

Bereskin & Parr

INTELLECTUAL PROPERTY LAW



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By Fax 819-953-CIPO (819-953-2476),

Alison Bunting,
Canadian Intellectual Property Office
Trade-marks Branch
Attention: Alison Bunting
50 Victoria Street
Place du Portage II
Gatineau QC K1A 0C9

Dear Ms. Bunting:

**Re: CIPO Consultation on Aligning
Canada's Trade-mark Regime with Modern Business**

This letter is in response to the request for comments on the recently published consultation on Aligning Canada's Trade-mark Regime with Modern Business ("the Consultation"). We appreciate the opportunity to comment on this very important issue. For the reasons set out below, Bereskin & Parr questions the focus on the Madrid Protocol and the Singapore Treaty as vehicles to improve Canada's trade-mark regime.

Bereskin & Parr LLP/S.E.N.C.R.L., s.r.l. is one of Canada's largest intellectual property ("IP") law firms, and has been in business for over 45 years. We operate in 4 offices, and in both Ontario and Quebec. We employ more than 250 persons, with more than 60 intellectual property professionals, including agents and lawyers. We represent more than 15,000 Canadian and international clients in all areas of industry, from individuals to large multi-national companies with hundreds, and thousands, of trade-marks or patents. We have approximately 50,000 active Canadian trade-mark, patent and industrial design files in our systems.

The Consultation suggests that the Canadian trade-marks system is out-dated, or out of step with those of its international trading partners. Instead, we believe that the Canadian system offers many advantages over that of many of its trading partners. They include the following:

- Canadian filing fees are amongst the lowest in the world.

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- Requiring use as a precedent to acquisition of rights in Canada means that the Canadian Register is a much more accurate record of "real" rights than is the case in most other countries. Since registration provides a registrant with considerable rights and advantages, and also deters others from selecting confusingly similar marks, it is important that those rights only be granted to entities with a genuine claim to the mark.
- Robust examination of rights by the Trade-marks Office, and opposition proceedings before registration prevents the Register from being crowded with clearly competing rights, and ensures that applicants, and not unsuspecting third parties, bear the burden of establishing their rights.
- Requiring wares and services to be in ordinary commercial terms, rather than using the Nice Classification. Those with experience with international trade-mark prosecution confirm not only that classification adds costs, time and confusion to the acquisition of trade-mark rights, but that there is little consistency in how classification is handled worldwide.
- Section 45 of the *Trade-marks Act* ("the Act") is widely acknowledged by trade-mark professionals around the world to be a handy mechanism for eliminating unused marks from the Register.

The Consultation asks for comments on both the Madrid Protocol Relating to the Madrid Agreement ("the Madrid Protocol" or "the Protocol") and the Singapore Treaty of 2006 ("the Singapore Treaty" or "the Treaty"). Bereskin & Parr believes that neither offer significant advantages for Canadian applicants, and will most certainly result in increased costs and complexity, that are more likely to discourage Canadians, and particularly small and medium enterprises, from using both the Canadian and international trade mark systems.

Many features of the Singapore Treaty are already incorporated into the *Act* and Regulations. Canada long ago eliminated technical legalization and notarization requirements. Other features, such as easier rectification of errors and division of applications offer improvements, but there is nothing to stop the Canadian government from making those changes without signing the Treaty. Changing the renewal term from 15 to 10 years will add to the cost of maintaining registrations in Canada, but may have the advantage of weeding out unused marks earlier. We support amending the *Act* and practice to permit registration of more non-traditional marks. However, we believe that the Consultation incorrectly suggests that Treaty "covers" new forms of marks. It does not – and Canada would still need to amend its *Act* to cover such marks. We recommend that Canada consider this apart from any consultation on the Treaty.

However, a key feature of the Treaty is the requirement to adopt the Nice Classification of goods and services. As one of our founding partners states, the Nice Classification system was created in the days of quill pens. With computers and the ease of key word searching, any benefits of classification have long been lost. Our experience with classification in other countries suggests that implementation in Canada will add significantly to the cost of obtaining trade-mark protection in this country. Not only is it inevitable that classification leads to fees per class, with higher filing, registration and

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renewal costs, but classification will result in more examination, which will add costs and result in delays. Classification does not make searching and clearance easier, and there will be huge administrative costs to review and amend existing Canadian applications and registrations to add classes.

Bereskin & Parr also believes that the Madrid Protocol has little to offer Canadian and foreign applicants in Canada. The widely-discussed disadvantages of the system (such as central attack, rights restricted to wares and services in the home country, and limitations on assignment of rights to companies in Protocol countries only) are not outweighed by possible savings from a centralized filing system. As the Consultation correctly notes, the cost-savings of the Protocol international filing system are only realized when applicants choose to register their marks in many countries. In our experience, only a modest percentage of Canadian companies extend their trade-mark protection in other countries, and if they do so, they file first in the United States, possibly followed by Community Trade-mark filings, and only in rare cases, file in additional, mostly Asian countries. For Canadians, the Protocol is likely to offer few cost savings.

The Protocol cannot be discussed without addressing classification of wares and services. Under the Protocol, an international application must include wares and services in accordance with the Nice Classification system. Canada must either classify all out-going applications, or confirm with applicants that any classification done by the International Bureau of the World Intellectual Property Office is accurate. Either way, there will be administrative costs to Canada in dealing with classification.

Another concern is that national filings under the Protocol must be handled promptly, and may draw resources away from the examination of Canadian or non-Protocol applications.

The Consultation does not address what changes might be made in conjunction with membership in the Protocol. Would filing grounds or use requirements change, and if so, what impact might that have on Canadians? Easing use requirements simply to accommodate the Protocol would ultimately mean that the Register would no longer be an accurate representation of marks that have actually been used by their owners. Without that, searching will become more difficult and expensive for Canadian and other applicants. Further discussion of these changes is required before applicants can fairly measure the benefits of the Protocol.

We challenge the suggestion that the Canadian trade-mark system is a barrier to investment in Canada. Canada's filing fees, as noted above, are already less expensive than those in almost all other countries. If, as we suspect, the administrative changes required by the Protocol result in higher costs in Canada, all applicants will be disadvantaged. We also believe that neither the Protocol nor the Singapore Treaty would have any impact on the growth of Canadian business in international markets. There are far more important economic concerns for Canadian businesses who invest in international expansion than the cost of their trade mark registrations.

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A final, and very important issue for Bereskin & Parr is whether membership in the Protocol will ultimately result in reduced work for our professionals and staff. International experience suggests that in countries like Canada, that are largely "importers" and not "exporters" of intellectual property, the volume of work to intellectual property firms will drop after membership in the Protocol. We have invested significantly in the training of our professionals and staff. We are very concerned about their futures. Particularly in the current economic times, with jobs being a focus of economic stability, we cannot support any changes that might put the jobs of our professionals and staff at risk.

In summary, neither the Madrid Protocol nor the Singapore Treaty will simplify or streamline the trade-marks regime. The Protocol is simply an additional alternative for obtaining international trade-mark protection. For Canadians, it is unlikely to offer easier access to the markets that are now of greatest interest. Mexico, New Zealand, and all countries in the entire continent of South and Latin America are not members. Instead, the administrative changes required will more likely result in higher costs for all applicants, including the majority of Canadian companies that never file outside this country. The Nice Classification system required by the Singapore Treaty will complicate filing and examination, resulting in higher costs and added delays.

There are many other changes that will more directly simplify and streamline Canada's trade-mark regime. Administrative changes, such as better electronic systems with access to a wider range of file records and information, and faster examination are recommended. Addressing inequities caused by the granting of broad and perpetual rights to public authorities (under s. 9 of the Act), providing more scope for registration of non-traditional marks, permitting applicants to more easily amend filing grounds and "divide" applications, as is now allowed in the United States, and eliminating some of the technical traps in oppositions proceedings, are all be improvements that will benefit Canadian applicants far more directly than either the Protocol or the Singapore Treaty.

Bereskin & Parr appreciates this opportunity to comment, and would be pleased to participate in more detailed discussions on improving the Canadian intellectual property system.

Yours truly,

BERESKIN & PARR LLP/S.E.N.C.R.L., s.r.l.



Jonathan Colombo
Managing Partner
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