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### **Changes to Section 45 Expungement Proceedings**

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The Canadian Intellectual Property Office (CIPO) has announced that the Trademarks Opposition Board will be changing its practice in Section 45 expungement proceedings.

The changes are outlined in a new practice notice that will take effect on September 14, 2009 (see <http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr01944.html>).

Section 45 of the *Trade-marks Act* provides for the summary expungement of registered trademarks that are no longer in use. Any party, upon payment of the prescribed fee, may request that the Registrar issue a Notice under Section 45 requesting that the owner of a registered trademark submit evidence that the mark has been used within the three years immediately preceding the date of the Notice. If the mark owner fails to establish that it has used the mark within the relevant period, and is unable to demonstrate the existence of special circumstances excusing non-use, the registered trademark will be expunged. Section 45 Notices will generally not be issued for marks that have been registered for less than three years.

The CIPO has indicated that the upcoming changes are meant to better reflect the legislative intent that Section 45 proceedings be expedient and summary in nature. Accordingly, the new practice notice includes several changes intended to streamline the process. The most significant changes are as follows:

#### Limits on extensions of time to file evidence

Currently, a standard extension of time of three months beyond the initial three month deadline is generally available for the Registrant to file evidence, with further extensions available on consent or if exceptional circumstances are shown.

Under the new practice, Registrants will be granted a single extension of time of up to four months. No further extensions will generally be granted unless the Registrar determines that circumstances justify the further extension. The CIPO has explicitly stated that neither consent nor the fact that the parties are pursuing settlement negotiations will justify the granting of a further extension of time.

In addition, Registrants will not be granted retroactive extensions of time for filing additional evidence after the requesting party has filed its written submissions.

#### Increased time to file written submissions and elimination of extensions for written submissions

Under the current practice, parties are given two months to submit written submissions. A standard extension of three months is generally available, with further extensions available on consent or if exceptional circumstances are shown.

Once the new practice notice comes into effect, parties will be given four months to file written submissions, and no extensions of time will be available.

#### Limits on rescheduling hearings

Under the new practice, parties will not be permitted to postpone scheduled hearings on the basis of consent or settlement negotiations. Cases may be rescheduled once if the party or parties who had requested to be heard are not available and the parties consent to having the hearing rescheduled.

#### What does all of this mean for mark owners?

Given the limited time available to respond to Section 45 Notices, mark owners need to be prepared to defend their registrations if need be. This means maintaining good records of use, informing Trademark Agents of any address or ownership changes, and ensuring that use of the mark by anyone other than the mark owner is addressed by proper license agreements. Further, parties interested in settling trademark disputes that relate to Section 45 proceedings need to be conscious of the restricted timelines.

#### Other recent changes

This practice notice is on the heels of several other recent changes in Trademarks Office practice, including:

- the extension of deadlines to submit Office Action responses from four months to six months
- the discontinuance of “courtesy letters” to applicants informing them of co-pending and confusing applications with a later filing date or priority filing date
- streamlined opposition proceedings including limits on extensions of time and introduction of the 9 month “cooling off period” available to each party, on consent, to pursue settlement in the early stages of the proceedings.