

Trademark Legislation and Regulations – What to watch for in 2017

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While a lot of attention has been placed over the last couple of years on major amendments to the *Trade-marks Act*, now scheduled to be implemented in early 2019, several other legislative developments are being considered that may also have an impact on trademark owners in Canada, including the following:

1. Amendments to the Regulations of the *Trade-marks Act*.

Major amendments to the Regulations are necessary to fully implement the amendments to the Act, and it is expected that draft regulations will be available for review and comment this spring. The Regulations will include full details on the procedure for reliance upon the Madrid Protocol, both for Canadians looking to extend their Canadian trademark rights abroad, and for international trademark owners seeking to obtain protection in Canada. While the intent is to maintain full examination for incoming Madrid Protocol applications, it is expected that treaty deadlines will require changes to timelines. Other changes are expected to filing and opposition procedure, and to address expanded rights relating to geographic indications.

2. Implementation of the *Comprehensive Trade and Economic Agreement* (“CETA”)

With the passage of CETA by the European Union, steps to implement treaty obligations are well underway in Bill C-30, *An Act to implement the Comprehensive Economic and Trade Agreement between Canada and the European Union and its Member States and to provide for certain other measures*. The Bill confirms Canada’s commitment to comply with international intellectual property treaties, and proposes amendments to the *Trade-marks Act* to expand protection for geographic indications (GIs) beyond the current list of protected wines and spirits, and to permit statutory protection for designated translations of GIs. GI protection will extend to names and approved translations for cheeses, meats and agricultural products. The procedure for entry on the list, as well as objection and removal provisions are clarified. New prohibitions are included, with exceptions for GIs used with consent, words that are personal names, and certain uses in comparative advertising (however comparative advertising on labels and packaging is not permitted). Other exceptions include words that are already customary terms or common names, and covered by existing applications or registrations. In line with amendments to the *Trade-marks Act* that broaden the definition of “infringement” to cover acts involving labels and packaging as well as both import and export activities, the GI prohibitions address similar activities. Also, the new anti-counterfeiting remedy of filing a “request for assistance” with the Canada Border Services Agency will apply to GIs as well.

It is expected that the Bill will be passed and implemented in 2017.

3. Plain Packaging for Tobacco Products

The Liberal Party made changes to tobacco packaging an election promise, and introduced, in November 2016, Bill S-5, *An Act to amend the Tobacco Act and the Non-smokers’ Health Act and to make consequential amendments to other Acts*. The Bill was introduced in the Senate, and once passed by that house, will be reviewed by the House of Commons. The Bill’s objectives are to reduce inducements to smoking, restrict access to tobacco products, and confirm and enhance public awareness of health hazards of smoking. The methodology is to restrict what can appear on tobacco and vaping products and their packaging, and to strictly limit advertising. Regarding trademarks, specifically, the Bill proposes restrictions on “markings” unless authorized by the Regulations. By leaving the specifics to the regulations, which have not yet been published or distributed for comment, it is difficult to know the full impact of the amendments, but examples from other countries suggest that the government will enforce “plain packaging” with limitations on the type of brand identification may appear, with restrictions on type style, colour and designs. There are also restrictions on how tobacco brands may be advertised and promoted, with special attention to venues that attract younger consumers. To address concerns from trademark owners raised in initial consultations, the Bill includes protection from both invalidity and non-use challenges for any registered mark that may not be used due to the use restrictions. Those protections (in s.42.3 of the Bill) do not appear to address potential damage to common law rights, or likely impediments to enforcement of registered and unregistered marks that cannot be used due to the amendments. Tobacco brand owners have also questioned the impact on counterfeiting and other illegal sales if brand usage is limited. Timing of approval of the Bill will depend on other legislative priorities,

but these changes could come into effect in 2017.

4. Changes to advertising to children

A private member's bill, Bill S-228, *An Act to amend the Food and Drugs Act (prohibiting food and beverage marketing directed at children)* was introduced in 2016 by Senator Nancy Greene, a former Olympic skiing champion. The Bill's intent is to prevent the labelling and advertising of foods directed primarily to children. It defines "advertising" to include sponsorship of both children's events and educational facilities where a brand element appears. Brand elements include brand names, trademarks, trade names, distinguishing guises, logos, graphic arrangements, designs or slogans that are "reasonably associated with or that evokes a food or a brand of food". This Bill has been given second reading. It would need to be passed in the Senate, and then introduced in the House of Commons to proceed. Historically, private member's bills are rarely passed.

Bereskin & Parr's Trademark Group members are active in many organizations that are monitoring and involved in consultation with the Canadian government on the changes mentioned above. Please contact any member of the Group should you have questions regarding trademark legislation in Canada.