

SMART & BIGGAR

The Canadian Difference.

Litigation, Oppositions and Non-Use
Cancellation Proceedings: Effective strategies
to protect and defend your marks in Canada

Speakers: Mark Evans, Noelle Engle-Hardy

June 10, 2021



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Our Speakers



Mark Evans

Partner,
Barrister & Solicitor
Trademark and Patent Agent

- **Canada's Trademark Litigator of Year**
(*Benchmark Litigation 2014 & 2015*)
- **Canada's Outstanding Trademark Practitioner**
(*MIP Awards 2020*)
- **Ranked "Gold Tier" for Trademarks** in both
Litigation/Enforcement and
Prosecution/Strategy
(*WTR 1000 2011-2021*)



Noelle Engle-Hardy

Senior Associate,
Barrister & Solicitor
Trademark Agent

- **Rising Star in Trademarks**
(*Expert Guides: 2020*)
- **IP Rising Star Finalist**
(*LMG Women in Business Law Awards 2021*)

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Who we are



Canada's **leading IP law firm**

- Expertise in all areas of IP
- 130+ years serving clients
- 100+ lawyers, agents and technical consultants
- 8,000+ patents & trademarks filed annually



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Top ranked for trademarks & enforcement



- **Canada's IP Litigation Firm of the Year**
Benchmark Litigation
seven years in a row 2015-2021
- **Canada's Trademark Contentious Firm of Year**
Managing IP – Americas Awards
Awarded in 2014-2017, 2020
- **Canada's IP Boutique Firm of the Year**
Managing IP – Americas Awards
Awarded in 2014, 2016, 2020 & 2021
- **Tier One for Trademarks Contentious & Prosecution**
Managing IP – IP Stars
since inception 2014-2021
- **Gold Tier for Trademarks**
12 leading trademark practitioners
World Trademark Review 1000
since inception 2011-2021
- **Band 1 for IP in Canada**
Chambers & Partners
Global and Canada Guides,
since inception 2010-2021

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Defending & protecting your marks in Canada



Canadian
Trademark Litigation



Canadian Opposition
Proceedings



Canadian Non-use
Cancellation /
s.45 Proceedings

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Canadian Trademark Litigation



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Primary Causes of Action in Canada



Trademark Infringement



Passing off



Dilution / Depreciation of Goodwill



Invalidation of Registered Trademarks

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Canada's Federal Court



Venue for vast majority of IP litigation

Nationwide jurisdiction

Bilingual court

Appointed / not-elected, knowledgeable and experienced judges

No single judge assigned to case or lawsuit

No circuits or districts (very limited forum shopping)

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“Actions” / Statement of Claim



Traditional and most common procedure

Time to get to trial (*Pampered Chef* litigation)

Obligation for an affidavit that lists all relevant documents

Examinations limited in number / scope – single representative
(similar to 30(b)(6))

Agreed Statement of facts / issues

Fact witnesses

Survey and expert witnesses

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Surveys and expert witnesses



Diageo Canada v Heaven Hill Distilleries et al.

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Pre-trial Remedies

Interim and Interlocutory Injunctions
 (TRO and preliminary)

Anton Piller
 (civil search and seizure)

Summary trial
 (summary judgment)

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Trial Remedies

Nationwide injunction (benefit of registering mark; irreparable harm not required; commercial activity not required where defendant located)

Costs awards
 (loser pays, typically 25-33%)

Destruction / delivery up

Damages or profits + interest

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Applications: Procedure



- Options now available for **faster, cheaper** trademark litigation
- Proceed by “*Application*”

• Procedure

- Affidavits and cross-examinations
- No broad pre-trial depositions
- No live witnesses at trial

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Applications: Duration



- Options now available for **faster, cheaper** trademark litigation
- Proceed by “*Application*”

• *How fast?*

- 6-9 months to trial (*Nintendo*)
- Likely 1-2 day trial rather than 1-2 week trial

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Applications: Cost



- Options now available for **faster, cheaper** trademark litigation
- Proceed by “*Application*”

• *How cheap?*

- Likely reduce fees by 50-75%

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Applications: Risks



- Options now available for **faster, cheaper** trademark litigation
- Proceed by “*Application*”

• *Risks?*

- Pre-trial deposition needed – uncover additional facts / obtain admissions
- Persuasive value of live witnesses at trial

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Canadian Opposition Proceedings



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Trademark Oppositions



All approved applications advertised for oppositions
before registration

Increased importance under amended *TM Act*
(i.e. troll filings / absence of use)

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Trademark Oppositions



Grounds of Opposition

- **Confusion** (registered and unregistered marks)
- **Not registrable** (descriptive, name / surname)
- **Not distinctive**
- **Incorrect filing basis** (for applications advertised before June 17, 2019)
- **Bad Faith Filing**

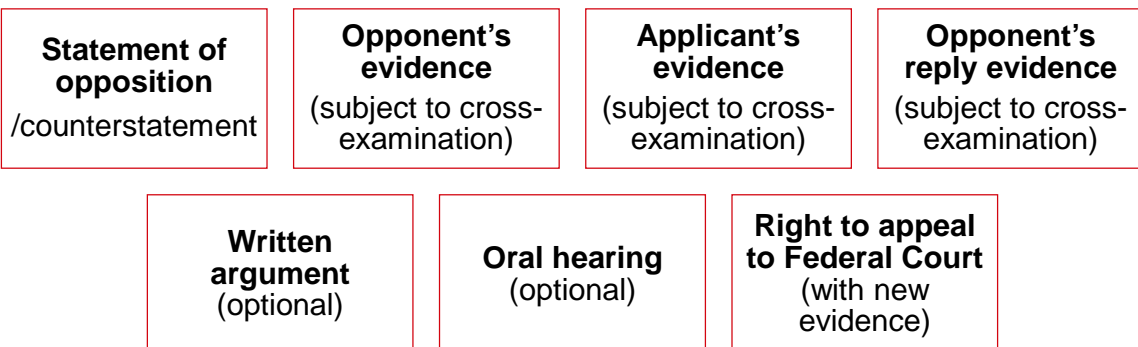
Onus

- Initial **evidentiary burden** on opponent
- **Legal burden** on applicant, on balance of probabilities, that mark is registrable

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Trademark Oppositions: Procedure



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Trademark Oppositions: Evidentiary Issues



- ✓ Material dates
- 🔍 Investigations to determine which party has priority
- 📄 Proving state of marketplace
- 🌐 Overcoming irrelevance of foreign activities
- 💻 Virtual / remote cross-examinations
- 🔥 No costs awards (presently)

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Trademark Oppositions



Changes (*When?*)

Budget Implementation Act 2018, c.27, s.227

- Costs awards
- Case management
- Confidentiality of documents
- Additional evidence can only be filed on appeal with leave from Federal Court

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Canadian Non-use Cancellation / s.45 Proceedings



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s.45 Non-Use Cancellation Proceedings



Where / How / When

- Extremely **simple**
- Registration at least **three years old**
- File request with **TMO** (no need for due diligence before initiating)
- Can file **anonymously** (i.e. Requesting Party = **Smart & Biggar**)

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s.45 Non-Use Cancellation Proceedings



- Low threshold to maintain/cancelling “**deadwood**”
- **Single sale** in normal course of trade during previous 3-year period is sufficient
- But evidence of use needs to be established / ambiguities to be avoided (**material variant?**)
- **Increased need** with troll filings and absence of use to register

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s.45 Non-Use Cancellation Proceedings



Evidence only by
or on behalf of
Registered Owner

Requesting party
cannot file
evidence

No cross-
examinations
in TMO

Written Arguments
(optional)

Oral Hearing
(optional)

Right to appeal to
Federal Court
(with new evidence).
But, standard of review...

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s.45 Non-Use Cancellation Proceedings



Changes (when?)

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s.45 Non-Use Cancellation v. FC Expungement of Registration



Federal Court Expungement

- **Procedure**
 - Can be brought as standalone proceeding or as counterclaim to infringement proceeding
- **Grounds**
 - Invalidity of registration (abandonment, confusion, descriptiveness, etc.)

Why you should oppose instead ...

- Burden on party seeking to invalidate registration
- Both parties can file evidence and cross-examine on adverse party's evidence
- Costs awards

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Questions?

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