THE CANADIAN BAR ASSOCIATION
L'ASSOCIATION DU BARREAU CANADIEN

October 23, 2008

Ms. Darlene Carreau
Acting Chair
Trade-marks Opposition Board
Canadian Intellectual Property Office
50 Victoria Street,
Place du Portage II
Gatineau, QC K1A 0C9

Dear Ms. Carreau:

Re: Proposed Changes to the Practice in Trade-mark Opposition Proceedings

On behalf of the National Intellectual Property Section of the Canadian Bar Association (CBA Section), I am pleased to comment on the proposed changes to the practice in trade-mark opposition proceedings (the Proposed Changes), set out in the draft practice notice dated September 4, 2008. We understand that the changes are intended to clarify the practice before the Opposition Board and expedite proceedings. We support these objectives. However, our primary concern is that the proposal to make a "cooling off period" to discuss settlement available only prior to the applicant filing and serving its counter statement, may in fact cause delay and discourage settlement outside this time frame. We propose more flexibility in the use of the cooling off period to avoid this result. We also recommend certain clarifications of the proposed guidelines for granting extensions of time and amendments to the proposal regarding the scheduling of hearings.

Cooling-Off Periods

One of the fundamental aims of any dispute resolution process is to provide an effective framework for the parties to reach settlement. This is one of the historic strengths of the Canadian opposition system, reflected by the fact that the majority of oppositions in Canada are resolved by settlement, before a decision is ever issued. In the experience of our members, many oppositions are resolved even before a statement of opposition is filed. Changes were made to the opposition practice effective October 1, 2007 in the attempt to shorten the duration of the opposition process. Unfortunately, these changes also had the effect of limiting extensions for settlement purposes and creating uncertainty as to when extensions would be granted. This has lead to parties expending significant resources to

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gather information to support extension requests, and we understand that responding to these requests has strained the Opposition Board's administrative resources. We appreciate the consideration the Opposition Board has given to providing additional flexibility in extension requests for settlement purposes, as well as guidelines as to when extensions will be granted.

We believe, however, that some changes in the Draft Notice are unlikely to have the effect desired by the Opposition Board, the trade-marks profession or trade-mark owners. We recommend amendments to the Proposed Changes to provide the result the Board and its users are seeking, that is, the provision of timely and quality intellectual property rights within a fair and balanced system. We hope our comments will assist.

Prior to 2007, the opposition process allowed parties to obtain generous time extensions on consent in order to reach settlement. The reality of settlement is that it could occur at any point in an opposition. It depends on the circumstances of the case, the parties, and factors sometimes outside the specific case. Accordingly, there are legitimate reasons for needing time to discuss settlement throughout the process. The previous framework reflected this reality, and was similar to requests for extensions or adjournments in Canadian courts for settlement purposes.

The CBA Section applauds the Opposition Board for recognizing the importance of settlement, that parties generally require some time for settlement discussions, and that a reasonable period of time can be at least 18 months. Certainly one very successful outcome of an opposition is the settlement of the issues by the parties without need for further intervention by the Registrar. We expect that the Opposition Board would actively encourage this form of resolving issues between parties, and therefore concluding oppositions. The users of the opposition system look to an effective process which permits this kind of settlement.

We therefore support the idea of a cooling-off period during opposition proceedings, but only if the proposed restriction on the timing of the cooling off period is removed. To truly reflect the needs of the users, the cooling-off period needs to be available to either party at any stage of the opposition proceeding on consent of both parties.

If the cooling-off period is fixed at any point in the proceedings, it cannot be used properly as a mechanism for settlement. It is not realistic to fix the time when settlement negotiations are to take place, and not productive to inform parties that this is the only time when they will be given the opportunity to suspend the process to discuss resolution. This may mean that parties consent to the fixed cooling-off period because they will have no other opportunities to obtain an extension for settlement purposes, but fail to reach an agreement because the cooling off period was premature. The result is a nine-month delay. Again, the circumstances of each opposition are unique, and the willingness of the parties to pursue settlement depends on the circumstances of the case. The parties may be open to settlement before a statement of opposition is ever filed, before evidence is filed, and sometimes before written arguments are filed. It can also depend on discussions occurring at a multi-

jurisdictional level. If the Opposition Board thinks it necessary to fix the cooling-off period at a certain point in the proceedings, the CBA Section believes strongly that this will not result in the fair and balanced processing of oppositions and, in fact, will be counter-productive.

As an alternative, we suggest that the Opposition Board return to the pre-2007 practice of considering reasonable extensions of time when the parties consent and when settlement is given as the reason for the additional time. Further, the Opposition Board could adopt a practice of granting each party up to nine months for settlement beyond the regular extensions at any stage during the proceedings. This would have the same effect as the cooling-off period but provides users of the system with the flexibility they need to try to resolve their disputes.

Extensions of Time and Privilege

Canadian trade-mark file histories are available to the public. If the "exceptional circumstances" for seeking an extension require parties to divulge privileged client information relating to settlement to the Opposition Board, this may constitute a deemed waiver of the privilege. We recommend the Opposition Board clarify the nature of the information it requires to demonstrate "exceptional circumstances."

Hearings

The CBA Section supports greater advanced scheduling of hearings. We seek clarification, however, about requests to have a case scheduled and heard on short notice. If parties agree to be heard on short notice, are their names maintained on the regular hearing list in the interim?

The Proposed Changes state that the Registrar will generally not grant a postponement of the scheduled hearing date. Instead, "The Registrar will generally advise the parties of the scheduled hearing date and time no less than 30 days prior to the date." Given the restrictions on postponement, we recommend that the time frame for notification be increased to 90 or 120 days prior to the hearing. Another option would be to allow one postponement of the hearing on reasonable grounds and at least six weeks before the scheduled hearing date.

As with the court system, we suggest an opportunity for parties to request that the Opposition Board hold the release of any decision for settlement purposes. The Opposition Board could agree, upon the parties' request, to hold decisions for up to a month, for example. Sometimes an oral hearing serves to crystallize the issues for the parties. New lines of argument can be made at an oral hearing, and so the parties' perspectives on the merits of their respective positions can change, creating additional opportunities for settlement.

Conclusion

The CBA Section appreciates the Opposition Board's efforts to make oppositions practice efficient, to ensure parties are able to obtain extensions of time for settlement purposes, to provide criteria for the granting of extensions of time, and to streamline the scheduling of hearings. We recommend the following amendments to the Proposed Changes, to permit the Opposition Board to better achieve these goals:

- Additional flexibility in the application of the "cooling-off period" so it may be used at any time in the oppositions procedure;
- For information required to support an extension request, make allowances for the prejudice that parties may suffer if proposed settlement details are made public;
- There should be a longer notice period for the scheduling of hearings, and some flexibility about the release of decisions.

We appreciate the opportunity to provide input on the Proposed Changes, and would be pleased to discuss the matter further with you and your staff.

Yours very truly,

(Original signed by Kerri A. Froc for Cynthia L. Tape)

Cynthia L. Tape
Chair, National Intellectual Property Section