



## 7 Things Brand Owners Should Know About CETA and Bill C-30

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Authors: [Cynthia Rowden](#) and [Scott MacKendrick](#) and Laura MacDonald

On October 30, 2016, Canada and the European Union officially signed the Comprehensive Economic and Trade Agreement (CETA). Bill C-30, the *CETA Implementation Act*, was tabled on October 31, 2016.

In addition to reducing tariffs and other barriers to trade between Canada and the EU, CETA also seeks to harmonize certain aspects of the signatory's intellectual property laws, ostensibly in order to encourage trade. With respect to trademarks, CETA requires "all reasonable efforts" to promote accession by member states to the *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks* and the *Singapore Treaty on the Law of Trademarks*. The 2014 amendments to the *Trade-marks Act* are part of Canada's efforts towards accession to the Madrid Protocol and Singapore Treaty.

Brand owners should be aware of CETA's other significant impacts on Canadian trademark law, particularly the changes relating to the protection of geographic indicators. Geographic indicators, or GIs, are words that connote the origin of the goods, and are viewed by countries and businesses in those countries as words that are so integrally connected to the goods that use of those words on goods that do not originate from those countries would be misleading. Currently, the Canadian *Trade-marks Act* only affords protection for GIs relating to a limited list of wine and spirits.

Here are the seven changes to GI protection that will likely have the most impact on trademark holders in Canada:

### **1. Protection for GIs will now extend to agricultural products and food.**

Canadian GI protection will expand significantly to agricultural products and foods, including to certain cheeses, meats, baked goods, oils, spices, nuts, cereals and animal fats.

The Registrar of Trademarks has the onus of maintaining a list of all GIs. Entry on the Register will take place once a Minister's statement of the intended GI and a translation has been published on the Canadian Intellectual Property Office (CIPO) website and no objection has been filed within two months, or any filed objection has been withdrawn or rejected. The Bill includes a list of details to be included in the Minister's statement, including, for non-Canadian wines, spirits, products or foods, that the indication is protected by the law of the applicable originating territory. Removal from the list occurs on request of the Minister, or by Federal Court order.

### **2. A new definition of "confusion" related to GIs compared to trademarks has been added.**

A trademark will be confusing with a GI if use of both would likely lead to the inference that the goods came from the same source. Factors similar to those now used to determine confusion between trademarks and other marks and tradenames will apply.

### **3. New "prohibited uses" will apply.**

It will become unlawful to use a word, as a trademark or otherwise, that is a protected GI, if the goods are either not produced under the rules of the territory, or if they do not originate from the territory. Similarly, use of a protected GI on foods or agricultural products that are in the same category as the protected GI will become unlawful. These prohibitions will impact not only use, but also registration. Amendments to section 12 of the *Trade-marks Act* will provide that trademarks that consist of protected GIs identifying wines, spirits, agricultural products or foods that do not originate in the applicable territory will be unregistrable.

#### **4. Bill C-30 contains exceptions to preserve Canadian trademark rights and limit the impact on current users.**

Several exceptions are permitted, including use of a person's name, except if misleading, or use in comparative advertising, except on labels and packaging. Exceptions for comparative advertising are in line with Canadian case law on depreciation of goodwill under section 22 of the *Trade-marks Act*, which has effectively curtailed actions for depreciation of goodwill to instances where a competitor's mark is displayed on a product or its packaging, or at the point of sale.

Wine or spirit names in continuous use by a Canadian (person or entity doing business in Canada) prior to April 1994, will be permitted. Certain cheeses such as Feta, Asiago and Munster, and meats including "Jambon de Bayonne" will be excepted, if those words were used for 10 years prior to October 2013. Similarly, use of "Feta-type" or "Fontina-style" will be permitted, if the place of origin is clearly noted.

The prohibitions will not apply to words that are protected GIs but which are also customary common names, or to grape or plant varieties or animal breeds, previously used in Canada, or to trademarks used or filed before the publication of any GI.

In addition, Canadians will maintain the ability to use common English and French names for certain agricultural products or foods, such as "Valencia Orange", "Black Forest Ham", "Parmesan", "Tiroler Bacon" and "St. George Cheese".

#### **5. New grounds for objection will be introduced and deadlines will be shortened.**

Objections to GIs will need to be filed within two months of publication of the Minister's statement of intent to list a new GI (shortened from the current deadline of three months). The Bill also confirms that the procedure applies to both proposed GIs and translations, and identifies the grounds for objection, including that the mark is not a GI; is identical to a common name for the goods; and for agricultural products and food, that the indication is confusing with a trademark that is registered, previously used, or already the subject of an application. The Registrar is given its own discretion to reject any objection as frivolous, or at the request of the authority responsible for the GI, to strike all or part of the objection. Otherwise, the responsible authority must file a counter statement within two months. Parties may file evidence and make representations.

#### **6. Any interested person may bring an application to remove a GI from the protected list.**

The Bill provides a mechanism by which any interested party may make an application to the Federal Court to have a GI removed from the protected list of indicators. Grounds for removal are that the indicator is either not a GI; is identical to a customary term for a wine, spirit, agricultural product or food; is not protected by the law applicable to the territory in which the product is identified as originating; or the indicator is confusing with a registered trademark, or a previously used mark that has not been abandoned. Interested parties cannot, however, apply for the removal of the protected EU GIs listed in Part A of Annex 20-A of CETA, or for the protected Korean GIs also enumerated in the Bill. Well known examples of GIs that cannot be removed include the European indicators "Prosciutto di Parma", "Parmigiano Reggiano", "Brie de Meaux", "Aceto balsamico di Modena" and "Mortadella Bologna", and Korean indicators such as "Korean Red Ginseng" and "Icheon Rice".

#### **7. Request for Assistance procedures will be available for "protected GIs".**

The *Trade-marks Act's* current customs request for assistance procedures will become available for "protected marks", defined as registered trademarks and protected GIs. Further, it will become unlawful to import or export wines, spirits, agricultural products or foods if a protected GI is displayed on the goods, their labels, or their packaging, and the goods either do not originate from the

territory indicated or were not produced in accordance with the laws of the territory. Exceptions will exist, however, for the import or export of goods by an individual for personal use, and for instances where goods pass through Canada in the course of transit between two locations outside of Canada.