



October 30, 2009

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Ms. Stephanie Golden and Ms. Rita Carreau
Canadian Intellectual Property Office
50 Victoria Street
Place du Portage II
Gatineau, Québec
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Dear Ms. Golden and Ms Carreau:

Re: Proposed Amendments to the Trade-marks and Industrial Design Practices Involving the Grant of Extension of Time

FICPI Canada wishes to thank the Canadian Intellectual Property Office for the opportunity to comment on the proposed amendments to extension grant practice. As we have reached different conclusions in respect of the issue as it pertains to Industrial Designs as opposed to Trade-marks, we have divided our comments below into two separate sections.

FICPI (the Federation Internationale des Conseils en Propriété Industrielle), comprises more than 3500 intellectual property attorneys in private practice in 86 countries. FICPI Canada is a self-governing national association of FICPI and represents the interests of Canadian patent and trade-mark professionals. Our membership includes senior professionals at most major Canadian intellectual property firms. Our clients span all types and sizes of businesses, including multi-national corporations, small and medium size enterprises, and individuals.

Trade-Marks – Extensions of Time in Examination

Noting it is difficult to arrive at a position as to whether the proposed changes will be beneficial, neutral or detrimental to the majority of trade-mark owners when

we have not been provided details regarding what constitutes significant substantive reasons, we are generally not in favour of the proposed practice amendment. We have several serious concerns which we believe reflect the interests of the vast majority of trade-mark owners.

We would ask you to consider that, in terms of trade-mark prosecution, few things are as problematic as uncertainty and a lack of predictability. Prime examples are the recent changes to Opposition practice which have caused considerable difficulty for trade-mark owners and others involved in the Opposition process. We believe that the proposed amendment to extension of time practice will offer more of the same.

It seems plausible to conclude that what is intended by the practice change is to require certain facts to exist before further time can be sought in which to respond to an official action. Some situations will presumably justify the grant of a further extension, others will not. It is this lack of certainty and predictability that harms applicants and works against their interests when the result is default and possible loss of rights in Canada.

It should also be said that we are very much against using the “default” provision to generate a response to the outstanding action without having had sufficient exchange between Examiner and applicant regarding the sufficiency of reasons. We would prefer a system whereby the Examiner informed the Applicant that its reasons justifying the request were not sufficient and then giving a short period of time to provide a more extensive explanation that might convince the Examiner that an extension is justified. We would also note that any such period should afford time for the Applicant to receive the Examiner’s response as to whether the facts provided justify the grant. Otherwise we anticipate the same problem we are now experiencing in Opposition practice whereby action must be taken but there is no hope of receiving a response from the Board before the expiration of the deadline. This leaves a party in a very poor situation in spite of a good faith attempt to comply. There are implications associated with the status of “default” during prosecution and we are of the view that default should be the last step in the process, not the standard response to a failure to offer adequate reasons to justify an extension request.

We also query how responses on the part of applicants that cause re-consideration of the application will be treated? For example, if an applicant either before or after default adds a basis of foreign use and registration and needs to secure a certified copy of a foreign registration, will this permit further prosecution time? How will the situation whereby an applicant is deferring on adding a 16(2) basis until such time as the mark is put into use abroad be dealt with? We are not convinced that the current popular thinking that the material date in respect of a 16(2) basis is the date of filing is accurate. Among other reasons, this interpretation would require a very narrow interpretation of Rules 31 and 32 which permit such a basis to be added. At best, the question of whether

it is appropriate to add a 16(2) claim after filing but before advertisement where foreign use commenced between filing and advertisement, is unresolved. If goods and services are revised, as is clearly permitted under the rules, and must be reconsidered, will this re-start the clock in terms of extensions of time? It is very difficult to ascertain how detrimental the proposed changes will be to applicants acting in good faith to secure a registration without knowing how these, and other, situations will be dealt with. It does, however, seem that there is scope for considerable uncertainty and harm.

We also have significant concern regarding the degree of detail that will have to be furnished to the Examiner if an applicant wishes to secure an extension of time. Applicants should not be forced to disclose such things as a pending cancellation action in order to gain time. The Act allows "any person" to request cancellation of a registration on the basis of nonuse and this means that the party with the true interest in having the mark removed need not make its identity known. Any office practice which has the effect of requiring this specific disclosure is inconsistent with the wording and intent of the legislation and as such is not, in our view, appropriate. It might seem that such situations are limited to cancellation actions but the same inability to provide full reasons may apply to such actions as changes in title. Since incorrect identification can expose an applicant to allegations of trade-mark ownership by two different but related parties, it is entirely plausible that an applicant will not wish to make of public record a precise explanation of what is being done and why.

The fact is there are many and varied reasons that may require an applicant to in effect suspend prosecution for a time. We have considered the submissions of IPIC in respect of this proposed change and agree that the examples set out, and undoubtedly others, justify the grant of one or more further extensions. It is unfortunate that owing to the varied nature of these reasons it is not possible to say that after a fixed period of time all applicants will be refused further extensions and abandonment will be deemed. Clearly some deficiencies can and should be remedied immediately while others require years of work before an Applicant can continue prosecution.

We are also mindful that there has been no outcry from trade-mark owners suggesting that the current system of granting extensions of time is being abused. We are, of course, aware of a few instances wherein applicants have clearly misused the system, but these are few and far between. Furthermore, such applicants avail themselves of their strategies at their own peril since arguments regarding estoppel and laches may become available with inordinate and unjustifiable delay that disadvantages others. In instances of clear abuse, for example an application covering all goods and services which is left pending for years, a more appropriate response on the part of the Office might be for a letter to be sent indicating that there has, in the view of the Registrar, been unreasonable delay in prosecution, ideally after first warning that such a letter will be forwarded should the applicant not proceed. Such a letter could be useful to

other owners challenging that the lengthy application period has been disadvantageous to them. In short, we suggest that it would be prudent for CIPO to focus on the instances of clear abuse rather than making it difficult or impossible for applicants to sort out difficulties that are legitimately hindering prosecution.

The *Canadian Trade-marks Act* may, at times be criticized, as being flawed, but to a large extent such statements ignore the fact that the current *Act* and *Rules* comprise a delicate, intricate and elegant balance between trade-mark owners and others. The *Act* and *Rules* have served Canada well. It is reasonably easy and inexpensive to obtain a Canadian registration and those registrations generally reflect real rights owing to our thorough examination practice. In return owners are expected to carefully identify the rights which they wish to claim thereby preventing overbroad protection that harms others wishing to adopt similar marks. In our view these proposed practice changes are, on the face, inconsistent with the intention of the *Act* and *Rules* which provide Applicants the opportunity to “get it right” in terms of identifying the nature and the extent of the trade-mark rights it wishes to register in its name. Applicants must be afforded sufficient time to sort out many and varied difficulties associated with defining rights. Furthermore, they should not be disadvantaged by having to be unduly explicit in terms of providing a justification for failing to respond to an outstanding official action. We are of the view that adequate balance exists as the situation currently stands. Applicants have a vested interest in having applications issue to registration quickly owing to the benefits registration offers in terms of enforcement. Conversely, there is generally little to be gained through delay. We are of the view that any practice changes which result in an applicant having insufficient time to sort out precisely what it is they are trying to protect, run counter to the general scheme of the *Act* and *Rules* and are not beneficial to trade-mark owners or others. This is one area where considerable flexibility is essential.

If the goal is to reduce the number of extensions of time being sought which are not needed for good reason we suggest a graduated system of fees which serve to increase the cost of each successive extension. This would be a way to encourage rapid prosecution without unnecessarily disadvantaging those who truly need the time to deal with situations involving the mark in question.

Industrial Design Extension of Time Practice

FICPI Canada provisionally supports CIPO's proposed change to its procedures regarding the granting of extensions of time to respond to a report issued by the Industrial Design Office. The Proposed Practice Notice reads as follows:

Effective immediately, upon receipt of a written request, the Industrial Design

Office will grant one extension of time of 6 months from the expiration date of the specified time limit to respond to a report.

Failure to respond within this 6-month period will result in the application becoming abandoned.

Current Industrial Design Office practice is set out in section 7 of the Office Practices which permits an applicant to seek multiple extensions of time to respond to a report subject to the qualification that “the Office will not extend the period of reply beyond 12 months”. An earlier practice notice dated June 13, 2002, stipulated that “...upon the expiration of twelve months from the original deadline to respond to a report, the Office will require significant substantive reasons which clearly justify the request for any further extension of time”.

FICPI Canada notes that reports issued pursuant to section 5(2) of the *Industrial Design Act* prescribe a 4-month deadline for response. Therefore, the Proposed Practice Notice will have the effect of reducing the maximum effective response period by at least 2 months.

FICPI Canada agrees that limiting extensions of time to a single 6-month extension is reasonable in most situations, but that the maximum effective response period should continue to be 12 months, and should be longer where circumstances warrant. For example, there are circumstances where it would be unreasonable to limit a response to 12 months (e.g. transfer of foreign instructing agent responsibility giving rise to unavoidable delays in obtaining instructions, classification information requests which are unfamiliar to many foreign applicants, assignment informalities, etc.).

FICPI Canada proposes that the prescribed term for response to a report issued pursuant to section 5(2) of the Industrial Design Act should be six (6) months, rather than four (4) months, and that exceptions be made for extensions beyond the normal maximum 12-month response period. A six (6) month response period is consistent with patent and trade-marks practice, and would result in no change to the maximum effective response period in most cases.

FICPI Canada therefore proposes that the following revisions be made to the Proposed Practice Notice:

Effective immediately, upon receipt of a written request, the Industrial Design Office will grant one extension of time of 6 months from the expiration date of the specified time limit to respond 6-month extension to the specified period for reply to a report sent pursuant to section 5(2) of the *Industrial Design Act*. Before granting any further extension, the Office will require significant substantive reasons which clearly justify the request for such further extension to the specified period for reply.

Failure to respond within this 6-month extension to the specified period, or within any further extension justified by significant substantive reasons, will result in the application becoming abandoned.

FICPI Canada wishes to thank the Canadian Intellectual Property Office for the opportunity to provide comments. If CIPO has any comments about these submissions, please do not hesitate to contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. B. Storey', with a long horizontal stroke extending to the right.

Robert B. Storey, President - FICPI Canada
Coleen Morrison, Secretary
Stephen Perry, Member of Council