



March 6, 2009

Darlene H. Carreau
Acting Chairperson, Trade-marks Opposition Board
Canadian Intellectual Property Office
50 Victoria Street
Place du Portage 2
Gatineau, QC K1A 0C9

Dear Ms. Carreau,

**Re: Proposed Changes to the Practice in Expungement Proceedings Under Section 45
Introduction**

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 expungement proceedings under Section 45 of the *Trade-marks Act*, set out in the draft Practice Notice published on January 23, 2009 by the Canadian Intellectual Property Office (CIPO).

While the CBA Section supports many of the proposed changes, and commends CIPO for being proactive in looking for ways to streamline the section 45 process, we have several concerns which we would like to bring to your attention.

As a general comment, we recognize the intent to provide a summary procedure for removal from the register of trade-marks that are no longer in use. However, we question the characterization of section 45 proceedings as “not strictly *inter partes* proceedings,”¹ which permeates the draft practice notice. These proceedings are, by their very nature, *inter partes*, in that a party has an interest in the trade-mark removal and a party has a proprietary interest in the trade-mark registration. As such, any efforts to streamline the section 45 process must adequately protect the ability of both parties to put their case forward.

There is no compelling public interest in favour of denying, nor is there legislative intent to deny, parties the ability to be heard fully. Doing so may speed up the process before the Registrar, but

¹ At p.7 of the draft practice notice.

it could simply result in more appeals to the Federal Court with attendant delays in obtaining final decisions – something not in the interests of the parties, the Registrar or indeed the general public.

With this general comment in mind, we turn to specific concerns.

Request to Issue Section 45 Notice

In paragraph III.1 (Trade-mark on the Register More than Three Years), the draft Practice Notice provides as follows:

The Requesting Party may request that the Registrar issue a Notice restricted to certain specified wares and/or services.

We view this proposed change as positive, as it may encourage a quicker resolution of the proceeding by narrowing the focus to the wares and/or services truly at issue. It should also result in a better use of the Registrar's resources. That said, the proposed change may be inconsistent with section 45 of the Act, which reads:

The Registrar may at any time, and at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring that registered owner to furnish within three months an affidavit or statutory declaration showing, *with respect to each of the wares or services specified in the registration ...*²

Arguably, this language does not comprehend a notice restricted to certain specified wares and/or services. While we encourage any steps that can be taken to better focus the proceedings, those steps must be in keeping with the Act itself and the Registrar's jurisdiction under the Act. To the extent that the Registrar purports to act outside the jurisdiction under the Act, it may invite a legal challenge.

With respect to paragraph III.2 (Trade-marks on the Register Less than Three Years), we accept the need to ensure compliance with Article 19 of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement). However, section 45 gives the Registrar discretion to issue a Section 45 Notice *at any time*. We would be concerned if the draft Practice Notice were interpreted as a limitation on that discretion. We assume the word "generally" is intended to acknowledge that the Registrar retains the discretion to exercise to issue a Section 45 Notice where a mark has been on the register for less than three years, in appropriate circumstances.

Registrar's Issuance of a Section 45 Notice

We have two concerns with respect to the wording of this section.

First of all, in identifying circumstances in which the Registrar might see good reason not to issue a Section 45 Notice, the following situation is identified in paragraph IV, point 3:

The request is within three years of the date of a s.45 decision where the Registrar or the Federal Court of Canada on appeal from the Registrar's decision (s.56 of the Act), determined that the use of the mark had been shown in Canada.

² Emphasis added.

Section 45 is intended to address the non-use of a trade-mark in the three-year period immediately preceding the date of the Section 45 Notice. By tying the issuance of the second Notice to the date of the ultimate decision, the interval could be much longer than three years. Indeed, it could be upwards of six years when one considers the possibility of appeals. That seems to fly in the face of the intent of the Act. We suggest that the wording of the circumstance should be as follows:

The request is within three years of the date of issuance of a previous Section 45 Notice.

Our second concern relates to correspondence regarding the Section 45 Notice. Paragraph IV of the draft practice notice provides that the Section 45 Notice will be sent to the registered owner of the trade-mark. Where the registered owner has an office or place of business in Canada, correspondence to the representative for service will generally be done “as a matter of courtesy.” Where the registered owner does not have an office or place of business in Canada, the representative for service will be copied.

While a positive obligation to copy the representative for service in the former circumstances does not appear to be required (unlike section 46(2) of the Act), it is important that this always be done, no matter where the registered owner is located. We do not see that this will impose an unnecessary burden on the Trade-marks Office and will prevent avoidable delays.

Not all registrants keep their address up to date in the CIPO records. Even if the address is up to date, a contact person within the registrant’s office is rarely identified. Our experience is that mail sent by CIPO to the registrant will not always find its way to the proper person within a reasonable time.

Copying the representative for service will help ensure that the Section 45 Notice reaches the appropriate person in the registered owner’s offices as quickly as possible. Given the short time lines proposed for the handling of Section 45 Notices, this is particularly important. By treating mail to the representative for service as a courtesy only, the result may be more litigation in the Federal Court to deal with Section 45 Notices not reaching the right person until after the deadline for response.

Extensions of Time for Filing Evidence

With respect to extensions of time, paragraph V.4 of the proposed changes provides as follows:

... the Registrar will generally only *consider* one request for an extension of time ...³

We suggest replacing the word “consider” with “grant”. While the intent is to streamline the system, the proposed change should recognize that permitting one extension of time, whether it be the current three months or the proposed four months, is consistent with this intent while providing flexibility to the parties.

Decisions Issued After Evidence and Without Representations

We are extremely concerned with paragraph VI, which would enable the Registrar to issue decisions directly after the registered owner’s evidence is filed. To do so overlooks the role of

³ Emphasis added.

submissions in assisting the Registrar's understanding of the evidence and will encourage litigation.

We are strongly of the view that section 45 proceedings are *inter partes* proceedings. Section 45(2) expressly contemplates written submissions being made by the requesting party or the registered owner. In that either the requesting party or the registered owner can appeal a decision of the Registrar to the Federal Court, it is vital to the integrity of the process that the parties have an opportunity to make submissions before the decision has issued. In particular, we do not see how the Registrar can be satisfied that the evidence "clearly establishes" that the trade-mark is in use or not without the benefit of submissions.

From our perspective, the current practice is the correct practice and we strongly encourage CIPO to maintain it. That is, if no evidence is filed, then the Registrar may proceed to expunge the registration. Where evidence is filed, the requesting party will be invited to indicate whether or not it wants to pursue the proceeding. If it does not want to pursue the proceeding, then the Registrar can issue a decision based upon the evidence filed.

The practice notice should balance the public interest in expediting proceedings with the rights of the parties involved in the proceeding. The right to be heard is a key principle of administrative law and we believe the competing interests are properly balanced under the current practice.

Rescindment

We note that the proposed changes do not include a provision for rescindment of the section 45 proceedings similar to what currently exists, namely:

The Registrar **may** terminate the proceedings upon the receipt of a request to cancel the section 45 proceedings signed by or on behalf of both parties.

In our view, the current practice is preferred. Where the parties agree that the proceeding should be terminated, there is little value in continuing through to decision. Terminating the proceeding will allow the resources of the Registrar to be used more productively.

Conclusion

The CBA Section appreciates CIPO's efforts to improve and clarify the procedures in section 45 proceedings. We appreciate the opportunity to provide input on the proposed changes and we would be pleased to discuss the matter further with you and your staff at your convenience.

Sincerely,

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

Cynthia L. Tape
Chair, National Intellectual Property Section