



New Trademarks Act Amendments in Government's USMCA Implementing Legislation

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On May 29, 2019, the Canadian Government introduced Bill C-100, legislation designed to meet obligations included in the United States-Mexico-Canada Agreement (USMCA). While the USMCA lists a number of trademark issues (see our earlier comments on the trademark provisions in the USMCA [here](#)), Bill C-100 limits the *Trademarks Act* amendments to two points: both relating to combatting counterfeit activity.

First, Bill C-100 proposes to amend section 20 of the *Act*, dealing with infringement. That section has already been amended to broaden the scope of infringement to include actions relating to importing and exporting, and to cover not just goods and services, but labels and packaging too. The proposed amendment provides that infringement will be *presumed* in the event of unauthorized “commercial scale” importation of goods bearing a mark identical to or indistinguishable from a mark registered for the imported goods. This should simplify a finding of infringement in the event of commercially significant counterfeiting. It may, however, unintentionally capture parallel or grey goods – genuine merchandise from an unauthorized source – despite the previously stated intent not to legislate against the importation of such goods.

Second, to address a longstanding trade issue between Canada and the United States, an existing exclusion from the category of prohibited imported or exported goods will be eliminated. Currently, the *Trademarks Act* prohibits the import/export of goods bearing a mark that is identical to or indistinguishable from a registered mark, but excludes goods being shipped “in transit” through Canada. That exclusion is proposed to be deleted. In addition, it adds that goods “in customs transit control or customs transshipment control in Canada” are considered to be imported for the purpose of release in Canada, regardless of the intended destination of the goods. Once passed, such “in transit” goods would also be the subject of the customs-seizure provisions in the *Trademarks Act*.

Other USMCA trademark provisions, for example permitting courts to award special or statutory damages for trademark infringement, adding proposed criminal sanctions for counterfeiting and permitting specific protection for well-known marks are not addressed in the Government Bill. It appears that the Government is taking the position that existing Canadian statutory and judicial remedies are sufficient.

Further developments on Bill C-100 may be impacted by political factors in Canada and south of the border – and the timing of implementation of the Bill is unknown at this time.

These amendments, if passed, add to the significant overhaul of the *Trademarks Act* originating with 3 other major bills since 2013. June 17, 2019 is the date set for implementation of many of these changes, but Bill C-100 shows that we're not yet finished with trademark law amendments.

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