a duly qualified expert.

Canadian courts have been guarded in relying on surveys and expert opinion evidence, because non-technical subject-matter is within the ability of judges to assess, based on the judge's personal experience or knowledge. Survey evidence can still be useful, such as to assist courts in assessing the passing off of trade dress.

5.6 Administrative or Criminal Offence

Remedies for contempt of a civil court order may be ordered against directors and officers of corporations. A warrant of committal may be ordered by the Federal Court for arrest and imprisonment to secure compliance with court orders, including non-compliance with an injunction and failure to make the payment of costs and fines awarded by a court for infringement, passing off and contempt.

The Combating Counterfeit Products Act introduced criminal offence provisions in the Act relating to the import and sale of counterfeit products.

Design and sound marks are also protected under the Copyright Act, which contains criminal penalties for infringement: summary conviction and indictment. Forgery of a trade mark is an offence under the Criminal Code.

5.7 Custom Seizures

Since January 2015, the CBSA has been guided by procedures and protocols for processing suspected counterfeit and/or pirated goods with regard to IP, based on the following Canadian federal legislation: the Copyright Act, the Customs Act, the Customs Tariff, the Trademarks Act, and the Criminal Code.

Parallel imports — grey goods, which legitimately originate with the owner of a trade mark — are outside the scope of the border enforcement regime.

6. Revocation/Cancellation

6.1 Remedies and Reasons

Revocation/cancellation may arise on a voluntary basis (by request of the registered owner), by decision of the Registrar (under summary cancellation proceedings under the Act or failure to renew) or by order of the Federal Court (on the bases of non-registrability and non-distinctiveness).

6.2 Trade Mark Office and Civil Courts

Requests for cancellation of a registration for non-use, in whole or in part, may be initiated in the Trademarks Office under the Act by any person at any time after three years from the date of registration (or earlier where there are extraordinary circumstances) and are often initiated naming a law firm as a requesting party. There is a simplified proceeding to clear the Trademarks Register of dead wood.

Currently, the proceedings are initiated by a request (a letter) made on behalf of any person.

A request for an order directing the Registrar to amend the register to cancel a registration can also be initiated in the Federal Court by any interested party based on grounds that the trade mark was not registrable at the date of registration, is not distinctive, has been abandoned, or non-entitlement of the applicant to registration.

6.3 Statutory Limitation or Time Period

Summary expungement requests under the Act are normally submitted after the three-year period from the registration date. Requests for cancellation are best within five years from the date of registration.

6.4 Initiation of Revocation/Cancellation Proceeding

Any interested person may initiate such proceedings. An interested person is defined in the Act.

6.5 Partial Revocation/Cancellation

The result may be to limit the list of goods and services, or to place geographical limitations. An agreement between

multiple entities to divide ownership of a registered mark by voluntary undertaking to refrain from use in different areas of the country may result in de facto dual ownership of a mark.

6.6 Possibilities of Amendment

The Registrar or the Federal Court may order amendment to narrow the scope of a registration. An amendment would not be ordered to widen the scope of a registration. For example, the Registrar may be ordered to delete certain goods and/or services due to non-use.

6.7 Revocation/Cancellation and Infringement

Actions may be heard together, in which case an order for revocation or cancellation may impact on the strength of the plaintiff's infringement case. Otherwise the respective proceedings may follow different timelines in different courts, with the potential for an anomalous result that may require reconsideration.

7. Trial & Settlement

7.1 Special Procedural Provisions

Of particular interest, the parties may refer to a common list of authorities in trade-mark proceedings, concerning confusion, descriptiveness, passing off and use. Fresh evidence may be filed in appeals from a decision of the Registrar.

The Federal Court may hear the proceedings initiated by way of an application or an action. Proceedings may also be initiated in provincial courts on the basis of unregistered rights for passing off. There are no jury trials for trade-mark matters.

Expert evidence may be tendered in various areas. For example, expert evidence may be tendered by linguists on the construction of language, by designers on the impact of design motifs and by marketing professionals on the use of language within a commercial sector.

Trade-mark infringement actions may combine causes of action, with reference to other statutory IP rights, such as copyright and industrial design, and claim recovery for torts such as passing off, unjust enrichment and misleading advertising. The rules of the Federal Court or the rules of the procedure in each of the common law provinces will apply. For actions in the province of Québec, the Québec Civil Code, Civil Code of Procedure and Charter of the French Language should be consulted as well.

7.2 Determination of Cases

Civil trials for trade-mark infringement do not proceed by way of jury.

The parties may influence where the hearing takes place, but not the choice of decision-maker. They may agree on selection of a mediator or arbitrator.

7.3 Possibilities of Settlement

A defendant may make a formal offer to settle, the timing and amount of which may be considered by a court when awarding costs. Mediation is encouraged in all venues and may be mandatory pursuant to the rules of certain provincial courts. Mediation focuses on the interests of the parties. In the Federal Court, mediation services are provided by the associate judges of the Court, called prothonotaries. Pre-trial conferences are also mandatory and will explore possible settlement of disputes.

Alternatively, the parties may have an agreement in place to proceed to arbitration. The details of the arbitration clause may include appointment of an arbitrator and set out the proposed rules and procedures as well as venue.

7.4 Other Court Proceedings

Parallel proceedings in a foreign jurisdiction may influence the outcome in a Canadian court and may provide a reason for a Canadian court to vary a global take-down order.

Within Canada, parallel proceedings may be taken to enforce different types of rights in a brand: registered trade mark, unregistered trade dress and licence, copyright in the trade mark and industrial design in the shape of the product packaging (see below regarding different types of IP rights that may co-exist). A multiplicity of potential causes of action may afford parallel proceedings against someone who is misappropriating a mark, including copyright (logo), industrial design (eye appeal; eg, crisp/product packaging), passing off/misleading advertising (provincial) and the Act. The underlying purpose of each law may differ. As a result, the rights-holders and scope and term of protection may differ. A finding of infringement of one right would not necessarily impact on a claim for infringement of a different co-existing right.

Proceedings regarding counterfeit goods may result in Crown involvement in regard to criminal prosecution. Copyright remedies are both civil and quasi criminal. It may be advisable to refrain from running parallel civil proceedings to avoid interfering with an investigation. However, no damages will be awarded in a criminal proceeding.

A decision of a foreign court, although not binding on a Canadian court, may be informative if counsel explains the relevance, acknowledging the differences in the legal struc-

ture, and text of underlying statutory authorities. The English and French language versions of Canadian statutes are given equal weight.

8. Remedies

8.1 Existing Remedies

Where there is a strong resemblance between the plaintiff's mark and the defendant's mark, the plaintiff may sue for injunctive relief, declaratory relief, damages and an accounting of profits, delivery up, destruction and costs.

An injunction may be interim, interlocutory or permanent. An interlocutory injunction requires proof of irreparable harm. A permanent injunction does not require such proof. The burden of proof may be more onerous when seeking a mandatory injunction to follow a course of conduct than to prevent a defendant from taking or continuing with the same course of action. In the case of mandatory injunctions, a court may need to balance the interests in providing adequate and efficient injunctions until trial and the importance of avoiding irreparable damage to the social media presence of the alleged infringer. For example, in the online context, amending a video could entail removal, reposting and loss of all related comments and posts. It may irreversibly truncate conversations under way between consumers and the enjoined party.

The successful plaintiff may elect between damages suffered and an accounting of profits that the infringer made. Also, the court may award punitive damages, delivery up for destruction, seizure of a website, transfer of a domain name and costs. The successful party generally receives an award of legal fees, but less frequently full recovery of all costs incurred. The parties may submit a draft bill of costs for consideration by the court. Judges have wide discretion as to costs. Factors may include complexity of the litigation, difficulties presented by the evidence and whether the newly presented evidence could have been placed before the Registrar.

By combining remedies under the Act with other applicable statutory and common law remedies, it may be possible to recover enhanced damages for wilful infringement and statutory damages.

Additional remedies may be suited to the facts: publication of a notice of culpability for misleading advertising in violation of provincial consumer protection legislation, delivery up and destruction of infringing goods or websites and transfer of domain name pursuant to rules of the domain name registry (which may impose limitations on transfer).

8.2 Rights and Remedies

As a successful party, a defendant may recover all or a portion of its costs. Reimbursement of legal fees on a solicitor and its own client basis is sometimes awarded. A scale is used by the court as a guide unless the parties agree otherwise.

A defendant may seek a declaration of non-infringement (to pre-empt an infringement action) in combination with a Federal Court order directing the Registrar to amend the CIPO federal Trademarks Register. A declaration of non-infringement and challenge to validity of a registration may form part of a counterclaim.

8.3 Different Types of Remedies

Availability of cancellation is not uniform. Examples of exceptions that may apply: trade marks previously registered in Newfoundland, marks that have been on the register for more than five years and marks advertised in the name of a public authority.

Trade marks that are also trade names or domain names may receive protection under the rules of the relevant registries. Proceedings claiming bad faith use of a trade mark as a domain name with a.ca top-level domain can be addressed by the CIRA dispute resolution policy. A domain name registered in the.CA registry cannot be transferred to an entity that does not satisfy the local presence requirements. The Federal Court may order transfer of a domain name on the basis of an in rem action.

9. Appeal

9.1 Special Provisions

An appeal from the trial division of the Federal Court is available as of right within the time set out for filing a notice of appeal, or afterward if leave is granted.

9.2 Factual or Legal Review

The standard of review for trade mark and copyright appeals reflects two approaches: reasonableness and correctness. In the absence of fresh evidence that would have materially affected the decision of the Registrar, the court reviews a decision of the Opposition Board based on the standard of reasonableness. This suggests deference to the expertise of the Registrar. By contrast, a decision of the Copyright Board may be reviewed on the basis of correctness for matters of law over which jurisdiction is shared by the Board and the courts.

9.3 Length of Appeal from Trial Court

The Federal Court website provides a breakdown of the timelines for filing materials, based on which it can be seen that an interval of two years can be estimated between filing of a Notice of Appeal until a Trial Court decision is rendered.

10. Other Trade Mark Issues

10.1 Recognition of Dilution

Non-distinctiveness is a basis for opposing registration and for asserting invalidity of a trade-mark registration on the basis that the mark may not actually (or inherently) distinguish the goods or services allegedly associated with the mark. A mark may lose distinctiveness over time through abandonment, use under licence without adherence to quality control restrictions, or co-existing use of the same or a confusingly similar mark by third parties.

10.2 Protection of Famous Marks

A mark that is famous outside the jurisdiction but not yet used in Canada may be registrable on the basis of proposed use, or making known in Canada, provided that there are no pre-existing marks that are assessed by the Registrar during examination or opposition proceedings as being confusingly similar. Famous or well-known marks may be accorded a broader scope of protection based on notoriety in Canada. Evidence of likelihood of confusion is a requirement for enforcement based on passing off and infringement.

10.3 Special Rules Regarding Geographic Indicators

A trade mark is clearly descriptive of the place of origin if — whether depicted, written or sounded — it is a geographic name and the associated goods or services originate from the location of the geographic name. A trade mark is misdescriptive of origin if the trade mark is a geographic name and the associated goods or services do not originate from the location of the geographic name. If a trade mark is misdescriptive, further analysis is required to determine if it is deceptive. In assessing whether a trade mark is deceptively misdescriptive, it must be determined whether the ordinary consumer would be misled into the belief that the associated goods or services had their origin in the location of the geographic name in the trade mark. A trade mark will be determined to be a geographic name if research shows that the trade mark has no meaning other than as a geographic name. In addition, a trade mark will be determined to be a geographical name if the trade mark, despite having multiple meanings, has a primary or predominant meaning as a geographic name. The primary or predominant meaning is to be determined from the perspective of the ordinary Canadian consumer of the associated goods or services.

If a trade mark is determined to be a geographic name, the actual place of origin of the associated goods or services will be ascertained by way of confirmation provided by the applicant. In determining the place of origin of the associated goods or services, the address of an applicant is irrelevant.

10.4 Special Rules Relating to Surnames

A trade mark is not registrable if it is primarily merely the name or surname of an individual who is living or who has died within the preceding 30 years. By exception, a name that has acquired secondary meaning so as to be distinctive or not without distinctive character is nevertheless registrable. This is demonstrated by evidence of sales, promotion and advertising.

The Act does not purport to divest an individual of personal rights in his/her name. Inherent in the right of publicity is the right to use and to control the commercial use of one's own name or likeness. Personality rights survive the death of the rights-holder.

11. Costs

11.1 Costs Before Filing a Lawsuit

Filing a lawsuit is advantageously preceded by verification of the likelihood of a successful outcome. A plaintiff may consult with private investigators, and survey experts to gauge brand awareness, scope of use and likelihood of confusion. Affidavit evidence that describes such investigations and attaches specimens and photos may be tendered in evidence, and the affiant subject to cross-examination. Warning letters may be sent to initiate proceedings and to promote settlement discussions. Injunctions and applications proceed by way of supporting affidavits that show the concerns through evidence that must be notarised.

11.2 Costs Regarding an Infringement Action

The costs of litigation vary depending on many factors, including the complexity, willingness of the parties to resolve before trial, the number of preliminary motions that are initiated, the manner of process (application or ordinary action) and the venue.

Individuals may choose to pare down the costs associated with retaining counsel by (i) civil proceedings in provincial small claims courts, for recovery of less than CAD25,000, or (ii), if appropriate — eg, in the case of counterfeits — through criminal proceedings, should the Crown determine that the facts are warranted.

11.3 Costs of Litigation

Typically, unless the parties can agree on how costs are to be allocated, the losing party will be ordered to pay costs to the prevailing party at a scale set out in the relevant jurisdiction. Indemnification is the primary principle underlying an award of costs, which are awarded in favour of a successful or deserving litigant and payable to the loser, awarded at the conclusion of a proceeding, and taking into account allowable expenses and the nature of the legal representation. The award is within the discretion of the court. In the Ontario

Superior Court there are three scales: partial indemnity, substantial indemnity and full indemnity. The conduct of the parties and the complexity of the dispute as well as any uncertainty in the law affecting the issues are factors that are usually taken into account. Formal settlement offers — amount and timing — will generally bear on the quantum of costs awarded.

12. Alternative Dispute Resolution

12.1 Common Way of Settlement

Mediation of opposition proceedings, domain name disputes and judicial disputes is encouraged by the Board and courts, respectively. Providers include those listed with the Intellectual Property Institute of Canada (IPIC), the International Trademark Association (INTA) and the World Intellectual Property Organization (WIPO).

In the Federal Court, prothonotaries (associate judges) act as mediators. Selection of private mediators is at the discretion of the parties in Ontario Supreme Court proceedings. Retired judges frequently serve as mediators and arbitrators. Commercial agreements may contain clauses requiring resolution of trade-mark disputes through ADR. The choice of decision-makers is based on their expertise in the area that is the subject of the dispute or are otherwise qualified in a manner that is acceptable to the parties. Canadian courts generally give deference to the expertise that arbitrators can provide.

13. Trade Marks and Other Intellectual Property

13.1 Protection by Copyright

Reliance on multiple bases of protection can be helpful during enforcement, but pose a challenge during clearance. This is because the bases of protection, identity of rights-holders and standing to initiate enforcement proceedings may differ under different laws and in different jurisdictions.

A trade mark may be protectable as a “work” under the Copyright Act. The Copyright Act covers trade marks and remedies set out in the Copyright Act without distinguishing between types of works. Original jingles should be protectable under both the Copyright Act and the Act. The definition of musical work does not require melody or harmony. As such, pure sound effects may in some cases be protectable not only as trade marks but also as musical works.

Ownership rights in the same content may differ, depending on whether it is the Act or the Copyright Act that is being asserted. Such rights differ in terms of rules (and presump-

tions) of ownership, duration and criteria used to assess infringement.

Words used in a patent to describe the product manufactured using patented technology may be registrable and enforceable as a trade mark even after the expiry of the patent if at the time of registration they have become the name by which the goods are known. Over time, the words may acquire a secondary meaning to represent the character, quality and place of origin of the goods, so as to distinguish the product of the trade mark-owner. However, trade-mark protection does not extend to functional aspects of a product.

New varieties and strains may be protectable under the Plant Breeders Rights Act. An application to the Canadian Food Inspection Agency may be made for protection of a new “plant variety”.

Products and packaging characterised by an original shape, configuration, patent, ornament or combination that is not functional may be protectable if registered under the Industrial Design Act.

An opponent may assert that an applicant for registration of a trade mark is not entitled to registration because the proposed or actual use would not be in compliance with applicable law. In the absence of a finding of infringement of the referenced statute, however, the opposition is unlikely to succeed on this basis because the mandate of the Registrar does not extend to determination of compliance with other legislation.

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