

**OPPOSITION
PROCEEDINGS IN
THE EUROPEAN
COMMUNITY, THE
U.S.A. AND
CANADA : SAME
MELODY IN A
DIFFERENT KEY**



CANADA








**By Johanne Auger, Partner (Affiliated
agency) and Trade-mark Agent
BCF LLP**



PROCEDURE OVERVIEW

- Mini-trial 
 - Lengthy
 - Costly
 - In English or French – no translation required  ≠
- Mostly written proceedings but for :
 - Possible cross-examinations on affidavits  ≠
 - Oral hearing  →

PROCEDURE OVERVIEW (cont'd)

- 5 main stages:
 - Initial pleadings – Declaration of opposition / Counter-statement
 - ▶ “admissibility”: opposition to raise a substantial issue for decision
 -  →
 - ▶ Interlocutory ruling to strike all or portion of pleadings → no effect on outstanding deadline
 - If request filed before filing of evidence → interlocutory decision
 - If request filed after filing of evidence → at decision stage 
 - ▶ Prior examination of application by Examiner → citation = 
 - In doubt, will advertise for opposition but since June 17, 2009 will not notify third party anymore
 - Registrar not bound by co-existence agreement → interest of the public
 - ▶ Any person may oppose →  → 
 - ▶ Counter-statement required ≠ 

PROCEDURE OVERVIEW (cont'd)

- Evidence (by way of detailed affidavits) – with or without cross-examination of affiants
 - ▶ If cross-examination: full transcript (and responses to undertakings) automatically part of evidence
 - ▶ Can file statement to the effect that Opponent/Applicant does not wish to submit evidence
- Written arguments
 - ▶ May be filed with TMOB which in turn forwards it to the parties (not mandatory)
 - ▶ No reply ≠ 

PROCEDURE OVERVIEW (cont'd)

- Oral hearing before one hearing officer of Trademark Opposition Board (TMOB)
 - ▶ May be requested
 - ▶ Short notice list if hearing is expected to last less than 2.5 hours
- Decision → Appeal before Federal Court of Canada → Appeal before Federal Court of Appeal of Canada
 - ▶ No possible revocation of decision by TMOB or at request of  party for obvious procedural error attributable to TMOB ≠
- Easily at least 2 years... and more...

PROCEDURE OVERVIEW (cont'd)

- As of April 1, 2009, introduction of cooling-off period for parties to pursue settlement and mediation → 
- Each party has the possibility to require a 9-month cooling-off period – consent required
- At two different stages but can only request one each
 - ▶ Initial pleadings stage – Declaration of opposition/Counter-statement
 - ▶ Evidence stage
- No possible extension of time ≠ 
- Although one possible 3-month extension of time, at any stage, to finalize settlement → strict application
- No « opting-out » → simply proceed to filing if negotiations to no avail ≠ 

PROCEDURE OVERVIEW (cont'd)

- Possible extensions of time at any stage (but for oral hearing)
 - Mostly requires consent of other party
 - One which can be “easily” obtained, with sufficient reasons
 - Any additional one to be supported with exceptional circumstances – strict application by TMOB
 - ▶ Ongoing multi-countries negotiations might not suffice...
 - One to finalize settlement agreement – strict application (“fully finalize and complete settlement negotiations”)
- Service of proceedings → different accepted means
 - Declaration of opposition with TMOB: delivery to TMOB (or designated establishment), facsimile, registered mail
 - Service on the other party: personal service, registered mail, courier or in any other manner with the consent of the other party

PROCEDURE OVERVIEW (cont'd)

- What the TMOB cannot do
 - Amend Opponent's registration
 - Award damages and costs (at all) **≠**  (for costs)
 - Order to stop use of the mark
 - No other remedy than refusal of registration, partial or total
- Statistics
 - Only 3% of applications opposed
 - 90% of cases settle before final decision is issued
 - ▶ Opposition can be withdrawn without prejudice at any time; no consent required → 
- If no opposition is filed, third party can still institute:
 - Infringement proceedings → use → Provincial or Federal court
 - Expungement proceedings once mark is registered → Federal court

TIMELINE SET FORTH IN TRADE-MARKS ACT AND REGULATIONS



and relevant Practice Notices #

- Statement of opposition: 2 months from advertisement
 - 3-month extension of time with sufficient reasons
 - 9-month cooling-off period, on consent
- Counter-statement of opposition: 2 months from TMOB's notice
 - 2-month extension of time with sufficient reasons
 - 9-month cooling-off period, on consent
- Opponent's evidence: 4 months from Counter-statement
 - 3-month extension of time with sufficient reasons and consent
 - 9-month cooling-off period, on consent, if not requested at Statement of opposition stage

TIMELINE SET FORTH IN TRADE-MARKS ACT AND REGULATIONS and relevant Practice Notices (cont'd)

- Applicant's evidence
 - without cross-examination: 4 months from Opponent's evidence
 - ▶ 3-month extension of time with sufficient reasons and consent
 - ▶ 9-month cooling-off period, on consent, if not requested at Counter-statement of opposition stage
 - with cross-examination:
 - ▶ If requested within 2 months of filing of Opponent's evidence: 4 months from completion of cross-examination
 - 4-month extension of time with sufficient reasons and consent
 - ▶ If requested after 2 months of filing of Opponent's evidence: no effect on 4-month deadline to file evidence
 - ▶ 9-month cooling-off period, on consent, if not requested at Counter-statement of opposition stage

TIMELINE SET FORTH IN TRADE-MARKS ACT AND REGULATIONS and relevant Practice Notices (cont'd)

- Opponent's counter-evidence (often no counter-evidence is filed):
 - without cross-examination: 4 months from Applicant's evidence
 - ▶ 4-month extension of time with sufficient reasons and consent
 - with cross-examination:
 - ▶ If requested within 2 months of filing of Applicant's evidence: 4 months from completion of cross-examination
 - 4-month extension of time with sufficient reasons and consent
 - ▶ If requested after 2 months of filing of Opponent's evidence: no effect on 4-month deadline to file evidence
- Written arguments: 1 month from TMOB's notice
 - 4-month extension of time with sufficient reasons and consent
- Request for hearing: 1 month from TMOB's notice


GROUNDS OF OPPOSITION

➤ 4 possible grounds set forth in the *Trade-marks Act* # 

- with different initial and evidentiary burden
- different material dates for assessment

➤ Content of application

- Statement of wares/services not being in ordinary commercial terms

- ▶ International class headings not accepted 
- ▶ Detailed list of wares/services

- Use (or making known) issue

- ▶ Application based on use while the mark has NOT been used:
 - at all
 - **as of the claimed date of first use**
 - as a trade-mark (but rather as a trade name or domain name; generic use; functionality issue)

GROUNDS OF OPPOSITION (cont'd)

- Application based on foreign use and registration of the mark while use has not occurred in any country in association with wares/services
 - ▶ In Canada, for the foreign use and registration basis to be validly claimed in an application, the mark must not only have been registered in the Applicant's country of origin **but it must also have been used in any country of the Union at the time of filing of the Canadian application**

GROUNDS OF OPPOSITION (cont'd)

- ▶ *Allergan Inc. vs. Lancôme Parfums et Beauté & Cie (2007)*
64 C.P.R. (4th) 147
 - MYOTOX based on use and registration in France
 - Allergan's evidence → lancome.fr web site printouts with no reference to MYOTOX
 - Suggesting that mark is not used in France or that it has been abandoned by Lancôme
 - No evidence by Lancôme as to use in France or in any other country at time of filing of Canadian application
 - Application refused

GROUNDS OF OPPOSITION (cont'd)

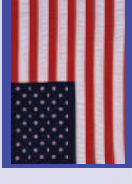
- ▶ Recommendations and strategy
 - Base the Canadian application not only on foreign use and registration of the mark but also on proposed use of the mark in Canada
 - Always ensure that use has occurred in any country at time of filing of Canadian application
 - If cannot be ascertained before filing of Canadian application:
 - Either include said basis subject to deleting same later (can be done at any time as long as there is a remaining basis)
 - Or add it before advertisement of the mark (not possible after advertisement)

GROUNDINGS OF OPPOSITION (cont'd)



- Advantage of foreign use and registration basis compared to proposed use of the mark in Canada → no need to file Declaration of Use of the mark in Canada
 - Use to occur → subject to summary expungement proceedings after 3 years from the date of registration
- Advantage of including proposed use of the mark in Canada basis → home registration becomes invalid before the Canadian application matures to registration

GROUNDNS OF OPPOSITION (cont'd)


- Application based on proposed use while:
 - ▶ Applicant had no intention to use the mark
 - ▶ **Use of the mark had already occurred at time of filing**
 - fatal to application
 - proposed use basis cannot be changed to **≠** use basis after filing
 - new application required



GROUNDINGS OF OPPOSITION (cont'd)

- Required statement to the effect that the Applicant is satisfied that he is entitled to use the mark in Canada cannot have been validly made
 - ▶ Bad faith → almost fraud
 - Non intentional or wrong statement – not sufficient
 - Of interest: same principle applied to Declaration of Use filed for application based on proposed use of the mark in Canada for various wares and services
 - While only partial use → does not invalidate whole registration ≠ 
 - *Parfums de Coeur, Ltd. vs. Asta, 2009 FC 21*
 - Misuse of registration symbol ® → not sanctioned ≠ 

GROUNDS OF OPPOSITION (cont'd)

- ▶ Non-compliance with other legislation or regulations (including Charter of the French Language issue )
 - Of interest: New application of exception regarding trade-marks by *Office québécois de la langue française* (Office)
 - Charter stipulates that "a recognized trade mark" may be exclusively in a language other than French unless a French version has been registered
 - Until recently, "recognized trade-marks" included:
 - registered trade-marks
 - applied-for marks
 - unregistered trade-marks



GROUNDS OF OPPOSITION (cont'd)

- On September 29, 2008, in an attempt to apply a uniform criterion and to avoid debates over whether a particular name is a “recognized trade-mark”, the Office published new commentaries and is taking the position that only registered trade-marks fall under the trade-marks exception
- Application for registration of mark in English based on use in Canada while use has already occurred in Quebec without the mark being registered → could give rise to complaint under the Charter... and possibly opposition
- *Good to know!*
- ▶ Depreciation of goodwill of Opponent’s mark

GROUNDS OF OPPOSITION (cont'd)

- Registrability – main issues
 - ▶ Mark is primarily merely the name or surname of an individual who is living or has died within the preceding 30 years
 - ▶ Mark (when depicted, written or sounded) is clearly descriptive or deceptively misdescriptive in English or French of the:
 - character or quality of the wares/services
 - conditions of or the persons employed in their production
 - place of origin
 - **beware of composite marks which include words that are the dominant feature of the mark** → could be considered as clearly descriptive when sounded
 - language issue – French and English consumers to be considered





GROUNDS OF OPPOSITION (cont'd)

- Mark is the name in any language of the wares/services
- Mark is confusing with registered trade-mark (any registered trade-mark, not only Opponent's)
 - ▶ Inherent distinctiveness of marks or trade names and extent to which they have become known → 
 - ▶ Length of time marks or trade names have been in use
 - Use of the Opponent's mark needs to be put into evidence ≠ 
 - ▶ Nature of wares/services/business
 - ▶ Nature of trade
 - ▶ Degree of resemblance of marks or trade names in appearance, sound or in the ideas suggested by them
- Mark is prohibited (emblem, official mark, scandalous, falsely suggests connection with any living individual, geographical indication, etc.)

GROUNDS OF OPPOSITION (cont'd)

- Applicant is not the person entitled to registration of the mark
 - As Applicant's application which is based on:
 - ▶ Use or making known of the mark in Canada
 - ▶ Foreign use and registration of the mark
 - ▶ Proposed use of the mark in Canada
 - Is confusing with the Opponent's:
 - Previously used mark in Canada (or making known → must prove spillover advertising, amongst others)
 - Previously filed application (taking into account possible conventional priority claim)
 - Previously used trade name in Canada

GROUNDS OF OPPOSITION (cont'd)

- Mark is not distinctive of the Applicant – does not actually distinguishes Applicant's wares/services, or is not adapted to do so, from those of others
 - ▶ As the mark is confusing with other marks or trade names
 - Registered or unregistered
 - Any third party's mark, not necessarily the Opponent's
 - **Beware of use by related parties without license agreement (even if wholly owned subsidiary) = loss of distinctive character (dilution) of mark**
 - Owner's direct or indirect control of the character or quality of the wares/services required
 - ▶ As the mark is not inherently distinctive
 - **State of register** =  ≠ 
 - **State of the marketplace** =  ≠ 
 - Generic use

BURDEN AND MATERIAL DATES APPLICABLE TO GROUNDS OF OPPOSITION

- Evidential burden on Opponent
 - Lighter as regards ground relating to content of application issue
- Once met, legal burden on Applicant
- As to non-entitlement ground, Opponent has also burden to establish:
 - Use prior to and a reputation in the trade as of the date of Applicant's application
 - That it had not abandoned is trade-mark as of date of advertisement of the Applicant's trade-mark

BURDEN AND MATERIAL DATES APPLICABLE TO GROUNDS OF OPPOSITION (cont'd)

- **Material dates:**
 - **Content of application:** date of filing of application
 - **Registrability:** date of decision of TMOB
 - **Non-entitlement:**
 - ▶ For application based on use (or making known): date of first use claimed in application (or making known)
 - ▶ For application based on foreign use and registration: date of filing of application
 - ▶ For application based on proposed use: date of filing of application
 - **Distinctiveness:** date of filing of Statement of opposition

EXPUNGEMENT PROCEEDINGS

- Summary expungement proceedings before Registrar of Trade-marks (administrative proceedings)
 - ▶ After 3 years from date of registration
 - ▶ For non-use of the mark in Canada during the 3-year period immediately preceding the Notice
 - ▶ By any person or the Registrar itself
 - ▶ Get rid of “deadwood”
 - ▶ No other ground for expungement considered than absence of use
 - ▶ Absence of use can be excused by special circumstances
 - Beyond owner’s control
 - Strict application

EXPUNGEMENT PROCEEDINGS (cont'd)

- Expungement proceedings before Federal Court of Canada (judicial proceedings)
 - ▶ Trade-mark was not registrable at date of registration
 - ▶ Trade-mark was not distinctive at time of proceedings
 - ▶ Trade-mark has been abandoned (owner's intention to abandon to be assessed)
 - ▶ Applicant was not the person entitled to secure registration
 - Registration not to be held invalid on ground of previous use by person other than Applicant if proceedings commenced after 5 years of registration
 - Unless it is established that person who adopted the registered mark in Canada did so with knowledge of that previous use

Johanne Auger
Partner (Affiliated agency) and
Trade-mark Agent
johanne.auger@bcf.ca
www.bcf.ca

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