

December 6, 2002

By Facsimile

Fee Review Project
Canadian Intellectual Property Office
50 Victoria Street
Place du Portage
Phase I, 4th Floor
Hull, Quebec
K1A 0C9

Attention: M. Lavoie

Dear Sirs:

Re: Submissions to Draft Proposal for Fee Changes

In response to your proposal for Fee Changes which was posted on CIPO's web site and outlined in your consultation meetings held across Canada during the past month, the following represents the submissions of both the Trademark Legislation Committee of the Intellectual Property Institute of Canada (IPIC) and the National Intellectual Property Section of the Canadian Bar Association (CBA-IP). Please note that the views expressed in this letter do not necessarily represent the views of IPIC or CBA, only those of the Committee and Section referred to herein. For the sake of simplicity, the submissions are being sent on IPIC's letterhead but represent the views of both the Trademark Legislation Committee of IPIC and CBA-IP.

BACKGROUND

These comments are directed solely to the proposed fee changes relating to trade-marks and copyright. They do not address the other fee changes suggested by the CIPO. These changes will be discussed in other submissions provided by IPIC.

We understand from the presentations made by CIPO that there has not been a detailed review of trade-mark fees and copyright fees since 1985. We also understand that CIPO is making this proposal after a careful analysis of the costs involved in operating the Office. We have been assured that the Office runs on a cost recovery basis only and that the proposed fee changes will allow CIPO to (1) offer better quality services and (2) respond to changes which may be necessitated by adhering to international obligations and standards.

We appreciate these points. In fact, as a general comment, we are aware of the constraints placed on CIPO under the present fee structure and are not opposed to fee increases in certain areas, on the understanding that there will be a corresponding increase in the quality of service provided by the Office.

However, in reviewing the proposed fee changes, IPIC and the CBA-IP believe that certain amendments should be made to the proposal in order to protect the interests of the public. IPIC and CBA-IP further believe that the goals of CIPO can still be accomplished with these amendments. We have set out below these amendments and our reasoning for the changes.

AMENDMENTS TO PROPOSED TRADE-MARK FEE CHANGES

We have reviewed the proposed fee changes and have several specific comments:

- **Fee differential for filing electronically:** At this time, neither IPIC nor CBA-IP support a proposal where applicants will be charged a reduced fee for filing electronically. This prejudices those applicants, often individuals, who do not have the technology to file electronically. IPIC and CBA-IP's positions may change at some point in the future where the public's access to these forms of technology is more widespread.
- **Combined application and registration fee:** We understand that the rationale for this change is twofold, that is, (1) there are more upfront costs to the prosecution process and CIPO therefore needs to recover those costs toward the beginning of the process and (2) there are administrative costs involved in collecting fees twice. IPIC and CBA-IP appreciate both points, but are concerned that a much greater upfront fee may deter smaller entities (which are often Canadian-based applicants) from filing. We believe that CIPO wants to make the registration system equally accessible to all applicants. However, in order to try to meet CIPO's goals, and to accommodate the interests of the public, IPIC and CBA-IP suggest the following:

Filing fee	\$300
Registration fee	\$200

[This, in fact, is an increase over the amount suggested by CIPO in its proposal. Please note that there is no differential for filing electronically.]

- **Renewal fee:** In Canada, unlike other countries such as the United States, there are minimal requirements for renewal purposes and therefore we submit that there is little justification for a large fee increase. However, we also believe that a registrant can accept a fee increase in this area, even if the renewal term is reduced to ten years. For this reason, we suggest the following:

Renewal fee	\$400
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[This represents a cost of less than \$30 per year for a renewal term of 15 years and \$40 per year for a renewal term of 10 years.]

- **Extension applications:** As with application/registration fees, we appreciate CIPO's need to recover the costs for the prosecution of this application and are willing to increase the fee from that suggested by CIPO, in order that it be consistent with the application/registration fee above. In other words, we suggest the following:

Extension fee **\$500**

Extension of time requests: We will discuss extensions in opposition proceedings below. For extension requests for matters other than an opposition (such as requests for more time to file declarations of use), we are of the view that an increase in fees is acceptable and is in fact a change which IPIC has agreed to in general at meetings with CIPO in the past. However, the proposed fee increase is a 400% increase over the existing fee. Even though there has been increased scrutiny of extension requests in recent years, we feel that this does not justify the amount of the proposed increase. We therefore suggest the following:

Extensions of time **\$100**

Changing address fees: We wonder whether CIPO has eliminated this fee because it may add to the administrative cost to collect the \$25 for the change in address. We are willing to have that fee remain in place or even increase the fee to \$50 to help meet the need for cost recovery and suggest the following:

Change of address **\$25 or \$50**

Fee to correct register: Neither IPIC nor CBA-IP is opposed to the suggested fee increase, but we want to ensure that applicants/registrants are not required to pay to correct any errors or inaccuracies committed by the Registrar.

Fee to correct register **\$50 (as applied presently)**

Fee for certified copies: While CIPO has not proposed a change, we submit that it would be appropriate to increase the costs for filing certified copies in order to help meet the cost recovery for the prosecution of an application and suggest the following:

Fee for certified copy **\$100**

Section 9 filings: CIPO has not proposed changing these fees, but we believe that the examination process for applications made for official marks will become more involved, particularly in light of recent case law and Trade-marks Office Practice Notices. Because this will result in more cost to the Office, both IPIC and CBA-IP are prepared to support a fee increase and suggest the following:

Section 9 **\$500 minimum**

- **Transfer fees:** While the increase in fees to \$100 may at first not appear to be significant, if a large number of marks are being transferred, the costs can be substantial and a serious deterrent to registration of assignments. It is important to encourage trade-mark owners to keep the register current by recording changes in title. This must be balanced with CIPO's need to recover costs. We therefore propose the following, in an effort to meet both objectives:

Transfer fee	\$100 for first 10 marks, \$50 for each additional mark
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[This is not inconsistent with practices in other countries.]

Section 45 proceedings: Both IPIC and CBA-IP submit that this fee is too high, particularly since we believe that the majority of cases do not proceed to written submissions or oral hearing. Furthermore, because registrations are renewed in Canada without proof of use, one of the only ways to remove a registration for a mark not in use is through section 45 proceedings. This procedure results in the "removing of deadwood" from the register, generally at the cost of the requesting party. We therefore do not believe that the requesting party should bear significant increased costs. However, we have considered the question of costs and believe that a different fee structure can be put in place to accomplish the goals of CIPO and avoid undue burdens for the requesting party. We suggest the following:

Section 45 fees	<u>\$300</u> to request initiation of proceeding
No fee to file evidence	No fee

[If evidence is filed, the Registrar sends a notice to the requesting party, asking if it intends to continue and, if so, a fee of \$300 must be submitted together with the written submissions or an indication that no written submissions will be filed.]

[This may also result in the early termination of the proceedings, particularly where it becomes apparent that the mark is in use or the registrant is prepared to defend its registration.]

Opposition proceedings:

Filing of Statement of Opposition: While we will support a fee increase (provided there is a corresponding increase in the quality of examination and opposition), IPIC and CBA-IP *strongly* feel that the proposed fee of \$1,250 for the filing of a statement of opposition is not acceptable. This is a 500% increase over the existing fee! This will unduly discourage parties from opposing applications. Furthermore, in view of what some opponents consider a decline in the examination threshold for approving marks for advertisement, applications have been approved which would otherwise have been refused. This has resulted in an increased number of oppositions which should not have been instituted. This places a serious burden on opponents, which should not be borne by the

opponents. The examination process in Canada is designed to be thorough and so these instances should not occur. However, they have been occurring and we do feel that the opponent should not face the kind of costs proposed by CIPO. As well, the majority of oppositions do not proceed beyond the evidence stage. Instead, we suggest the following alternative options:

Filing statement of opposition:

Option 1: **\$1250, \$1000 refundable if opposition resolved before evidence filed, similar to the CTM “cooling off” period**

Option 2:

Statement of Opposition	\$500
No fee for counter-statement evidence	No Fee
Leave to amend	\$200 per party
Leave to file additional evidence	\$100
Written submissions	\$100
Oral hearing	\$200

Option 3:

Statement of Opposition	\$500
No fee for counter-statement Evidence	No fee
	\$200 per party

After all evidence is filed, the Registrar would send a notice to the opponent asking if it wants to proceed, and, if so, pay a fee (say \$300) and file written submissions or an indication that written submissions will not be filed (continuation fee).

If the opponent wishes to proceed, then the Registrar would send a notice to the applicant asking if it wants to proceed, and, if so, pay a fee (say \$300) and file written submissions or an indication that written submissions will not be filed.

Other fees possibly for oral hearing

Extensions of time requests: While we are not opposed to a fee increase, CIPO’s suggested change represents a 400% increase over the existing fee. This seems unjustified, especially in opposition matters where the extensions are granted automatically for a period of time if the parties consent. We therefore suggest the following:

Extensions of time	\$100
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Agent examination fees: CIPO has suggested an increase to the fee charged for the examination process. Having considered the level of work involved in the

examination process and the qualification granted to the successful candidates, IPIC and CBA-IP believe that this fee can be increased, as suggested below:

Examination fee	\$1500
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There are other fee changes suggested by CIPO and we do not have detailed comments or objections to those proposals.

AMENDMENTS TO PROPOSED COPYRIGHT FEE CHANGES

We note that many of the proposed fees are the same as the current fees and do not raise concern.

However, with respect to decreased fees set to encourage electronic filing, as noted above with respect to trade-marks, neither IPIC nor CBA-IP support a proposal where applicants will be charged a reduced fee for filing electronically. So doing will prejudice those applicants, often individuals, who do not have the technology to file electronically. IPIC and CBA-IP's positions may change at some point in the future where the public's access to these forms of technology is more widespread.

We ask that CIPO seriously consider these comments in amending its fee proposal and we look forward to further discussions with CIPO on this matter. We are obviously happy to review any of the submissions made in this letter with you at your convenience.

Yours very truly,

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Canadian Bar Association
Co-chair, Trade-mark Legislation Committee,
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Susan Keri
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