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**SUBMISSION BY THE  
INTERNATIONAL TRADEMARK ASSOCIATION  
IN RESPONSE TO BILL C-56:  
*AN ACT TO AMEND THE COPYRIGHT ACT AND THE  
TRADE-MARKS ACT AND TO MAKE CONSEQUENTIAL  
AMENDMENTS TO OTHER ACTS***

**April 30, 2013**

New York | Shanghai | Brussels | Washington, D.C.

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## **Acknowledgements**

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Trademark Office Practices Committee – Canadian Intellectual Property Office  
Subcommittee

Anticounterfeiting Committee – Canada subcommittee

Non-Traditional Marks Committee – Canada Subcommittee

Parallel Imports Committee – North America Subcommittee

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## 1.0 INTRODUCTION

### 1.1 About This Submission

This submission constitutes the comments of the International Trademark Association (“INTA”) concerning Bill C-56, *An Act to amend the Copyright Act and the Trade-marks Act and to make consequential amendments to other Acts* (otherwise known as the *Combating Counterfeit Products Act*, the “CCPA”), which received first reading on March 1, 2013. In particular, this paper concerns comments respecting Bill C-56’s proposed changes to the *Trade-marks Act*. INTA welcomes the opportunity to provide further input on Bill C-56 and to work with Industry Canada and the Canadian Intellectual Property Office (CIPO) regarding this and any future initiatives concerning Canada’s trade-mark laws and the rights of trade-mark owners. We believe that Bill C-56 advances the protection of trade-marks over current law and that our following recommendations are in the spirit of perfecting the proposed legislation now under consideration.

Throughout this paper, reference to Bill C-56 is sometimes abbreviated to “Bill” and the Canadian *Trade-marks Act* is sometimes abbreviated to “TMA”. Throughout this submission we have, in the course of making comments on the Bill, attempted to summarize some of the changes that the Bill proposes to make to the TMA. However, the reader should refer to the actual language of the Bill to review the proposed legislative changes.

Our comments regarding the Bill C-56 are divided into two parts. The first part of our submission, beginning at Section 2.1 of this paper, focuses specifically on the core trade-mark anticounterfeiting measures of Bill C-56 (i.e. Bill Sections 42 and 43) and suggests several proposed amendments and offers recommendations for adding additional pertinent provisions that will further strengthen the statutory regime Bill C-56 is designed to achieve. Given that these comments all relate to the border patrol provisions which appear to be the impetus for the introduction of the legislation, INTA urges the government to consider our proposed amendments and suggested additions. INTA recognizes that Bill C-56, in dealing with the importation and sale of counterfeit goods, contains exceptions for parallel imports. It is not entirely clear how the Bill’s provisions will impact the development of Canadian jurisprudence concerning the exhaustion of trade-mark rights and we did not make specific comments in this submission regarding that issue. However, INTA favours the principle of national exhaustion and we would be pleased to discuss our position further upon request.

The second part of our submission concerning Bill C-56, beginning at Section 2.2 of this paper, is concerned with our comments regarding the balance of the Bill’s proposed changes to the TMA. At least eight of these proposed changes concern (in whole or in part) topics which INTA has raised in previous submissions to the Canadian government and its agencies and which we are very glad to see addressed in the Bill in one form or another (e.g. division of applications; reform of associated trade-marks; priority claim reform; non-traditional marks; proposed certification marks; flexibility in scope of summary cancellation; ability of Registrar to correct clerical errors; eliminating requirement to file certified copy of foreign registration). Of particular concern to INTA is the proposed change to the TMA (proposed s.29.1) which would permit the Registrar to destroy documents without requiring first that the documents be transferred to electronic format and that those electronic documents will be maintained.

In addition to our comments concerning Bill C-56, our submission also includes, beginning at Section 3.0 of this paper, a list of further recommendations for additional near-term changes to the TMA which we believe will have the effect of improving Canada's trade-mark regime. Although INTA appreciates that these recommended changes may be outside the scope of the Government of Canada's current initiative concerning Bill C-56, we nevertheless urge the government to consider implementing these recommendations as a means of further strengthening Canada's trade-mark laws, and in particular the means of acquiring and enforcing registered trade-marks.

## **1.2 About INTA**

INTA is a not-for-profit membership association of more than 5,900 trade-mark owners and professionals firms from more than 190 countries. The association was founded in 1878 and is dedicated to the support and advancement of trade-marks and related intellectual property as elements of fair and effective national and international commerce. INTA members share common interests in the protection of trade-marks and the development of trade-mark law, and they rely on INTA to represent and advocate for those interests with national governments and international organizations. INTA's diverse membership includes multinational corporations and other business enterprises of all sizes, intellectual property and general practice law firms, trade-mark agent firms, service firms, trade-mark consultants, and academic institutions.

INTA currently has 274 member firms and corporations in Canada.

For many years, INTA has worked closely with national trade-mark offices around the world evaluating their practices, procedures, operations and regulations, and analyzing proposed legislative and regulatory developments relating to trade-mark registration and enforcement. INTA has been pleased to provide comments to CIPO in respect of previous consultation documents. Reflecting the importance of trade-mark issues in Canada, INTA established within several of its committees subcommittees whose mandates are to specifically focus on Canada.

Further information about our Association can be found at [www.inta.org](http://www.inta.org).

## 2.0 COMMENTS ON BILL C-56

### 2.1 Comments Regarding Core Trade-mark Anticounterfeiting Measures (Proposed Changes to the TMA in Bill Sections 42-43)

#### **Recommended Changes to Core Trade-mark Anticounterfeiting Measures of Bill C-56**

INTA applauds the efforts taken by Industry Canada in proposing these anticounterfeiting measures, but there are still some ways that the measures could be refined to improve the ability of Canada to protect itself from the harms of counterfeiting and be a world leader in trade-mark protection. We would like to respectfully submit these proposed changes for consideration into Bill C-56.

Bill C-56 gives more measures to protect trade-mark owners and the public from the damaging effects of counterfeits. The Bill explicitly prohibits the sale and distribution of counterfeits and makes these offences punishable with criminal sanctions. The Bill adopts more stringent border controls by giving customs officials more authority to act with respect to the importation of counterfeit goods and provides for the detention of counterfeit goods.

***Recommendation:           Modify the mens rea element in Section 51.01 of the TMA to focus on the knowledge that the selling, offering to sell, or distribution is in respect of counterfeits rather than the onerous requirement of proving the counterfeiter's knowledge for all the elements of the offence.***

INTA applauds the addition of sale and distribution as a criminal offence in Bill C-56. However, section 51.01 creates elements of the criminal offence which should be unnecessary to the crime of counterfeiting.

The essence of counterfeiting is making, distributing, selling or possession for the purpose of selling of a copy knowing it to be a counterfeit. The knowledge requirement in the current proposed Section 51.01(1) of the TMA will be very difficult for crown attorneys to prove as the bill is currently drafted. More importantly, it misses the fundamental nature of the *mens rea* which makes these offences criminal. The prosecutor must prove that the counterfeiter knows that the trade-mark is identical/ indistinguishable to the registered trade-mark, that the owner has not consented to the sale and that the sale or distribution is an infringement as defined in sections 19 and 20 of the TMA. A counterfeiter could easily deny knowing that the trade-mark was registered, deny knowing that the mark on the goods is identical to or indistinguishable from a registered mark, and deny knowing sections 19 and 20 of the TMA.

However, if the mark is registered, the brand owner is putting the world on notice that its mark is protected and, in our view, the legislation should recognize that a trade-mark registration operates to give constructive knowledge to the public both that the trade-mark is registered and that the trade-mark is in the form as it appears in the registration. In addition to introducing the concept of constructive knowledge via the register of trade-marks, INTA also believes that the

language concerning knowledge should be broadened to cover ostensible knowledge as well as actual knowledge. For example, the beginning of section 51.01 could be amended to replace “knowing that” with “if that person knows or should know that”

It is INTA’s position that the crime of counterfeiting is made out when a person knows, or should have known, that the goods which bear the trade-mark are counterfeit, i.e. that the goods did not originate with the trade-mark owner or under a person licensed by the trade-mark owner. Therefore, we recommend that the Bill be amended so that the knowledge requirement applies only to that aspect of the offence concerning the registered trade-mark owner’s lack of consent to the sale, rather than to any element of the identity or status of the trade-mark or of the wording of sections 19 and 20 of the TMA. Otherwise the requisite knowledge is extremely difficult to prove, which undermines the overall goal of the TMA to hold counterfeiters responsible for their crimes against consumers and brand owners.

***Recommendation: Change section 51.01 and 51.03 of the TMA by expanding references to “[bear/bears] a trade-mark” to language that accommodates non-traditional trade-marks***

INTA notes that proposed provisions 51.01(2)(a), 51.01(4)(a), 51.01(5)(1), 51.03(1) of the TMA all refer to goods, labels or packaging which bear a trade-mark. Although this language is appropriate for traditional trade-marks, the word “bear” may not be appropriate for non-traditional trade-marks. While INTA recognizes that current typical marketing practices are such that the majority of cases concerning border control anticounterfeiting measures are likely to involve more traditional trade-marks, we do not want to see these important measures introduced by Bill C-56 to be rendered ineffective in light of advances in marketing practices that inevitably will result in a higher percentage of non-traditional marks being associated with goods, labels and packaging in a manner that may not be caught by the word “bear.” Given that Bill C-56 takes great strides in moving away from the traditional narrow concept of the “mark” and toward a more encompassing notion of the “sign” with respect to what the legislation will recognize as a trade-mark, INTA is concerned that the current language in the border control provisions is overly restrictive. INTA suggests that the wording in 51.01(2)(a) could be broadened to “the goods bear a trade-mark, or are in any other manner so associated with a trade-mark that notice of the association would be given to the person to whom the property or possession of the goods is intended to be transferred, that is identical to...” and that the other provisions could be similarly amended. Such a change will help to ensure that future advances in the manners in which signs will be associated with goods, labels and packaging for the purpose of distinguishing them from the sign’s owner’s competitors will not be ineffective if that manner of association would not be caught by the word “bear”.

***Recommendation: Change section 51.03(2)(d) of the TMA from explicitly prohibiting Canada Border Services Agency (CBSA) to intercept and seize counterfeit goods in transit to allowing CBSA officials to stop these goods in transit through Canada to other destinations.***

INTA believes that the CBSA should intercept and seize counterfeit goods in transit. Prohibiting this practice hurts Canadian companies whose products are being counterfeited and distributed within Canada and abroad, not to mention any goods in transit that are re-imported from their destination countries back into the Canadian market. Allowing counterfeit goods in transit to pass through Canada undermines the good work of law enforcement and Customs officers and exposes consumers in countless countries to harmful counterfeit products. It may also encourage the use of Canada as a convenient transit destination by organized crime.

One of the main arguments to allow goods to transit through Canada is the fear of stopping generic drugs en route to developing countries. However, dangerous trade-mark infringements that transit through Canada include counterfeit medicines that are misbranded to intentionally mislead consumers and often do not contain the proper active ingredients. Clearly defining counterfeits and limiting the transit provisions of to counterfeits will mean that generic products like generic medicines, which do not infringe trade-mark rights, will not be subject to seizure under the trade-mark laws. Moreover, these provisions are intended to make clear that only the most serious type of infringement, counterfeiting, is the target for customs action. Stopping counterfeit goods in transit takes these sorts of hazardous goods out of the market.

***Recommendation: Refine the request for assistance program as outlined in Section 51.04 of the TMA.***

INTA supports the creation of a recordation system to assist in preventing the importation of counterfeit goods into Canada. IP rights holders should be able to record their trade-marks with customs officials, and this recordation system will provide customs officials more information on how to determine if the goods are counterfeit and the appropriate contact person at the IP rights holder's company. However, it is unclear whether the request for assistance program outlined in Bill C-56 is in fact a recordation system. INTA suggests explicitly stating that the information collected from trade-mark owners that opt into the program will be entered into a system that will be accessible by CBSA.

Furthermore, the information collected in this request for assistance is only defined as the trade-mark owner's name and address in Canada and "any other information that is required by the Minister" as outlined in proposed Section 51.04(2) of the TMA. The trade-mark owner should not have to be located in Canada to participate in the request for assistance program. The statute should call for information on where the goods are manufactured and an agent or representative in Canada who may assist in identifying possible counterfeits at the Canadian border. Since the statute is vague as to what information is required to be part of this request for assistance, proposed Section 51.04(2) should better define what the request for assistance shall include.

***Recommendation:***        ***Define the costs associated with the request for assistance program as outlined in Section 51.04(4) and 51.09 of the TMA.***

INTA believes that governments should eliminate bond requirements imposed on trade-mark owners as a condition to processing counterfeiting cases by customs. Customs enforcement obligations established in the TRIPS Agreement only apply with regard to the importation of counterfeit goods and in order to obtain the suspension of release, the right holder must prove that he “has valid grounds for suspecting” that infringing goods are being imported. The trade-mark owner must also show that there is prima facie an infringement. Simultaneously the trade-mark owner is also required to furnish a security, bond, undertaking or equivalent assurance the purpose whereof is to ensure collection of damage claims in case of improper seizures, as well as to ensure recovery of the costs of storage and destruction of fake goods after they are determined to be illegal. Proposed Section 51.04(4) of the TMA sets a bond requirement for the trade-mark owners who would like to opt into the system, but Bill C-56 does not define the bond amount. The amount is also difficult to determine without knowing the amount of goods seized. Although INTA does not agree with any bond requirements being imposed on trade-mark owners, any bond requirements that are imposed should at the very least be defined before asking trade-mark owners to comply with them.

Proposed section 51.09 of the TMA makes any trade-mark owners that participate in the request for assistance program and receives a sample under proposed section 51.06(1) liable for all the costs associated with seizing and detaining counterfeit goods violating the rights of that trade-mark owner for the two-year duration of the program. INTA’s position is that the brand owner is also the victim and it should not be the brand owners’ responsibility to bear the burden for all those costs. Any warehousing or destruction of goods should not be at the brand owner’s cost, but rather the importer or owner of the goods. INTA believes that governments should take appropriate steps to reduce or eliminate the burden on trade-mark owners relating to the costs of storage and destruction of counterfeit goods. This system should allow for some sort of cap to the amount of costs involved for the trade-mark owners to opt into the request for assistance program. With this cap, trade-mark owners will be more likely to participate with an expectation of the costs involved.

Further, and without limitation, businesses and brand owners require certainty to budget for the costs associated with their anti-counterfeiting enforcement programs. If these costs are not quantified then many brands with counterfeiting problems might not be able to participate. It is also not clear whether one or a select few brands that participate in the enforcement effort will be forced to incur all the costs associated with that seizure (or just their proportionate share) that might include many brands that opted not to participate. The costs to trade-mark owners under the request for assistance program need to be more transparent.

***Recommendation:***        ***Amend Section 51.06 of the TMA to allow customs officials to provide more information to trade-mark owners.***

INTA welcomes the amendments that encourage sharing of information between customs, and with rights holders so that customs officials can properly identify harmful counterfeits and

remove them from the stream of commerce. However, the customs officials seem limited to the amount of information that they can share with trade-mark owners under proposed s.51.06 of the TMA. Brand owners have access to very valuable information that will assist customs officials (and others, including crown prosecutors) in enforcement efforts against recidivist counterfeiters.

Section 51.06(1) has a laundry list of items that a customs official can disclose. It is unclear whether this list is all inclusive of what the customs officials may disclose. Information like any prior counterfeiting activity of the importer or information relating to the broker would be helpful in making the determination that the goods are counterfeit. Many times the information provided on customs paperwork by counterfeiters is fictitious to hide the true identity of the counterfeiter. So, customs officials should be able to share any information needed to identify the goods as counterfeit with trade-mark owners.

***Recommendation:***            ***Amend Section 51.07 of the TMA to allow more uses of information given to trade-mark owners by customs about customs seizures.***

INTA believes that governments should revise their rules and procedures to provide prompt and reasonable access by trade-mark owners to relevant documents and information gathered by governments on counterfeiters for the trade-mark owners' use in conducting private investigations or the filing of complaints to the courts or other government agencies. Proposed section 51.07 of the TMA limits trade-mark owners' use of information collected by customs in pursuing civil actions.

Section 51.07(1) requires information given by customs officials to all trade-mark owners that have not participated in the request for assistance program to only be used to determine if the goods seized at the borders are genuine. Without this information, these trade-mark owners have no civil remedies against the counterfeiters under Bill C-56. If trade-mark owners are not allowed to use this information to further prosecute these counterfeiters, it is as if Bill C-56 is protecting the counterfeiters from the full extent punishment for their unlawful actions. Bill C-56 should be changed to allow all trade-mark owners to use information provided by customs officials in all proceedings, at the very least under the *Trade-Marks Act* and the *Copyright Act*.

Section 51.07(2) allows those trade-mark owners who have opted into the request for assistance program to use the information provided by customs officials for proceedings under the *Trade-Marks Act*. This language precludes trade-mark owners from using the information provided by customs in proceeding outside of Canada in cases where the counterfeiter is overseas. Bill C-56 should be changed to allow the use of this information provided by Customs for proceedings not only under the Bill, but in other countries as well. At the very least Bill C-56 should be amended to allow the use of the information under the *Copyright Act* as well as under the *Trade-Marks Act*.

***Recommendation:***            ***Remove any onerous burdens on the cost for the security of seizures at the border to trade-mark owners as outlined in Section 51.11(5) of the TMA.***

INTA's position is that all costs should be borne by the importer and not the trade-mark owner; it should not be the trade-mark owner's responsibility to bear the burden for the costs associated with any warehousing or destruction of goods. The trade-mark owner is the victim, so the party who owns the goods and commits the crime, namely the importer or owner of the goods, should be responsible.

Proposed section 51.11(5) of the TMA makes any relevant trade-mark owner liable for storage, handling, duties and any costs from damages to the goods. Trade-mark owners should not be charged for the duties owed by the owner or importer of the goods. The trade-mark owners should also not be liable to the owner of the goods for any damages caused by the customs officers while the goods are in their custody.

As mentioned before, INTA believes that governments should take appropriate steps to reduce or eliminate the burden on trade-mark owners relating to the costs of storage and destruction of counterfeit goods.

**Recommended Additions to the Core Trade-mark Anticounterfeiting Provisions of Bill C-56**

INTA recommends adding the following measures that are not included in Bill C-56 as a means of further strengthening the proposed anticounterfeiting legislation.

***Recommendation:***            ***Provide for a simplified destruction procedure.***

The cost to store counterfeit goods increases on a monthly basis. In situations where seized products are going to be destroyed, customs officials should have a formalized process in place to address this issue. The current procedure requires CBSA to work with the RCMP to destroy goods, making the destruction procedures onerous and time-consuming for both the customs officials and trade-mark owners.

***Recommendation:***            ***Add provisions to the TMA giving courts the power to award significant statutory (or "pre-established") damages against counterfeiters in recognition of situations where it is difficult for the trade-mark owners to prove their measurable monetary loss or damage.***

Although the *Copyright Act* provides for statutory damages, the current trade-mark law and Bill C-56 do not. This disparity allows for fixed nominal amounts for damages in copyright law but imposes difficult evidentiary burden of proving actual damages for trade-mark owners when counterfeiters often times do not keep accurate records of their illegal sales. It is in the interest of trade-mark owners and the Canadian government alike to have the strongest enforcement mechanisms possible such as statutory damages to protect trade-marks from infringement,

counterfeiting, and fraud. Statutory damages are an added deterrence for counterfeiters, especially if coupled with strong anticounterfeiting provisions in the Criminal Code.

***Recommendation: Allowing for the freezing of assets as a remedy against counterfeiters.***

Counterfeiting activities can lead to a significant accumulation of wealth through illegal means. The criminalization of the conduct from which substantial illicit profits are made does not by itself adequately punish or deter professionally organized counterfeiting groups. Even if arrested and convicted, some of those offenders will be able to enjoy their illegal gains for their personal use and for maintaining the operations of their criminal enterprises. Despite some sanctions, the perception is likely to remain that crime pays in such circumstances and that governments are ineffective in removing the means for the continuation of activity by criminal groups even if individuals are convicted and incarcerated. Practical measures to keep offenders from profiting from their crimes are necessary. Therefore, INTA urges that strong confiscation regimes are put in place that provide for the identification, freezing, seizure and confiscation of the money and property acquired as a result of trade-mark counterfeiting.

## **2.2 Comments and Recommendations Regarding Other Proposed Changes to the Trade-marks Act by Bill C-56**

**Bill s.7(1): *The definitions “package” and “wares” in Section 2 of the Trade-marks Act are repealed.***

INTA supports this proposed change.

**Bill s.7(2): *The definition “distinguishing guise” in Section 2 of the Act is repealed.***

INTA generally supports this proposed change. However, it is noted that not all concepts that fall under the current definition of “distinguishing guise” are included within the proposed new definition of “sign”. In particular “a shaping of [goods] or their containers” and “a mode of wrapping [goods]” are not specifically listed within the definition of “sign”. Although we recognize that the new definition of “sign” is open-ended and that it may be argued that these concepts that had been part of the definition of “distinguishing guise” fall under other concepts that are explicitly referred to in the definition of “sign”, INTA believes that it should not be left to chance. Consequently, INTA supports revising the proposed definition of “sign” in Bill s.7(5) to specifically include “a shaping of goods or their containers” and “a mode of wrapping goods” to ensure that these items, which are protectable as trade-marks under the current legislation, continue to be protectable under the proposed new legislation.

**Bill s.7(3): *The definitions “certification mark”, “distinctive”, “proposed trade-mark” and “trade-mark” in section 2 of the Act are replaced by new definitions.***

INTA supports the proposed changes to the definitions for “certification mark” and “proposed trade-mark” and applauds the fact that applicants will now be able to apply for certification marks on the basis of proposed use in Canada.

With respect to the proposed new definition of “distinctive”, we have some concern regarding the words “inherently capable of distinguishing” and how they will be interpreted as compared to the words “adapted so to distinguish” in the current definition. Now that distinctiveness is a matter for examination (see proposed changes to s.37 of the TMA), and given that non-distinctiveness is a ground of opposition and a basis for invalidity, INTA welcomes a proposed definition of “inherently capable of distinguishing” as an amendment to Bill C-56. In addition, INTA would appreciate confirmation from CIPO concerning how Examiners will examine for distinctiveness, and how trade-mark owners will be expected to show distinctiveness.

**Bill s.7(4): *The definition “marque de certification” in section 2 of the French version of the Act is replaced.***

INTA recommends that the words “Marque employée” in the French version needs to be revised to “Signe ou combinaison de signes qui est employé” in order to parallel the English definition of “certification mark”.

Moreover, whereas the proposed new English definition of “certification mark” contains points (a) and (b) where (b) is “a proposed certification mark”, point (b) is missing from the French version. INTA recommends that point “(b) marque de certification projetée” be added to the definition of “marque de certification”, and that the existing points (a)-(d) of the definition be renumbered as sub points (i)-(iv) of point (a) in order to parallel the English definition of “certification mark”.

**Bill s.7(5): *Section 2 of the Act is amended by adding definitions for “proposed certification mark” and “sign”.***

INTA supports the proposed new definition for “proposed certification mark” and applauds the fact that applicants will now be able to apply for certification marks on the basis of proposed use in Canada.

INTA generally supports the proposed new definition for “sign”, a term that is recognized internationally, in referring to protectable subject matter. Whereas the TMA currently makes reference to the word “mark”, that word is not defined. The proposed new definition of “sign,” and the proposed replacement of the word “mark” with the words “sign or combination of signs” introduces the ability of an applicant to protect non-traditional marks (such as sounds, scents and tastes) as trade-marks. INTA applauds the fact that the proposed definition of “signs” is open ended (i.e. ““sign” includes a word,...”) and not restrictive, and that many types of non-traditional marks are specifically referred to in the definition. While INTA understands that the definition of “sign” in the Bill is intended to reflect Article 15 of the TRIPS agreement, we recognize that the language must be viewed through the lens of the Canadian experience. As discussed previously (above in 2.2), INTA recommends adding “a shaping of goods or their containers” and “a mode of wrapping goods” to the list of items specifically referred to in the definition of “sign.” INTA does have some concern as to how the words “personal name” will be interpreted in the Canadian context (particularly given that s.12(1)(a) concerns the “name or surname of an individual”) and suggests that the Bill be amended to include a definition of

“personal name,” or that consideration be given to deleting the word “personal” from the definition of “sign.”

Additionally, with respect to the registration of non-traditional marks, which the new definition of “sign” helps to make possible, although Bill C-56 does give some indications as to what an applicant will need to file to obtain registration for such signs, INTA looks forward to reviewing and providing comments on anticipated regulations and practice notices which we expect will provide clarity in this regard.

**Bill s.7(6): *Section 2 of the Act is amended by adding a definition of “release”.***

INTA has no comments with respect to this proposed change.

**Bill s.8: *Paragraph 6(5)(e) of the Act is revised so as to make the degree of resemblance test open-ended (i.e. “the degree of resemblance between the trade-marks or trade-names, including in appearance or sound or in the ideas suggested by them.”)***

INTA supports this change as a necessary revision to account for the ability under the changes proposed by Bill C-56 to protect non-traditional marks as trade-marks.

**Bill s.9: *The heading before section 7 of the Act is replaced with “UNFAIR COMPETITION AND PROHIBITED SIGNS”.***

INTA supports this change.

**Bill s.10: *Section 7 of the Act is amended by adding “or” at the end of paragraph (c), by striking out “or” at the end of paragraph (d) and by repealing paragraph (e).***

INTA recognizes that paragraph 7(e) has been held unconstitutional by the Supreme Court of Canada as being *ultra vires* and consequently INTA does not object to the proposal to repeal the wording of the current provision. However, INTA would support an amended paragraph 7(e) drafted so as to be *intra vires* the federal government’s legislative competence. It appears that paragraph 7(e) as presently appears in the TMA was intended to broadly prohibit dishonest business practices. INTA would support an amended paragraph 7(e) that is directed towards the prohibition of adopting and using the trade-marks of others in bad faith or in a manner that is reasonably likely to mislead the public in a material respect.

**Bill s.11(1): *Paragraph 9(1)(d) of the French version of the Act is revised.***

INTA supports this change.

**Bill s.11(2): *Paragraph 9(1)(g) of the Act is revised to delete the words “by a number of Moslem countries”.***

INTA supports this change as the deleted words do not add anything of substance to the provision concerning the Red Crescent.

**Bill s.11(3): *Paragraph 9(1)(i.3) of the Act is revised to protect the names of international intergovernmental organizations.***

INTA supports this change and understands that, in practice, the Registrar of Trade-marks has already been extending protection to the names of international intergovernmental organizations under paragraph 9(1)(i.3) of the TMA (e.g. see CIPO records for App. No. 971501 for WORLD INTELLECTUAL PROPERTY ORGANIZATION, and App. 970204 for UNITED INTERNATIONAL BUREAUX FOR THE PROTECTION OF INTELLECTUAL PROPERTY).

**Bill s.12: *Section 10 of the Act is revised to replace “mark” with “sign or combination of signs” and to replace “wares” with “goods”.***

INTA supports this change.

**Bill s.13: *Section 11 of the Act is revised to replace “mark” with “sign or combination of signs”.***

INTA supports this change.

**Bill s.14: *Subsection 11.19(1) of the French version of the Act is revised.***

INTA supports this change.

**Bill s.15(1): *The portion of subsection 12(1) of the Act before paragraph (a) is replaced by the following: “Subject to subsection (2), a trade-mark is registrable if it is not”.***

INTA supports this change.

**Bill s.15(2): *Paragraph 12(1)(b) of the French version of the Act is revised.***

INTA supports this change.

**Bill s.15(3): *Paragraph 12(1)(e) of the Act is replaced by the following: “(e) a sign or combination of signs whose adoption is prohibited by section 9 or 10”.***

INTA supports this change.

**Bill s.15(4): *Subsection 12(2) of the Act is replaced with new Subsections 12(2) and (3).***

With respect to proposed new subsection 12(2), INTA supports the inclusion of a bar to registrability based on “utilitarian function” particularly given that Bill C-56 introduces the ability of an applicant to protect non-traditional marks and because s.13 of the TMA is to be repealed. However, INTA believes that the word “utilitarian” or the term “dictated primarily by a utilitarian function” should be defined in Section 2 of the TMA. Given that the proposals in

Bill C-56 would mean that a utilitarian function will become a basis to refuse an application and expunge a registration, the interpretation of the words should not be ambiguous.

With respect to proposed new subsection 12(3), INTA has some concern about the manner that this subsection will be applied, particularly given the current uncertainty of the meaning of the word “distinctive” because of the ambiguity of the words “inherently capable of distinguishing” appearing within that definition. Also, unlike the current subsection 12(2) which provides for a means of acquiring distinctiveness through use in Canada, INTA notes that proposed subsection 12(3) does not require a specific tie to Canada. This change suggests that a trade-mark that actually distinguishes or is inherently capable of distinguishing at the time of filing in Canada is registrable irrespective of whether the distinctiveness is in Canada or abroad. However, per Bill s.31, new subsection 32(2) of the TMA would continue to provide that registration will be restricted to the goods and services and to the defined territorial area in Canada in which the trade-mark is shown to be distinctive. Accordingly, INTA would welcome clarification as to why the reference to Canada has been dropped from the revamped subsection 12(2) that is proposed in Bill C-56 as subsection 12(3). In any event INTA applauds that the proposed changes appear to recognize that distinctiveness in fact (i.e. a trade-mark that actually distinguishes) may be attained through means other than “use” (as that word is defined in section 4 of the TMA), even though the length of time of use is set out as a mandatory circumstance that the Registrar or the court is required to assess when considering all of the surrounding circumstances of the case under proposed subsection 12(3). However, if the intention of Bill C-56 is that only signs or combination of signs that have been in use (as defined by s.4) will be recognized as registrable under subsection 12(3), then INTA believes that the Bill requires clarification.

INTA has two comments respecting the specific drafting of proposed subsection 12(3). First, we wonder whether the words “an application” should be amended to refer to “the application”; it has been suggested that the language “an application” implies that the reference may be to an application other than the Canadian application, and any ambiguities should be clarified before Bill C-56 is proclaimed into law. Second, we note that the underlining used in Bill C-56 (which we assume is intended to track changes in the wording in the current TMA) does not accurately reflect the difference in wording as between subsection 12(2) of the TMA and subsection 12(3) in the Bill.

**Bill s.16: *Section 13 of the Act is repealed.***

INTA generally supports this proposed change, to the extent that Bill C-56 provides that the concepts that are a part of s.13 have been redistributed throughout other provisions of the TMA such that they will apply to all trade-marks and not merely those marks that are presently referred to as distinguishing guises.

**Bill s.17: *Section 15 of the Act is amended to eliminate reference to “associated trade-marks”.***

INTA generally supports the extinction of the concept of the “associated trade-mark” insofar as it has created an obstacle to the efficient transfer of trade-marks from one fully informed stakeholder to another. However, INTA recognizes that the Registrar’s practice of recording a

notation on the records of trade-marks that would be considered confusing by the Registrar but for common ownership has been a useful tool to trade-mark owners or prospective when assessing trade-mark portfolios, particularly when contemplating a transfer of ownership. INTA requests clarification as to whether the Registrar will continue the administrative practice of identifying trade-marks as being associated with otherwise confusing trade-marks under common ownership notwithstanding that Bill C-56 contemplates that the legal concept will be deleted from the TMA, and urges CIPO to consider whether it should not continue the administrative practice of identifying trade-marks as being associated as a practical check on unintentionally rendering a trade-mark non-distinctive. If the current administrative practice is to cease with the Bill's passage into law, INTA recommends that CIPO undertake an extensive educational campaign regarding this point to ensure that stakeholders and trade-mark practitioners are aware of the change in practice, i.e. that it will no longer be possible for an assignor or assignee to stake any reliance on the Trade-marks Branch Assignment Section identifying one or more marks that the parties should perhaps have contemplated as forming part of the transfer. With respect to the wording of the proposed new s.15, INTA considers that the same result could have been achieved by tracking the language of current s.15 and deleting the words “, which shall be known as associated trade-marks”.

***Bill s.18: The portion of subsection 16(3) of the Act before paragraph (a) is revised to account for the inclusion of proposed certification marks and the replacement of “wares” with “goods”.***

INTA supports this proposed change.

***Bill s.19: Subsection 18(1) of the Act is amended.***

INTA supports this proposed change.

***Bill s.20: The Act is amended by adding after section 18 new s. 18.1 providing for expungement on the basis of unreasonable limits to the development of art or industry.***

INTA supports this proposed change.

***Bill s.21: The Act is amended by adding subsections 19.1(1) (prohibitions respecting goods), 19.1(2) (prohibitions respecting labels and packaging) and 19.1(3) (prohibitions respecting sale and distribution of labels and packaging).***

INTA supports this proposed change and applauds the introduction of new civil causes of action that trade-mark owners can use to combat the scourge of counterfeiting. However, INTA has some suggestions for adjustments to these provisions that will result in a more robust anticounterfeiting regime.

These new causes of action introduced by proposed new subsections 19.1(1)-(3) each concern acts involving particular items (goods, or labels or packaging) which bear a trade-mark that is “*identical to or confusing with* a trade-mark registered for such goods” and thus appear to be broader in scope than the infringement of the exclusive right conferred by registration under s.19 which section has been interpreted to require an identical trade-mark. However, despite the provision in s.6(2) of the TMA that the use of a trade-mark may be confusing with another

whether or not the wares are of the same general class, because these new causes of action require that the particular items relate to goods for which the brand owner's trade-mark is registered they have a much narrower scope of application than the deemed infringement provision of s.20. INTA urges the government to consider whether the new provisions should be expanded to provide for a cause of action against goods that are not only identical to those appearing in the trade-mark owner's registration, but also those goods that are reasonably ancillary, incidental or connected to the goods that appear in the trade-mark owner's registration. Such a change is in keeping with the law concerning confusing trade-marks in Canada and will assist trade-mark owners in combating counterfeiters who ride on the trade-mark owners product line expansions before a Canadian trade-mark has issued. The realities of the global marketplace is such that a trade-mark owner cannot be expected to wait and launch a product line in Canada until after the registration for the trade-mark has issued.

Additionally, INTA urges the government to consider amending new subsections 19.1(1)-(3) so as to also prohibit the display of a trade-name that is identical to or confusing with a registered trade-mark. The TMA already recognizes the concept of confusion between a trade-name and a trade-mark, and a counterfeiter should not be permitted to avoid the reach of these new provisions on the basis of an argument that the impugned sign was a trade-name rather than a trade-mark.

As discussed in more detail above, INTA has some concern as to how the requirement in proposed new subsections 19.1(2) and (3) that the prospective defendant "knew or ought to have known" can be established by the brand owner plaintiff given that such an element has not previously been an element of infringement under s.19 and 20 of the TMA.

We note that each of new subsections 19.1(1)-(3) concludes with the words "...would be contrary to this Act. Given that the passage of Bill C-56 would introduce into the TMA criminal prohibitions containing *mens rea* elements and requiring proof beyond a reasonable doubt to co-exist with new and existing civil prohibitions merely requiring proof on a balance of probabilities, the language "would be contrary to this Act" may have the effect of creating an ambiguous standard where section 19.1 is concerned.

**Bill s.22: *Section 20 of the Act is amended by adding new Subsection 20(1.1) concerning uses of utilitarian features embodied in a trade-mark.***

INTA supports this proposed change. However, query whether the word "using" in the context of the sentence "The registration of a trade-mark does not prevent a person from using any utilitarian feature embodied in the trade-mark" leaves open the possibility that 20(1.1) may reasonably be interpreted by reference to the definition of "use" in s.4 of the TMA, which we consider is not what Parliament intends.

**Bill s.23: *Subsection 22(2) of the Act is amended to provide for replacement of "wares" with "goods" and to clarify language respecting the defendant.***

INTA generally supports the proposed change. However, the language is considered to be awkward, in particular the use of "their" to refer to the defendant.

**Bill s.24(1): *Subsections 23(1) to (3) of the Act are amended to provide for replacement of “wares” with “goods” and to provide for proposed certification marks.***

INTA supports these proposed changes.

**Bill s.24(2): *Subsection 23(4) of the English version of the Act is amended.***

INTA generally supports the proposed change, however, the language is considered to be awkward, in particular the use of “themselves” to refer to any member of an unincorporated body.

**Bill s.25: *Section 24 of the French version of the Act is replaced by new language.***

INTA supports this change.

**Bill s.26: *Section 25 of the Act is amended to provide for replacement of “wares” with “goods” and to provide for improved structure.***

INTA supports this proposed change.

**Bill s.27(1): *Subsection 26(1) of the Act is amended to eliminate the register of registered users.***

INTA does not object to this proposed change.

**Bill s.27(2): *The portion of subsection 26(2) of the Act before paragraph (a) is replaced by “The register shall show, with reference to each registered trade-mark, the following:”***

INTA supports this proposed change.

**Bill s.28: *Sections 28 and 29 of the Act are replaced by new provisions concerning the list of trade-mark agents (s.28), the items that are to be made available to the public at the times and in the manner established by the Registrar (s.29), and provisions permitting the Registrar to destroy documents (s.29.1).***

The proposed revisions would eliminate the concept of the index referred to in current s. 28 and 29 of the TMA. INTA would appreciate clarification concerning the reason for this proposed change so that we can better evaluate the potential implications.

INTA supports the proposed changes to s.28 of the TMA with respect to the list of trade-mark agents.

INTA notes that the current wording of s.29 of the TMA requires that the items be open to public inspection during business hours. INTA supports the proposed changes to the extent that revised subsection 29(1) (and any regulations or practice notice established thereunder) will result in the items being made available to the public electronically on request at any time, but does not

support the proposed changes to the extent that they may result in a more limited ability for the public to inspect documents than is currently available under subsection 29(1) of the TMA.

INTA generally supports the changes with respect to subsection 29(2), but suggests that the words ,“ referred to in subsection (1)” be added to the conclusion of the subsection for clarity.

INTA has a serious concern with respect to any change that would permit the Registrar to destroy documents without requiring that the document must first be scanned to electronic form (which electronic form should then be made available to the public on at least the same basis as if it were the original document) before any destruction is permitted and that it be clarified that such electronic copies be maintained by the Registrar. Therefore INTA opposes new subsection 29.1 unless Bill C-56 is amended to require that electronic copies be made before destruction is permitted. Although INTA is mindful of the practical difficulties and costs associated with warehousing original documents, in our view the downside risk of losing public access to these documents outweighs the hardships to CIPO associated with maintaining the records. In any event, the proposed six-year clock as a countdown to destruction of documents is at odds with many established private sector file retention policies.

***Bill s.29(1): Paragraph 30(a) of the Act is amended to provide for the general replacement of “wares” with “goods” and to replace “mark” with “trade-mark”.***

INTA supports these proposed changes.

***Bill s.29(2): Paragraph 30(f) of the Act is replaced by new 30(f) and (f.1) to provide for the fact that applicants are now permitted to apply for certification marks on the basis of proposed use.***

INTA generally supports the proposed changes. However, we recommend that new subsection 30(f) be further amended to add a requirement that an applicant in respect of a certification mark that is not a proposed certification mark provide a statement that the applicant licenses others to use the certification mark in Canada in association with goods or services that meet the defined standard. This is consistent with the requirement in subsection 30(f.1) that an applicant in respect of a proposed certification mark provide a statement that the applicant intends to license others. Without the requirement of such a statement in s.30(f), how else can an applicant establish that the mark is in use with goods/services of the defined standard, given that the applicant himself is not permitted to so use the certification mark? In practice this statement concerning use via a licensee appears as a matter of course in applications to register certification marks (see Form 5 of the forms published in the Trade-marks Journal on May 29, 1996 titled Application of Registration of a Certification Mark used in Canada).

***Bill s.29(3): Paragraph 30(h) of the Act is replaced by the words “a representation or description, or both, that permits the trade-mark to be clearly defined and that complies with any prescribed requirements”.***

INTA supports these proposed changes.

**Bill s.29(4): *Section 30 of the Act is amended by adding new paragraph 30(j) with the words “any prescribed information or statement with respect to the trade-mark”.***

INTA supports these proposed changes.

**Bill s.30: *The Act is amended by adding new s.30.1 concerning standard character claims.***

INTA supports these proposed changes and looks forward to reviewing CIPO’s anticipated proposals concerning the list of standard characters.

**Bill s.31: *Sections 31 to 32 of the Act are replaced by new sections concerning further evidence in claims under paragraph 14(1)(b) (s.31), further evidence in certain other cases (s.32) and the Registrar’s ability to restrict registrations to particular goods/services or within defined territorial areas in Canada.***

INTA supports these proposed changes in principle. In particular, INTA welcomes the changes that will eliminate the requirement to file copies of foreign registrations (certified or otherwise) where an applicant relies upon foreign use and registration (except where the applicant also claims the benefit of paragraph 14(1)(b) in which case INTA recognises that the Registrar may continue to require proof of foreign registration under new s.31 of the TMA). This change is consistent with current CIPO practice concerning priority claims, i.e. an applicant is not required to file proof of a foreign application unless specifically requested by the Registrar. However, INTA requests confirmation that it will still be possible for an applicant to request an extension of time during examination on the basis that the corresponding foreign application has not yet matured to registration. INTA cannot support an amendment that would result in a Canadian application being administratively rushed to advertisement and consequently forced to face the prospect of an opposition on the basis of non-entitlement under subsection 16(2) where a registration has not had a reasonable opportunity to issue in the applicant’s country of origin.

INTA notes that whereas the evidence referred to in current subsection 31(2) and current s.32 is required to be in the form of an affidavit or statutory declaration, proposed new s.31 and subsection 32(1) instead refer to “any evidence that the Registrar may require”. INTA requests confirmation that the Registrar intends to promulgate a regulation or practice notice concerning the forms of evidence that will be considered acceptable.

Further, INTA requests confirmation that the Registrar intends to promulgate a regulation or practice notice concerning the types of evidence that will be considered as supporting a conclusion “that the trade-mark is distinctive at the filing date of the application for its registration” as required by proposed new subsection 32(1) of the TMA.

INTA does have some concern respecting the interpretation of the words “inherently distinctive” in new paragraph 32(1)(b), particularly given that the new definition of the word “distinctive” proposed by Bill s.7(3) includes the words “inherently capable of distinguishing” (which INTA believes should be the subject of a further definition (see above at 2.3)). INTA would like to see clarification as to the interpretation of “inherently distinctive,” and would also like to have clarification from CIPO concerning what the Registrar (presumably through an Examiner as

delegate) will be considering in arriving at the “preliminary view referred to in proposed new subsection 32(1)(b).

***Bill s.32: Section 33 of the Act (concerning applications by trade unions or commercial associations) is replaced by a new provision concerning the determination of the filing date of an application for registration of a trade-mark in Canada.***

INTA generally supports these amendments, and welcomes the introduction of a legislative provision requiring the Registrar to notify the applicant of any deficiency concerning an item that will allow the determination of a filing date and a deadline by which those items must be received by the Registrar in order to be considered. However, INTA would like clarification concerning the date of filing in the case where an applicant’s original submission is deficient and the Registrar notifies the applicant of that deficiency under new subsection 33(2) and the applicant complies within two months. Presumably the filing date in this case is the date on which the Registrar received the applicant’s compliant response rather than the date of the applicant’s original submission.

Additionally, new s.33 of the TMA may conflict with s.25 of the Trade-marks Regulations (“Rule 25”) and to the extent that there is a conflict, the conflict should be resolved by implementing changes to the Regulations contemporaneously with the coming into force of new s.33. In particular, current Rule 25 requires that a filing basis be provided before a filing date is assigned. If the passage of the Bill contemplates an application receiving a filing date without having established a filing basis, query how this may affect grounds of opposition under paragraph 38(2)(a) of the TMA as it concerns non-compliance with the various filing bases established under s.30, and the material dates for considering such grounds.

***Bill s.33(1): Subsection 34(1) of the Act is replaced with a new provision concerning priority claims.***

INTA generally supports the proposed new subsection 34(1) and applauds the fact that convention priority can now be supported by a filing in any country of the Union and not restricted, as it is presently, to a filing in the applicant’s country of origin. However, INTA notes that Article 4 of the Paris convention refers to “first application”, whereas the proposed change refers to “earliest application”; query why the language of the Paris Convention was not adopted and whether anything is impacted by the difference in wording. INTA also welcomes the change which eliminates the prohibition on extending the period within which priority may be claimed.

However, INTA supports a further amendment to section 34 to clarify when and for what purposes the priority filing date is deemed to be the filing date in Canada and, perhaps more importantly, when and for what purposes the priority filing date will not be deemed to be the filing date in Canada. For example, it is critical that the priority filing date be considered to be the filing date in Canada in respect of any intervening use in Canada or making known in Canada or any intervening application or registration. However, the priority filing date should not be considered as the filing date in Canada for certain other purposes under the TMA, such as in assessing the date by which an inherently non-distinctive trade-mark attained distinctiveness in Canada (it should be measured in relation to the actual filing date in Canada and not the priority filing date). Also, when considering conformance with the requirements of section 30 and

entitlement to registration under subsections 16(2) and (3), the priority date should not be the material date by which the foreign use of the trade-mark must have occurred where the applicant relies on s.30(d)/s.16(2) to base an application on foreign use and registration). Given that there is currently uncertainty about the impact of the deemed filing date in decisions rendered by the Opposition Board, INTA recommends that the legislation be amended to clarify that it is the actual filing date in Canada, rather than the deemed filing date stemming from the priority filing, that is the material date to consider in issues of assessing foreign use and registration.

***Bill s.33(2): Section 34 of the Act is amended by adding new Subsection 34(4) concerning the withdrawal of a priority request, and Subsection 34(5) concerning a limited seven day extension of the priority period.***

INTA supports the proposed addition of subsection 34(4) of the TMA to confirm that an applicant may the withdraw a priority request.

INTA generally supports the proposed addition of subsection 34(5) of the TMA. INTA certainly welcomes the addition of a grace period within which the period to claim priority may be extended, a provision which is sorely lacking in the current legislation. However, INTA notes that the period of seven days is very short. Although we recognize that the public requires certainty concerning the extinguishment of priority periods, we consider that permitting a somewhat longer grace period will not have a material adverse effect on the Canadian trade-mark system while at the same time will reflect the realities of obtaining sufficient instructions for filing in Canada. Often a foreign applicant will defer filing in other countries until the end of the priority filing period. Because Canada requires more specificity with respect to filing bases than many other countries, it would not be unusual for a Canadian trade-mark agent to receive filing instructions on or near the priority filing deadline, only for the agent to have to explain to the instructing party that although the information provided may be sufficient for filing in other countries, it is not sufficient for filing in Canada. Given that it often takes more than a week for a Canadian trade-mark agent to receive further particulars from the instructing person, whom, more often than not, himself needs to receive further instructions from the ultimate applicant, the seven-day grace period (although much better than the current situation) may not be of assistance in many cases it otherwise seems intended to address. INTA respectfully requests that the grace period be increased to two weeks.

INTA also notes that under present practice the Registrar will not amend a convention priority claim after the 6 month date to permit the correction of the filing number or the filing date. INTA recommends that proposed new section 34 be amended to permit such corrections. Our position is that such corrections should be permitted at any time prior to the advertisement of the application.

***Bill s.34: Subsection 37(1) of the Act is amended by adding non-distinctiveness as a grounds for refusing an application for registration.***

INTA supports the proposed change in theory given that non-traditional marks will now explicitly be permitted to be the subject of applications for registration. However, it is difficult to comment without knowing how Examiners will deal with this in practice. Consequently, INTA requests clarification concerning how the Registrar proposes that Examiners will assess

distinctiveness and, in particular, whether Examiners will base objections on third-party trademark use (as opposed to prior filed applications/issued registrations).

***Bill s. 35: Subsections 38(6) to (8) of the Act are replaced by new provisions concerning opposition practice.***

INTA supports proposed new subsection 38(6) which confirms the Registrar's power to strike all or a part of a statement of opposition, which heretofore had been dealt with only by way of practice notice.

INTA supports the proposed new subsection 38(7) which clarifies that a counterstatement need only state that the applicant intends to respond to the opposition. Presumably this will eliminate the need for an applicant to file an amended counterstatement in the event that the opponent is granted leave to file an amended statement of opposition. At the same time, INTA observes that this change will likely have the impact of discouraging applicants from resolving disputes at this stage with the result that more opposition proceedings will move to the evidence stage than may currently be the case. Additionally, this change will likely mean that parties will move to the evidence stage faster, and this will put burdens on the parties to ensure that they have evidence prepared in a timely manner. Given the current restrictions on extensions of time, combined with the complicated practice regarding the circumstances under which extensions may be granted, this will place even more burdens on opponents. INTA encourages that reasonable extensions be permitted, in line with practice in other countries, particularly when parties are engaged in settlement.

INTA supports the proposed new subsection 38(8) which anticipates changes to the *Trade-mark Regulations* concerning the timing of evidence and submissions.

INTA supports the proposed new subsection 38(9) which imposes a duty on the parties to an opposition to serve on the other party any evidence or submissions that they submit to the Registrar.

INTA generally supports the proposed new subsections 38(10) and (11) and applauds the introduction of a substantive repercussion for parties who fail to serve evidence on the other party. However, we believe that some clarification is required with respect to the timing of the deemed withdrawal under 38(10) and the deemed abandonment under 38(11). In particular, the current language of these subsections reads "The [opposition/application] *is deemed* to have been [withdrawn/abandoned] if ..." (italics added). Contrast this to the current wording of subsections 38(7.1) and (7.2) which reads "...*shall be deemed* to have been [withdrawn/abandoned] if ..." (italics added). Query whether the new language is functionally equivalent to the old language, or whether the new language "is deemed" provides for the deeming to occur immediately upon the happening of the default, as opposed to the present opposition practice in which the defaulting party is put on notice and provided an opportunity to remedy the default before any withdrawal or abandonment is deemed to have occurred. In any event, section 36 of the TMA requires that the Registrar give notice to an applicant of a default in the prosecution of an application. However, there is no parallel legislative provision for an opponent who is in default of the prosecution of his opposition. Given the change in language to 38(10), and given that there is no statutory requirement that the Registrar give notice to an opponent of his default, this

could set up an unintended difference in the Registrar's application of the deeming provisions between subsections 38(10) (immediate effect) and 38(11) (only after notice). Consequently, INTA requests that Bill C-56 either be amended to enact a parallel to s.36 mandating notice to opponents in default, or amended to specifically exclude applications in default of their opposition obligations referred to in subsection 38(11) from the operation of s.36. Only in such a manner can the parties to an opposition be assured of equal treatment under the legislation as regards defaulting on the filing and service of evidence.

INTA generally supports the proposed new subsection 38(12) confirming the Registrar's ability to partially refuse/allow applications with respect to one or more goods/services (which reflects, at least in part, current Opposition Board practice). However, INTA believes that the proposed language is too restrictive and considers that Bill C-56 should also confirm that the Registrar, in rendering opposition decisions, has the ability to (i) impose territorial restrictions in appropriate cases, and (ii) to allow one basis of entitlement (i.e. filing basis) and refuse on another. In practice the same goods/services may be refused on one ground and allowed on others and the current proposed language may not provide for that. Also, INTA questions why Bill C-56 refers to the Registrar in the cumbersome manner as "he or she" when it is appropriate to use the non-gender specific title of office "Registrar"

***Bill s.36: The Act is amended by adding new Section 39.1 permitting divisional applications.***

INTA supports the proposed amendments and applauds the introduction of divisional applications to Canadian trade-mark registration practice. INTA looks forward to reviewing and providing comments in respect of any proposed regulations or practice notice (e.g. impact of extension requests during examination, prospect of re-advertisement) that will be tabled to govern the prosecution of divisional applications

***Bill s.37(1): Subsection 40(1) of the Act regarding registration of trade-marks is amended to include proposed certification mark within the provision's exception.***

INTA supports the proposed amendment.

***Bill s.37(2): Subsection 40(2) of the French version of the Act regarding registration of proposed trade-marks is amended.***

INTA supports the changes but proposes to amend this section of the Act to match the English version 40(2) (a)(b) and (c) since the second phrase is long and difficult to follow. Otherwise, we would propose the following amendment:

40.(2) Lorsqu'une demande d'enregistrement d'une marque de commerce projetée est admise, le registraire en donne avis au requérant. Il enregistre la marque de commerce et délivre un certificat de son enregistrement après avoir reçu une déclaration portant que le requérant, son successeur en titre ou l'entité à qui est octroyée, par le requérant ou avec son autorisation, une licence d'emploi de la marque de commerce aux termes de laquelle il contrôle directement ou indirectement les caractéristiques ou la qualité des produits ~~et~~ ou services, [add comma or add the wording « et qu'il a »] a commencé à employer la marque de commerce au Canada, en liaison avec les produits ou services spécifiés dans la demande.]

**Bill s.37(3): *Subsection 40(3) of the Act is replaced by new Subsection 40(2.1) regarding registration of proposed certification marks and amended 40(3) regarding deemed abandonment of applications.***

INTA supports the proposed amendment.

**Bill s.38(1): *Subsection 41(1) of the Act regarding amendments to the register is amended to clarify that the Registrar’s discretion to amend may only be exercised upon payment of the prescribed fee.***

INTA supports the proposed amendment.

**Bill s.38(2): *Subsection 41(1) of the Act regarding amendments to the register is amended by permitting the merger of applications that had been divided under new s. 39.1.***

INTA generally supports the proposed amendment and applauds the introduction of divisional applications and providing for their ultimate merger, to Canadian trade-mark registration practice. However, INTA considers that the words “if any” should be added after the words “prescribed fee” and before the words “, make any of the following amendments to the register:” give that most of the contemplated amendments do not require a fee.

**Bill s.38(3): *Section 41 of the Act regarding amendments to the register is amended by adding new Subsection 41(3) providing legislative authority for the Registrar to make corrections to obvious errors in entries on the register.***

INTA applauds the introduction of a legislative mechanism giving the Registrar the discretion to correct any errors in entries made in the register that are obvious from the documents relating to the registered mark in question. However, it is unfortunate that the proposed wording, and in particular the short time frame in which the request must be made, will not assist owners of current registrations that contain obvious errors, and particularly so in the case of those registrations in which the errors actually originated with CIPO. The Registrar currently takes the position that he is, in light of s. 57 of the TMA, *functus officio* once a registration certificate issues, and so the unfortunate trade-mark owner – through no fault of its own – is left with no recourse other than to go to the federal court to seek relief, an expensive and burdensome proposition. Therefore, INTA urges the adoption of wording that will permit current owners of registrations containing obvious errors to avail themselves of the Registrar’s newly contemplated discretionary power. Alternatively, INTA urges CIPO to adopt a policy whereby it will, following the coming into force of the subsection 41(3), grant retroactive extensions of time under subsection 47(2) to those currently affected registered trade-mark owners who file a request, so they too can avail themselves of the benefit of the Registrar’s discretionary power to make corrections.

INTA interprets the new provisions as permitting the Registrar to correct obvious errors irrespective of the source of the error (i.e. the corrections will not be limited only to errors that originate with CIPO), but we request clarification in this regard.

**Bill s.39:** *Subsection 45(1) of the Act regarding summary expungement proceedings is amended to permit a proceeding in respect of all or some of the goods or services specified in the Registrar's notice.*

INTA applauds this proposed change and foresees that it will lead to fewer contested summary expungement proceedings.

**Bill s.40:** *Section 48 of the Act regarding transfers of trade-marks is amended by adding new Subsection 40(4) that confirms the ability of the Registrar to remove the registration of a transfer on being furnished with satisfactory evidence that the transfer should not have been registered.*

INTA supports this proposed change.

**Bill s.41:** *Section 49 of the Act concerning the Change of Purpose in Use of a Trade-mark and its heading are amended to address inconsistencies in the current wording.*

INTA supports this proposed change.

**Bill s.44:** *The definition "release" in Section 52 of the Act is repealed.*

INTA does not object to this proposed change.

**Bill s.45:** *Section 53.2 of the Act (dealing with the power of the court to grant relief) and 53.3 of the Act (dealing with the re-exportation of wares) are amended.*

With respect to Section 53.2, INTA applauds the amendment to list punitive damages amongst the explicit the types of orders that the court may make. INTA also supports the proposal to replace "any dies used in connection therewith" with the words "any equipment used to produce the goods, packaging, labels or advertising material".

With respect to Section 53.3, INTA supports this proposed change.

**Bill s.46:** *Section 55 of the Act regarding jurisdiction of the Federal Court is amended to recognize the introduction into the TMA of new Section 51.01 regarding offences and punishment and to exclude proceedings under that section from the jurisdiction of the Federal Court.*

INTA supports this proposed change.

**Bill s.47:** *Subsection 57(1) of the Act concerning the exclusive jurisdiction of the Federal Court is amended to replace the word "mark" with the word "trade-mark".*

INTA supports this proposed change.

**Bill s.48:** *Section 60 of the Act regarding transmission of documents by the Registrar amended to delete current Subsection 60(2) concerning registered users.*

INTA supports this proposed change.

**Bill s.49:** *Section 64 of the Act regarding publication of registrations is replaced by new Subsection 64(1) (Registrar may receive documents, information and fees in electronic form), new Subsection 64(2) (Registrar may use electronic means to create, publish, etc documents or information), and new Subsection 64(3) (definition of “electronic”).*

INTA supports this proposed change, but suggests that the heading before Section 64, which currently reads “Publication of Registrations” be amended to more accurately reflect the new subject matter proposed by the amendments.

**Bill s.50(1):** *Section 65 of the Act dealing with the Governor in Council’s ability to make regulations is amended by deleting the word “indexes” from paragraph 65(a), the words “the form of” from paragraph 65(b), and adding new paragraph 65(b.1) dealing with the merger of registrations under paragraph 41(1)(f).*

INTA does not object to these proposed changes.

**Bill s.50(2):** *Paragraph 65(d) of the Act is replaced by the words “(d) certificates of registration”*

INTA does not object to this proposed change.

**Bill s.50(3):** *Section 65 of the Act is amended by adding new paragraph (f) concerning the provision of documents, information or fees to the Registrar under the TMA, including the time at which they are deemed to be received by the Registrar.*

INTA does not object to this proposed change.

**Bill s.51:** *Section 69 of the Act is replaced by new Sections 69-72 dealing with new transitional provisions.*

INTA does not object to these proposed changes.

**Bill s.52:** *Section 69 of the Act is repealed.*

We understood from Bill s.51 that the wording of s.69 was replaced by new sections 69-72 (see 2.65 above) so it is not clear to us why s.69 must also be repealed.

**Bill s.53:** *The Act is amended by replacing “wares”, wherever it occurs, with “goods”.*

INTA supports this proposed change.

**Bill s.54:** *The French version of the Act is amended by replacing “colis” with “emballages”, with any grammatical changes that the circumstances require, in the following provisions: (a) Subsections 4(1) and (3); and (b) Section 8.*

INTA supports this change.

**Bill s.55:** *The English version of the Act is amended by replacing “date of filing” with “filing date” in the following provisions: (a) the portion of Subsection 16(2) before paragraph (a); and (b) Subsection 21(1).*

INTA does not object to these proposed changes.

**Bill s.56:** *The French version of the Act is amended by replacing “utiliser”, “utilisé”, “utilisée” and “utilisation” with “employer”, “employé”, “employée” and “emploi”, respectively, with any grammatical changes that the circumstances require, in various provisions.*

INTA supports this change.

**Bill s.57:** *The Registrar of Trade-marks may amend the register kept under Section 26 of the Trade-marks Act to reflect the amendments to that Act that are made by this Act.*

INTA has no objection to this proposed change.

### **3.0 RECOMMENDATIONS CONCERNING OTHER TRADE-MARKS ACT AMENDMENTS**

#### **3.1 *Clarification of Relevant Dates for s. 16(2) Claims***

In light of the recent decision in *Thymes v Reitmans*, INTA urges amendments to confirm that, for use and registration claims under s. 16(2) of the TMA, the use need not be in applicant's country of origin and also to establish the relevant date for assessing the validity of a claim to use/registration abroad, e.g. filing date, or date that application is amended to include this claim.

#### **3.2 *Foreign Use and Registration***

INTA urges legislative clarification concerning material dates to assess foreign application/registration and foreign use under s.30(d), to assess foreign registration under s.14, and to provide that the priority filing date is not deemed to be the date of filing in Canada for certain purposes (e.g. the priority date should not be the material date by which the foreign use must have occurred where the applicant relies on s.30(d)/s.16(2).

#### **3.3 *Section 9 Reform***

INTA supports the view that reform of the provisions of Section 9 of the TMA, and in particular those provisions which deal with Her Majesty's Forces, universities and, especially, public authorities (paragraphs 9(1)(n)) are necessary.

In our letter of February 17, 1999, to Ms. Danielle Bouvet, then Director of the Intellectual Property Policy Directorate of Industry Canada, INTA proposed that the TMA be amended by wholly deleting sub-paragraphs 9(1)(n)(ii) and (iii), and introducing a sunset clause, as follows:

9. (1) No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for,

(n) any badge, crest, emblem or mark adopted or used by any of Her Majesty's Forces as defined in the *National Defence Act* in respect of which the Registrar has, at the request of Her Majesty, given public notice of its adoption and use.

(n.l) Any public notice of adoption and use of any badge, crest, emblem or mark made in favour of a "public authority" as an official mark or in favour of a "university" before \_\_\_\_\_ has the same force and effect as it had before \_\_\_\_\_ and all rights and privileges acquired under or by virtue of the provision then existing in this regard may continue to be exercised or enjoyed in Canada until \_\_\_\_\_. On \_\_\_\_\_, these rights and privileges will cease to have effect.

INTA is of the view that that such a reform is justified for a number of reasons. First, Canada's obligations under the Paris Convention appear to be fully met by paragraph 9(1)(i). Second, a comparative study conducted by our Canadian Legislative Analysis Subcommittee in 1999 revealed that there seems to be no protection similar to subparagraphs 9(1)(n)(ii) and (iii) in the United Kingdom, the United States, Australia and

under the European Community regulations. In addition, we consider that commercial realities and fair trading do not justify the application of sub-paragraphs 9(1)(n)(ii) and (iii) but view these provisions as unduly broad in scope and contrary to the public interest given the extraordinary monopolies they provide without the benefit of any of the usual examination or opposition processes or means of contestation or attack by third parties who could be prejudiced by the grant of such a monopoly.

However, if CIPO is not prepared at this time to entertain the deletion of sub-paragraphs 9(1)(n)(ii) and (iii) from the TMA, INTA submits that - in view of the foregoing concerns - reform of Section 9 is nonetheless required. Because paragraphs 9(1)(e) and 9(1)(n.1) also provide for the Registrar to give public notice of various prohibited marks it is logical that at least some of the reforms extend to those paragraphs as well. INTA therefore submits that the following proposals relating to the reform of Section 9 should be seriously considered:

### **Use and Adoption of Official Marks and Statement of Wares and Services**

In our view there is some overreaching by public authorities with respect to statements that official marks have been “adopted and used” on “wares and services.” This problem may be curtailed if the requesting party had to show that by the relevant date it had “used and adopted” the official mark (something akin to a Section 45 test). At a minimum, a list of wares and services in association with which the official mark is said to have been used and adopted should be required to be set out in the request for public notice, in the same manner as required in a trade-mark application (Section 30(a)).

### **Renewal, Abandonment, Cancellation and Opposition**

For ease of reference in the following discussion, the owners of arms, flags, badges, crests, emblems, marks and armorial bearings (collectively referred to hereafter as “Section 9 Marks”) subject to protection under s.9 will be referred to as Section 9 Owners. INTA supports the view that the TMA should be amended to include specific provisions:

- providing for a term of protection, extendable by renewal terms of equal length, of not longer than 10 years for Section 9 Marks
- permitting Section 9 Owners to abandon their Section 9 Marks and requiring the Registrar to give public notice of that abandonment. Further in respect of Section 9 Marks arising from paragraph 9(1)(n.1) the Registrar should be required to give public notice in any change in status of the grant, recording or approval in respect of a recipient’s right to use such Section 9 Marks.
- providing for a section 45-type proceeding obliging Section 9 Owners (at the very least those claiming under paragraphs 9(1)(e) and 9(1)(n)) to prove continued use of their Section 9 Marks. Surely, the same rationale that applies to deadwood trade-mark registrations applies equally well to Section 9 Marks.

- providing for an opposition-type procedure in order that the entitlement of the Section 9 Owner to the protection afforded by the relevant provisions of the TMA may be challenged by interested persons in an administrative framework rather than through the process of judicial review in the courts.

### **Uniformity in Entitlement to Rights**

The words “adoption and use” appear in the last line of paragraph 9(1)(n). This is consistent with the words “adopted and used” appearing in sub-paragraph 9(1)(n)(iii), however, it is inconsistent with the words “adopted or used” appearing in 9(1)(n)(i). Moreover, none of these words appear in 9(1)(n)(ii). There does not appear to be any justifiable reason for the discrepancy and it is submitted that badges, crests, emblems and marks of Her Majesty’s forces, universities, and public authorities be treated in the same manner, i.e., the words “adopted and used by” should replace the words “adopted or used by” in 9(1)(n)(i) and the word “of” in 9(1)(n)(ii). This is also consistent with the wording appearing in paragraph 9(1)(e).

### **3.4 *Amendment to “Making Known” Provision***

INTA supports an expansion of the scope of what constitutes “making known” under s.5 by recognizing modern means by which wares/services come to the attention of potential dealers/consumers, including by replacing “radio broadcasts” with terminology broad enough to clearly include television, the Internet and other electronic communications. Although INTA recognizes that the *Interpretation Act*’s definition of “radio” in s.35 of that legislation is sufficiently broad to cover television broadcasts, the definition does not cover the internet. INTA also notes that Mr. Justice Hughes of the Federal Court, at paragraph 30 the recent decision in *HomeAway.com, Inc. v. Hrdlicka* 2012 FC 1467, was very critical of s.5 of the TMA and its inability to keep pace with modern technologies:

As to “making known” of the trade-mark VRBO in Canada, the provisions of the *Trade-Marks Act* are, to say the least, arcane and badly in need of updating. Section 5(b) (i) and (ii) of that *Act* requires that the services be advertised in “any *printed publication* circulated in Canada” or “*radio broadcasts* ordinarily received in Canada”. While the “use” of the trade-mark by means of the internet websites has been established, this use is by neither a printed publication nor a radio broadcast.

Given that the judiciary too has recognized the need to update these provisions, INTA would welcome modernization of the TMA. INTA also notes that updating this provision as a part of Bill C-56 would provide a basis for filing for registration in Canada to trade-mark owners who currently meet all of the requirements of s. 5 of the TMA but for the fact that telecommunication via the internet does not constitute a radio broadcast, and thus are not eligible to obtain registrations in Canada and so cannot avail themselves of the border control measures introduced by the CCPA. INTA contemplates that replacing the words “radio broadcasts” with “telecommunications” and deleting the word “printed” in s.5 will accomplish the update contemplated by Mr. Justice Hughes.

**3.5 *Amendment to “Use By Export” Provision***

INTA supports an expansion of subsection 4(3) that parallels all of the modes by which use can be effected in subsection 4(1).

**3.6 *Right to Use Registered Trade-mark***

INTA supports the expansion of s.19 to specifically include a positive right of the owner of the trade-mark to use the trade-mark throughout Canada in relation to wares/services in addition to the provision's current exclusive right to the use throughout Canada of the trade-mark in relation to wares/services.

**3.7 *Expanding Grounds of Invalidity***

It is INTA's position that fraudulent misrepresentations and material false statements made in applications that may impact priority or right to registration should be explicitly recognized as grounds of invalidity.

**3.8 *Increased Protection for Famous and Well-Known Trade-marks***

It is INTA's position that statutory protection of famous and well-known marks based on the WIPO Joint Recommendation on the Protection of Well-known Marks should be adopted, as well as provision to protect against dilution and to add grounds of opposition and invalidity based on dilution/depreciation of goodwill.

**3.9 *Expansion of Bars to Registrability***

It is INTA's position that bars to registrability in s.12 should be revised to include a trade-mark that is likely to have the effect of depreciating the value of the goodwill of a registered trade-mark.

**3.10 *Reform of s.16(4) re Pending Applications***

It is INTA's position that the concept that an application must be pending at the date of advertisement (as opposed to being “not abandoned or withdrawn”) unjustly deprives an opponent of a ground of opposition based on non-entitlement where the opponent's own previously filed application had matured to registration by the date of advertisement.

**3.11 *Clarification of Infringement under s.20***

It is INTA's position that section.20 should be amended to explicitly provide that the actions by the person not entitled (i.e. the acts “sells, distributes or advertises wares or services”) need not constitute “use” under s.4 for infringement to result.

**3.12 *Disclaimers***

It is INTA's position that the TMA should provide the applicant with the positive right to enter a voluntary disclaimer on the application.

**3.13 *Reform of Provisions Regarding Newfoundland Registrations***

It is INTA's position that trade-marks registered pursuant to the laws of Newfoundland that existed prior to April 1, 1949 should be subject to the same provisions respecting renewal, non-use (s. 45) and expungement as are other trade-marks.