

# Changes to the practice governing trade mark cancellation proceedings



Alexander Monic

In January 2009, the Canadian Trade-marks Opposition Board (TMOB) proposed numerous practice changes relating to trade-mark cancellation proceedings initiated under Section 45 of the Trade-marks Act (Section 45 Proceedings). After an open consultation period with the public was completed and the related submissions from the public were considered by the TMOB, a notice amending the practice of the TMOB with respect to Section 45 Proceedings was issued on July 7, 2009 (Practice Notice). The changes outlined in the Practice Notice came into effect on 14 September 2009. **Alexander Monic** and **Hafeez Rupani** report.

## Background

Under Section 45 of the Trade-marks Act, any person who pays the prescribed fee (Requesting Party) can request that the Registrar of Trade-marks issue a notice (Section 45 Notice) requiring that the owner of a registered trade mark file evidence, within three months from the date of issuance of the Section 45 Notice, showing that the registered trade mark was in use in Canada during the three-year period immediately preceding the date of the Section 45 Notice in respect of each of the wares/services listed in the registration or to provide the reason(s) for non-use.

While the purpose of Section 45 of the Trade-marks Act has historically been a mechanism to clear the Canadian Trade-mark Register of "deadwood", Section 45 Proceedings have increasingly become a vehicle to achieve other goals, such as, for example, to overcome objections raised in an Office Action in respect of a confusing trade mark(s) or as a counteraction in trade mark opposition proceedings.

## Purpose of the change to the practice

The TMOB has stated that the changes outlined in the Practice Notice are part of an effort to respond to expectations regarding timeliness of Section 45 Proceedings and to more adequately represent the legislative purpose of Section 45 Proceedings, which are intended to serve as a statutory mechanism to summarily rid the Register of registered trade marks that are no longer in use.

## Important changes and impact

The most significant changes to Section 45 Proceedings included in the Practice Notice are as follows:

1) *Extensions of Time and New Timeline for Filing Written Submissions*

The TMOB will generally now only consider one request by the registrant for an extension of time of up to four months to file its evidence of use (or reasons for non-use). Once the evidence has been filed by the registrant, the TMOB will generally no longer

grant requests to extend the deadline to file written representations or to extend the one-month deadline to request to be heard at an oral hearing.

The TMOB has also increased the time granted to each of the parties for filing written submissions from two months to four months.

The new practice with respect to extensions of time will significantly streamline Section 45 Proceedings. Presently, multiple extensions of time may be obtained at each stage of the proceeding, with consent or if exceptional circumstances are shown. Moreover, where a request for an extension of time, other than a retroactive extension of time, is refused, the party that made the request is also given one final month from the date of refusal to comply. Under the new practice, the timelines will be strictly enforced. Only one extension of time to file evidence of use (or reasons for non-use) will generally be permitted.

2) *No Postponement of Scheduled Hearings*

The TMOB will no longer grant postponements of scheduled hearings, even on the basis of consent between the parties and/or on the basis of settlement negotiations. After the hearing has been scheduled and if the parties agree that they no longer wish to be heard, the TMOB will proceed to issue a final decision for the proceeding. Notwithstanding the foregoing, the TMOB may discontinue the proceedings upon receipt of a request signed by or on behalf of both parties.

Notably, however, the foregoing does not prevent the party or parties that requested a hearing to cancel the hearing (if both parties requested the hearing, it will only be cancelled if both parties consent to the cancellation). If a hearing is cancelled, the TMOB will proceed to issue a decision, except in cases where the Section 45 Proceeding has been discontinued on consent or the Registrant has abandoned the subject registration.

The TMOB had initially proposed amendments that would (1) allow the TMOB to issue a final decision to maintain, amend, or expunge the registration without the benefit of the parties' written representations or oral submissions where the TMOB was satisfied that the evidence filed by a registrant "clear on its face"; and (2) allow the TMOB to issue a decision to maintain, amend, or expunge the registration even if the ultimate hearing was cancelled by the requesting party and registrant on consent. However, after consideration was given to the submissions made by the public and practitioners during the consultation period, the TMOB did not include these proposals in the final Practice Notice that was placed into effect on 14 September 2009.

**Alexander Monic and Hafeez Rupani**  
Borden Ladner Gervais LLP  
[www.blgcanada.com](http://www.blgcanada.com)

## Does use of the word 'Glen' imply a whisky is Scotch?

Glenora Distillers International Ltd. filed an application to register the trade mark GLEN BRETON in association with "single malt whisky" in 2000. Since the term "Scotch whisky" is a protected geographical designation in Canada pursuant to Section 11.12 of the Trade-marks Act,<sup>1</sup> Glenora is not permitted to call its brand of whisky "Scotch". However, Glenora markets its product as having the taste, character, and aroma of a Scotch whisky.

**Hafeez Rupani** reports.



Hafeez Rupani

The Scotch Whisky Association opposed Glenora's application for the trade mark GLEN BRETON. The Association contended that the trade mark GLEN BRETON is deceptively misdescriptive because Glenora's whisky is not made in Scotland, unlike all other whiskies whose corresponding registered trade mark contains the GLEN prefix. The Association also argued that the adoption and use of the trade mark GLEN BRETON is prohibited under Section 10 of the Act since the term "glen" has, by ordinary and bona fide commercial usage, become recognized in Canada as designating the place of origin of "Scotch whisky".

The Trade-marks Opposition Board<sup>2</sup> rejected the Association's opposition and found that although there was evidence of "glen"-prefixed marks used by Scotch whisky distillers, such use was not widespread enough to have created an association in the

minds of consumers in Canada between the word "glen" and Scotch whiskies. Accordingly, the TMOB found that the term "glen" had not become recognized through "ordinary and bona fide commercial usage" as designating the geographical origin of whisky, and was not a prohibited mark pursuant to Section 10 of the Act.

On appeal to the Federal Court<sup>3</sup>, the Association filed new evidence showing that in the year 2000, some 896,607 cases of Scotch whisky were imported into Canada, of which the "Glen" single malts amounted to close to 59% of all single malts imported into Canada. Justice Harrington for the Federal Court also considered that a "glen"-prefixed mark had not been used in Canada in association with a whisky that was not a Scotch whisky. Moreover, Justice Harrington found that there was (1) actual confusion in the marketplace in that some consumers were not aware that Glenora's product was not a Scotch distilled in Scotland; and (2) that such confusion was due to the use of a "glen"-prefixed mark and that the word "glen" had, by ordinary and bona fide commercial usage, become recognized in Canada as designating Scotch whisky, and was therefore a prohibited mark pursuant to Section 10 of the Act. On this basis, the Federal Court directed the Registrar of Trade-marks to refuse Glenora's application to register the trade mark GLEN BRETON.

On appeal to the Federal Court of