

Trademarks 2012

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Canada

James Buchan and Jennifer McKay

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1 Ownership of marks

Who may apply?

Companies, individuals, partnerships, trade unions and lawful associations can apply to register their marks in Canada.

Specifically, an applicant can be:

- (i) one who proposes to use the mark in Canada by itself or through a licensee;
- (ii) one who has used the mark in Canada by itself or through a licensee;
- (iii) one whose country of origin is a Paris Convention country or a member of the World Trade Organization (WTO) and who has registered the mark, or applied for registration of the mark, in or for that country, and has used the mark;
- (iv) one who has made the mark known in Canada; or
- (v) a successor in title of (i), (ii), (iii), or (iv).

An applicant must be a single legal entity and must state in the application that it is satisfied that it is entitled to use the trademark in association with the wares or services (or both) set out in the application.

Use by a licensee of the applicant is deemed to be use by the applicant as long as the applicant retains control over the character or quality of the applied-for wares or services (or both).

If the applicant has no office or place of business in Canada, it must provide the address of its principal office or place of business abroad and the name and address in Canada of a person or firm to whom any notice in respect of the application may be sent, and on whom service of any proceedings in respect of the application may be given or served with the same effect as if they had been given or served on the applicant.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

A trademark is a word or design (or any combination of the two) that is used by a person, or proposed to be used, for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by that person from those of others.

A trademark can also be a certification mark (a mark used to identify wares or services of a defined standard) or a distinguishing guise (a shaping of wares or a method of wrapping or packaging wares that is not primarily functional). An application to register a distinguishing guise requires evidence that, as of the date of filing in Canada, the applied-for guise had acquired distinctiveness (ie, consumers associated it with a single source, and distinguished the applicant's wares from those of other sellers based on the applied-for guise). Certification mark applications require specifics of the defined standard that use of the mark is intended to indicate.

Colour per se is not registrable in Canada. Colour applied to a particular shape (eg, a design or distinguishing guise) is considered

registrable as long as the particular shape is shown in the application in dotted outline and the colour is clearly identified.

Non-traditional marks such as sounds, scents, textures, holograms and moving image marks have not generally been considered registrable in Canada, but that is expected to change, at least in relation to some types of non-traditional marks, in the foreseeable future.

A trademark is registrable provided it is not:

- a word that is primarily the name or the surname of an individual who is living or has died within the preceding 30 years;
- whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;
- the name in any language of the wares or services in connection with which it is used or proposed to be used;
- confusing with a registered trademark;
- a mark of which the adoption is prohibited by section 9 (prohibited and official marks) or section 10 (marks that have by commercial use become recognised as designating the kind, quality, quantity, destination, value, place of origin, or date of production of any wares or services);
- a denomination the adoption of which is prohibited by section 10.1 (Plant Breeders Rights Act);
- in whole or in part a protected geographical indication and where the trademark is to be registered in association with a wine not originating in a territory indicated by the geographical indication;
- in whole or in part a protected geographical indication and where the trademark is to be registered in association with a spirit not originating in a territory indicated by the geographical indication; and
- subject to subsection 3(3) and paragraph 3(4)(a) of the Olympic and Paralympic Marks Act, a mark the adoption of which is prohibited by subsection 3(1) of that Act.

A trademark that is merely a name or surname, or clearly descriptive or deceptively misdescriptive of the applied-for wares or services, may be registrable if it has been used in Canada by the applicant or the applicant's predecessors in title so as to have become distinctive at the date of filing the application. Evidence must be filed to support such a claim to registration.

Foreign registered marks that are considered unregistrable on the basis of one or more of the criteria identified above may be registrable in Canada if they are not confusing with a registered trademark, contrary to morality or public order, of such a nature to deceive the public, or prohibited by other sections of the Act, and if they are not without distinctive character in Canada. Evidence must be filed to support such a claim to registration.

Official marks

Entities that qualify as ‘public authorities’ may be entitled to protect marks that they have adopted and used as official marks. To qualify, the requesting party must demonstrate that its activities are subject to a significant degree of Canadian government control and that they benefit the public. The requesting party must also submit evidence of its adoption and use of the mark. Official marks are not examined for descriptiveness or confusing similarity to third party marks and no opposition process is available. There is no requirement to identify wares or services, and no renewal process. Official marks remain active indefinitely unless cancelled by the owner or successfully challenged by a third party in Federal Court.

Prohibited marks

A trademark is not registrable if it is prohibited by one of the categories enumerated in section 9 of the Act; specifically, section 9 sets out that ‘no person shall adopt any mark consisting of, or so nearly resembling as to be likely to be mistaken for’ a list of prohibited marks. Examples of prohibited marks are the following:

- any scandalous, obscene or immoral word or device;
- any matter that may falsely suggest a connection with any living individual;
- the portrait or signature of any individual who is living or has died within the preceding 30 years; or
- university marks – these include any badge, crest, emblem or mark of any university that has been published in the Trademarks Journal.

3 Common law trademarks

Can trademark rights be established without registration?

Trademark rights can be established at common law through use. If a trader uses a mark in association with goods or services such that goodwill builds up in the mark, competing sellers that attempt to pass themselves off as that trader have committed the tort of passing off. In order to hold a competitor liable for passing off, a plaintiff must show that:

- goodwill has built up in the mark;
- the defendant has made a misrepresentation, intentional or not, likely to lead public to believe that the goods or services are really those of the plaintiff; and
- the plaintiff has been, or could be, harmed as a result.

Common law trademark rights are narrower, however, than those obtainable through registration. First, common law protection only applies to marks that have been actually used, and then only in the region where they have accumulated goodwill. By contrast, it is possible to file an application to register a mark based on proposed use in Canada, and registered marks are protected nationwide. Second, a registered trademark owner can bring an action to prevent unauthorised use of her or his mark, even when there is no potential for damage, and even when the defendant has made no misrepresentation; the mark owner need only show that the risk of confusion exists. Finally, under certain circumstances, a registered trademark owner can sue others for sullyng his or her brand and reducing its goodwill, even in the absence of confusion.

4 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration?

The length of time to register a trademark varies. If an application is approved with few or no objections from the Trademarks Office and is not opposed, a trademark can be registered within 12 to 18 months. It can, however, take significantly longer. The cost of registration varies depending on the length and complexity

of prosecution. The Trademarks Office fees are C\$250 to file an application online and C\$200 for the issuance of a registration certificate.

5 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed?

Applicants are not required to identify wares and services according to the Nice Classification. Applicants are, however, required to describe their wares and services specifically and in ordinary commercial terms.

6 Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The Trademarks Office examines applications for conflicts with existing third-party registrations or applications in the Trademarks Office database. If the Trademarks Office finds conflicting third-party applications with earlier filing or priority dates or conflicting third-party registrations, the Office will inform the applicant by issuing an objection to which the applicant must respond within a certain time frame. If the applicant is unable to overcome the examiner’s objection, the application will be refused. Applicants are, however, given an opportunity to respond to examiners’ objections and are often able to overcome objections by persuading examiners that there is no likelihood of confusion or at least raising sufficient doubt so that the examiner will approve the application. Factors to be considered when assessing the likelihood of confusion include:

- the degree of resemblance between the marks in appearance, sounds or ideas suggested by them;
- the inherent distinctiveness of the marks and the extent to which they have become known;
- the length of time the marks have been in use;
- the nature of the wares, services or business;
- the nature of the trade; and
- any other relevant surrounding circumstance.

The relative price of the wares or services associated with the applied-for mark and the cited mark is a relevant circumstance that should be taken into account, as consumers are said to be more attentive when shopping for expensive items. Regardless of price, however, the issue remains whether consumers would be confused as a matter of first impression upon encountering the marks, and not whether they would be able to dispel their confusion through research and deliberation.

The Trademarks Office also considers whether applications are so similar as to be likely mistaken for section 9 prohibited and official marks. Applicants can take the position that an objection based on a section 9 mark is unsustainable as there are sufficient differences between the marks. If an applicant is unable to overcome an objection based on a conflicting section 9 mark, the consent of the owner of the conflicting section 9 mark can, in some cases, serve to overcome the objection, even if the marks are identical.

An applicant is often granted multiple opportunities to address an examiner’s concerns although, if the applicant cannot satisfy the examiner after several attempts, the Office will eventually issue a letter informing the applicant that her or his application has been refused.

7 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

If an application is filed on the basis of proposed use in Canada, once the application is allowed, then the applicant will have to file a declaration stating that use of the mark has commenced in Canada. No specimens of use are required at registration or renewal.

A declaration of use is not required to support a claim to registration based on use in Canada, making known in Canada, or use and registration in the applicant's country of origin. If the application includes both a proposed use claim and a claim to registration based on use and registration in the applicant's country of origin for the same wares or services (or both), the proposed use in Canada claim can be deleted after allowance in which case the application will proceed to registration upon payment of the registration fee, without the necessity of filing a declaration of use. However, any trade-mark – including those obtained without establishing use in Canada (ie, those based on use and registration abroad or making known in Canada) – that is not used within three years of registration becomes vulnerable to summary cancellation for non-use upon request by a third party.

No filing priority is afforded to owners of foreign registrations, apart from those falling within the six month priority period granted to trademark applicants under the Paris Convention.

8 Appealing a denied application

Is there an appeal process if the application is denied?

An appeal is available to the Federal Court of Canada from any final refusal to approve an application for advertisement in the Trademarks Journal.

9 Third-party opposition

May a third party oppose registration, or seek cancellation of a trademark or service mark? What are the primary bases of such challenges, and what are the procedures?

A third party may oppose registration or seek cancellation of a registered trademark.

Opposition proceedings

Once a trademark application has been approved by an examiner, the application is advertised in the Trademarks Journal. Within two months of the date of advertisement, any person may file a statement of opposition setting out the grounds of opposition upon which it wishes to rely. An opposition may be based on any of the following grounds:

- that the mark by its very nature is not registrable (the Act specifies what kinds of marks are registrable);
- that the mark is not distinctive or not adapted to distinguish the goods or services of the applicant from those of others;
- that the applicant is not the person entitled to register the mark (eg, a third party is using a confusing trademark or trade name or had previously applied to register a confusing trademark); and
- that the application does not comply with the application particulars required pursuant to section 30 of the Trademarks Act.

The applicant can reply to the statement of opposition by filing a counterstatement.

Both parties are given the opportunity to exchange documentary evidence and conduct cross-examination of the deponents.

The parties are then given an opportunity to file written arguments and request an oral hearing before the Trademarks Opposition Board. An appeal of the Opposition Board decision can be made to the Federal Court of Canada.

Cancellation proceedings

The Federal Court of Canada has exclusive original jurisdiction, on the application of the registrar or of any interested person, to order that any entry in the Register be struck out or amended. The four grounds for invalidating a registered trademark are:

- the trademark was not registrable at the date of registration;
- the trademark is not distinctive at the time the proceedings are commenced;
- the trademark has been abandoned; or
- the applicant was not the person entitled to secure registration.

In proceedings commenced more than five years from the date of registration, the registration cannot be expunged or amended or held invalid by reason of another's prior use or making known of a confusingly similar mark or trade name, unless it is established that the person who adopted the registered mark in Canada did so with knowledge of the other's prior use or making known.

Section 45 of the Act provides a summary procedure for clearing 'dead wood' from the register. In a section 45 proceeding, the registrar issues a notice to the registered owner requiring evidence of use of the mark in Canada in the preceding three years with respect to each of the wares or services (or both) specified in the registration. Any interested person can request the issuance of such a notice. If the mark is not in use, the registered owner can provide the date when it was last used and the reason for the absence of use since that date. The parties are given an opportunity to file written submissions and request an oral hearing. If the registered owner does not file evidence, or files evidence that is deemed unsatisfactory to show use or special circumstances excusing the absence of use, the registration will be expunged. Decisions are appealable to the Federal Court of Canada.

10 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A registration lasts for 15 years and, for a fee, can be renewed for further 15-year periods. No declarations of continued use or specimens need be filed on renewal but the safest way to maintain a registration is to ensure that the registered owner or its licensee continues to use the mark as registered in association with the wares or services (or both) in respect of which it is registered. Proof of use is not required to maintain the registration unless the registration is challenged by a third party. If a trademark is not used in Canada in association with the wares or services identified in the registration, in the normal course of trade, during any three-year period following registration, the registration is susceptible to summary cancellation on that basis.

11 The benefits of registration

What are the benefits of registration?

The main advantage to registration is that the registered owner is granted the exclusive right to use the trademark throughout Canada. Furthermore, registration grants the owner statutory causes of action that are not available at common law, and may serve to deter third parties from adopting confusingly similar marks, as well as prevent subsequently filed applications for confusingly similar marks from successfully passing through examination. Registration is also prima facie evidence of the registrant's exclu-

sive ownership of the mark, as well as a defence to an infringement action. As a result, registered trademarks are valuable assets when selling a business or establishing a franchise.

12 Assignment

What can be assigned?

The Act provides that a trademark, whether registered or unregistered, is transferable with or without the goodwill of the business and in respect of either all or some of the associated wares or services.

If, as a result of an assignment, the assignor and assignee have rights in confusing trademarks, there is potential that the marks may become non-distinctive and unenforceable.

13 Assignment documentation

What documents are required for assignment and what form must they take?

There is no specific form of assignment. The registrar will record an assignment if furnished with satisfactory evidence of the assignment along with sufficient particulars of the assignee. A simple document identifying the assignor, the assignee, the trademark and the date of the assignment is regularly accepted by the Trademarks Office.

An assignment need not be executed in writing and in some cases can be inferred from the facts. A written assignment is, however, recommended.

14 Validity of assignment

Must the assignment be recorded for purposes of its validity?

Registration of an assignment is not mandatory but is recommended.

15 Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

A security interest may be acquired in a registered trademark. The Trademarks Act itself does not provide for it, rather security interests are governed by each province's Personal Property Security Act (PPSA). Security agreements may be recorded at the Canadian Trademarks Office. While registration under one of the provincial PPSA acts affects priority among creditors should the security in question be realised, in Canadian law, it is unclear what legal effect registration with the Trademarks Office has. Security interests are sometimes recorded with the Trademarks Office as a precautionary measure.

16 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Trademark owners can indicate that a mark is registered by using the '®' symbol or the French acronym MD (*marque déposée*), which is understood to signify a registered trademark in Canada. The trademark symbol (TM) or the French MC (*marque de commerce*) can be used to designate unregistered or registered trademarks, while '®' or MD should only be used in conjunction with registered trademarks. There is no requirement to use these symbols in Canada; however, it is advisable to do so to put third parties on notice of your trademark rights, as well as to increase the likelihood that the mark will be perceived as a trademark.

Additionally, to benefit from the presumption of proper licensing, it is useful to mark wares or advertise services with the following notation: 'registered trademark of X, used under licence'.

17 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

Trademark infringement proceedings (for registered trademarks) and claims for passing-off (for unregistered trademarks and trade dress) may be brought in the Canadian Federal Court (a statutory court with national jurisdiction) or the provincial courts with inherent common law jurisdiction in Canada. The Canadian Federal Court and the various provincial courts have concurrent jurisdiction over trademark infringement actions. However, the Canadian Federal Court is widely regarded as having acquired expertise over trademark infringement proceedings.

The Canadian Criminal Code provides for indictable and summary conviction offences for passing-off and for trademark forgery and defacement. These proceedings are typically brought by government prosecutors in the name of Her Majesty the Queen. The Criminal Code also allows a party to act as a private prosecutor, provided they proceed by way of summary conviction. However, this is rarely invoked; most trademark infringement proceedings involving private parties are litigated in the civil courts (Federal Court or provincial courts) in Canada in which remedies for damages, profits or injunctive relief are sought.

18 Procedural format and timing

What is the format of the infringement proceeding?

An action for trademark infringement in the Federal Court or provincial courts is governed by corresponding Rules of Civil Procedure. Typically, an action for trademark infringement will include the following procedural steps:

- exchange of pleadings: statement of claim; statement of defence or counterclaim; reply or defence to counterclaims;
- examination for discovery: this includes both documentary and oral examinations for discovery. Examinations for discovery require that each party produce (or make available for inspection) all relevant documents that are to be listed in an affidavit of documents followed by oral examinations of a representative for each corporate party to the action. A corporate representative is obliged to provide the best information, knowledge and belief in respect to all relevant questions asked;
- exchange of experts' reports and pre-trial conference; and
- trial: the conduct of a trial before a judge sitting alone involves the testimony of live witnesses (including expert witnesses), and viva voce testimony, and read-ins from the transcripts of examinations for discovery. Counsel are also encouraged to provide the court with an agreed statement of facts to reduce the length and complexity of trial.

Trademark infringement trials are typically conducted over the course of two to three years. Local case management rules may be employed to reduce delay.

A criminal trial for a trademark-related offence will follow the standard criminal trial procedures in Canada, which generally include the following procedural steps:

- swearing of the information before a justice of the peace: an information is an allegation sworn by a person who states that reasonable and probable grounds exist to believe a person has committed a crime;

- preliminary hearing: a hearing before a justice of the peace, at which time the issue is not to determine innocence or guilt but to determine whether there is sufficient evidence to justify a trial. The crown prosecutor introduces the witnesses she will rely on, and the accused is allowed to cross-examine them. If it is decided that sufficient evidence exists so that the accused could be found guilty, the accused will be ordered to stand trial; and
- trial: the accused is called upon to state in open court whether he pleads guilty or not. If the accused pleads guilty, he or she will be sentenced. If the accused pleads not guilty, the trial will continue. The accused may also choose between trial by judge alone or trial by judge and jury. Jury members are selected from the public at large.

19 Burden of proof

What is the burden of proof to establish infringement or dilution?

The burden of proof to establish infringement or dilution rests on the party bringing the action to establish a likelihood of confusion or depreciation of goodwill on a balance of probabilities. Where a party has a valid trademark registration, the Canadian Trademarks Act provides a presumption of validity of the trademark, a statutory presumption that places the burden of proof on the defendant to prove that the registered trademark is invalid. However, the burden of proof in respect of all other elements of infringement remains on the plaintiff (likelihood of confusion, depreciation of the value of the goodwill associated with the registered trademark, damages, etc).

In the criminal context, the burden of proof is always on the prosecution to prove each element of the offence beyond a reasonable doubt.

20 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The owner of a registered trademark must be named as a party in an action for trademark infringement. The Canadian Trademarks Act provides that a licensee may bring an action in its name where the trademark owner refuses or fails to initiate action (assuming there is no contractual limitation between the trademark owner and licensee). In those circumstances, the trademark owner must be named as a nominal defendant.

A criminal complaint is typically brought by the provincial attorney general in the name of Her Majesty the Queen.

21 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

As a matter of general principle, trademark rights in Canada are territorial and restricted to Canada. For example, the registration of a trademark in a foreign country does not establish registered rights in Canada. Consequently, a plaintiff cannot sue for trademark infringement in Canada based solely on a foreign trademark registration. However, activities taking place outside of Canada can support an action for passing-off in Canada where a plaintiff can establish that its goodwill has spilled over into Canada resulting in measurable goodwill in Canada.

The Canadian Trademarks Act sets out certain border enforcement mechanisms to prevent the importation of counterfeit products or unauthorised goods based on trademark law. To invoke these enforcement mechanisms, an action must be commenced against the importer for trademark infringement, and the Federal Court must issue a preliminary order to compel the Canadian Border Authorities to seize specified unauthorised goods according to the terms of the court order.

22 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

A party to an action for trademark infringement typically has the right to conduct an examination for discovery of all adverse parties named in an action.

The ability to obtain an examination or evidence from a person that is not a party to an action will depend on the jurisdiction of the action. In the Federal Court, a court order is required to examine a non-party. In other jurisdictions, different rules apply.

When an adverse party is not located in Canada, Canadian Rules of Civil Procedure provide a mechanism for obtaining 'letters rogatory' which, if recognised by the courts in the relevant foreign jurisdiction, will allow the obtaining of evidence from a non-party or adverse party outside of Canada.

23 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for an action for infringement at the trial level is between two and three years. The typical time limit for an appeal is one year. In extraordinary circumstances, a party may seek immediate injunctive relief by way of a motion for an interim or interlocutory injunction, or both. An interim injunction will stand for 10 days, subject to renewal if granted by the court; an interlocutory injunction will stand until the merits are decided at trial. Both orders for interim and interlocutory relief are subject to reversal or confirmation on appeal.

24 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The costs of litigation vary dramatically depending on a number of different factors:

- the complexity of the issues;
- the number of witnesses;
- the number of expert witnesses;
- the length of examinations for discoveries; and
- the number of trial days.

The costs of a trademark infringement action can range from C\$100,000 to over C\$1.5 million. As a cost-saving measure, simplified procedure rules in the Federal Court for claims below a certain threshold amount (generally C\$50,000) are available that significantly reduce the complexity of the litigation process. Pursuant to Canadian civil litigation rules, the successful party is entitled to obtain partial indemnity for its costs from the unsuccessful litigant. The scale of the indemnity is subject to the effect of prior offers of settlement and a cost tariff prescribed in the Rules. As a rule of thumb, indemnity for costs and disbursements is in the order of 30 per cent to 40 per cent.

25 Appeals

What avenues of appeal are available?

Appeals from the Canadian Federal Court are heard as a matter of right by the Federal Court of Appeal; appeals from the Federal Court of Appeal to the Supreme Court of Canada are allowed only if an application for leave to appeal is granted. The Supreme Court of Canada will only hear matters of national importance.

Appeals from the provincial courts are available to their respective provincial court of appeals. appeals from all provincial

courts of appeal go to the Supreme Court of Canada if leave to appeal is granted.

26 Defences

What defences are available to a charge of infringement or dilution, or any related action?

Defences available to a charge of infringement or dilution are as follows.

Invalidity of the registered trademark

Grounds for trademark invalidity are as follows:

- the trademark was not registrable at the date of registration;
- the trademark is not distinctive at the time the validity of the registration was brought into question;
- the trademark has been abandoned; or
- the trademark owner was not the person entitled to the registration.

No likelihood of confusion

The test for confusion includes the following considerations in addition to any other relevant surrounding circumstances:

- the inherent distinctiveness of the trademarks or trade names and the extent to which they have become known;
- the length of time the trademarks or trade names have been in use;
- the nature of the wares, services or business;
- the nature of trade; and
- the degree of resemblance between the trademarks or trade names and appearance of sale and the ideas suggested by them.

General civil law defences are also available, including delay, acquiescence, statutory limitation periods, etc.

In the criminal context, the accused is entitled to all of the civil defences to trademark infringement listed above, as well as the general criminal law defences such as agency, entrapment and mistake.

27 Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

A successful party in an infringement or dilution action can claim remedies ranging from damages to an accounting of profits. In addition to monetary relief, the courts will grant injunctive relief enjoining the use of the trademark at issue.

Preliminary interlocutory injunctive relief (temporary restraining order) is available provided that a party can establish the following three elements:

- a prima facie case for infringement;
- irreparable harm (non-speculative harm that is neither quantifiable nor compensable); and
- the balance of convenience favours the issuing the injunction.

An accused convicted of a criminal trademark-related offence is liable to imprisonment for a term not exceeding two years if the prosecutor elects to proceed via indictment. The accused may also receive a fine in lieu of imprisonment. There is no prescribed minimum or maximum fine. If the prosecutor proceeds by summary conviction, the maximum sentence is six months' imprisonment or a C\$2,000 maximum fine, or both.

28 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The Federal Court rules provide that the parties must consider mediation prior to the setting of a trial date. ADR in this format is without prejudice to the parties' position going into trial.

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29 Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What protection is provided?

If a trademark is not in use in Canada, it is liable to be expunged for non-use irrespective of its fame, either nationally or internationally. If there is no registration in Canada for the famous trademark, the owner of a famous trademark may still sue for passing-off if the owner can establish that, due to the fame of the mark internationally, the goodwill associated with the famous trademark has spilled over into Canada to such an extent that the famous trademark enjoys a reputation in Canada. If this element can be established, the other elements of a successful passing-off claim must also be proved: likelihood of confusion and damages arising from such confusion.



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