



Canada Takes the Battle on Counterfeits to its Borders

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Canadian developments on the anti-counterfeiting front came in fast at the close of 2014, ushering in a customs “Request for Assistance” procedure – a new measure to provide for detention of counterfeits at the Canadian border – an expanded definition for trademark infringement, and new criminal trademark and copyright sanctions.

The provisions relating to the customs “Request for Assistance” procedure in Canada’s Bill C-8, the *Combating Counterfeit Products Act*, came into force on January 1, 2015. Publication in the Canada Gazette of the proclamation into force occurred only the day before, on December 31, 2014. The Bill had received Royal Assent three weeks earlier on December 9, 2014, bringing Bill C-8’s expanded definition for trademark infringement and the addition of new criminal sanctions in both the *Trade-marks Act* and *Copyright Act* into force at that time.

The New Request for Assistance Regime

The “Request for Assistance” procedure now incorporated into both the *Trade-marks Act* and *Copyright Act* provides owners of Canadian trademark registrations and copyrights with an important and new option for addressing the import of counterfeit goods or pirated works. The procedure allows the owner of a Canadian trademark registration or copyright to file a Request for Assistance from customs authorities – the Canada Border Services Agency (“CBSA”) – to take action against counterfeit trademark goods and pirated copyright works before such goods or works enter or leave the Canadian market. Under the procedure, the CBSA has the ability to detain goods or works for five days for perishable items and ten working days for non-perishable items, and to exchange information about the items with the IP rights holder. To extend the detention period, the rights holder will need to bring a court action to enforce Bill C-8’s prohibitions on counterfeit goods bearing a registered trademark and on pirated works that infringe copyright, and provide notice of the court action to the Minister before the detention period expires.

Other provisions proclaimed into force as part of the Request for Assistance regime include amendments to the *Customs Act* to enable information sharing between the CBSA and registered trademark and copyright owners.

Since a trademark registration is a condition of requesting assistance from the CBSA for trademark counterfeits, trademark owners should, if they have not already done so, review their portfolios to ensure that steps are being taken to arm themselves with registrations, especially for brands that could be potential counterfeit targets. Trademark owners should ensure that the list of goods covered by their trademark registrations includes goods likely to be counterfeited, and if not, should consider filing for an updated list of goods to take advantage of the new procedure. Both trademark and copyright owners should also consider registering copyright in any works, including trademark designs, which could be subject to unauthorized copying.

The CBSA has now made available the “Request for Assistance” form, and it does not appear that there will be a government fee associated with the filing of the form. What is unclear, however, is how long it will take the CBSA to accept the Request once the form has been filed (we understand that it is likely to take a month or so), whether a bond or other security will normally be required, and if

so, how much, and, most importantly, what costs will be incurred by IP rights holders for the CBSA's detention of goods under the procedure. Once this additional information is available, IP rights holders and their counsel will be better equipped to make the necessary decisions about when to engage the "Request for Assistance" procedure.

As to why there is some uncertainty with the procedure, the last steps to proclamation into force were done quickly and without regulatory consultation, and we note that the Government's December 31, 2014 Explanatory Note attached to the proclamation into force order suggests that the January 1, 2015 date was set as part of, and in order to allow Canada to, implement its border enforcement obligations within the intellectual property chapter of the Canada-Korea Free Trade Agreement, and to allow Canada to "comply with the intellectual property enforcement obligations of current and future trade agreements".

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New Criminal Sanctions

Provisions expanding the definition of "infringement" in section 20 the *Trade-marks Act* and adding criminal provisions relating to infringement of copyright and trademark rights also came into force on December 9, 2014. The new expanded definition of "infringement" for trademarks includes infringement caused by:

- The sale, distribution or advertisement of goods or services that are confusing with a trademark or trade name;
- The manufacture, causing to be manufactured, possession, importation, exportation or attempt to export of goods in association with a confusing trademark or trade name, for the purposes of sale or distribution;
- The sale, offering for sale or distribution of any label or packaging bearing a trademark or trade name that the person knows or ought to know is not associated with the goods or services of the owner of the registered trademark and such sale, distribution, or advertisement would be in association with a confusing trademark or trade name; and
- The manufacturing, causing to be manufactured, possessing, importing, exporting or attempting to export any label or packaging bearing a trademark or trade name for the purposes of its sale, or distribution or for the purposes of the sale, distribution or advertisement of the goods and services with the trademark or trade name if the person knows or ought to know is not associated with the goods or services of the owner of the registered trademark and such sale, distribution, or advertisement would be in association with a confusing trademark or trade name.

The new criminal offences under the *Trade-marks Act* relate to registered trademarks, incorporate the expanded "infringement" definition and allow courts to order the destruction or disposal of infringing goods, equipment and materials upon a finding of guilt.

The expanded criminal offences under the *Copyright Act* include possession for sale, rental, distribution for trade, or exhibition to the public by way of trade of an infringing copy of a work, the import for sale or rental of an infringing copy of a work, and the export or attempt to export for sale or rental of an infringing copy of a work.

Penalties for criminal offences under both *Acts* include a fine of up to \$1 million and/or up to five years in prison for an indictment, and a \$25,000 fine and/or up to six months in prison for a summary offence.

For further information on the *Combating Counterfeit Products Act* and the new request for assistance program, see Scott MacKendrick and Tamara Winegust's article "*The Customs Request for Assistance Regime for Counterfeit Goods May Be in Force in Early 2015*", available [here](#), or please contact [Cynthia Rowden](#) or [Scott MacKendrick](#).