

## Between Two INTA Meetings – Developments in Canadian Trademark Prosecution Practice Over the Last Three Years

*Jennifer McKenzie, Mark Davis*

**March 25, 2022**

At the 141<sup>st</sup> annual meeting of INTA in Boston in May 2019, the talk among Canadian trademark practitioners was the amendments to the *Trademarks Act*, which were coming into force on June 17, 2019 (CIF). Among the notable amendments was Canada's adoption of the Nice classification system and Canada becoming a contracting party to the Madrid Protocol. As many trademark practitioners (happily) prepare to reconvene in Washington D.C. in May 2022 for the INTA annual meeting, we look back on the past three years and summarize some developments.

**CIPO Backlog.** No doubt what is on everyone's mind is the examination backlog at the Canadian Intellectual Property Office (CIPO), which has been compounded since CIF. Statistics show that it can now take more than 3 years to first examination for a national application, and the full 18 months to examine international applications designating Canada. CIPO is taking a number of steps to shorten this timeline.

**Use the Goods and Services Manual to Expedite Examination.** A Canadian trademark application must contain a statement in "ordinary commercial terms" of the goods or services in association with which the trademark is used or proposed to be used (s.30(2)(b)) and, since CIF, those goods or services must be grouped by Nice class (s.30(3)). CIPO publishes a Goods and Services Manual (Manual) with a list of acceptable terms for goods and services, and their corresponding Nice classification. All entries on the list have been pre-approved by CIPO and, CIPO amends and updates the Manual on an ongoing basis. When filing an application electronically, it is possible to access the pre-approved list through the portal and the selected terms can then be exported to the application. If the pre-approved list is used exclusively, the description of goods and services will be accepted by CIPO without the issuance of an office action requiring further specification. Seventy percent (70%) of applications that use the pre-approved list exclusively are approved without an examiner's first report. This saves both immediate and overall prosecution time, and costs associated with responding to multiple office actions settling on acceptable goods and services.

**Pilot Program.** CIPO has launched a pilot program, which will assess Canadian trademark applications using artificial intelligence to determine whether there are any readily identifiable issues with the description of goods and services or classification. If there are potential problems, then pre-assessment letters will be issued to applicants. These pre-assessment letters are not binding on examiners but there is a strong expectation that formal examination will identify the same issues. While there is no deadline (or even obligation) to respond to these letters, it is an opportunity to correct perceived deficiencies at an earlier

stage and proceed to the examination on an application on an expedited basis.

**Advantage of Pilot Program – When the Manual is Not Appropriate.** For many applicants, the Manual may not contain a description of the desired goods and services, and therefore, in such cases, it is not possible to use the pre-approved list at the time of filing, or subsequently upon receipt of a pre-assessment letter, to expedite examination. The pre-assessment letter provides an opportunity to amend the goods and services identified as being unacceptable according to “ordinary commercial terms” or improperly classified. Your legal professional can advise whether this is the best course to respond or wait for a formal examiner’s report.

Cassels was asked to participate in the pilot program because of its expertise in Canadian trademark law and practice, and we have agreed to participate because it provides us with an opportunity to help solve the problems with delays in Canadian examination.

**Practice Notice to Improve Timeliness in Examination.** On May 3, 2021, CIPO published a Practice Notice entitled, “Measures to improve timeliness in examination.” In addition to hiring more examiners, the Practice Notice outlines two measures: one, examiners will not provide suggestions for acceptable goods and services in the first office action, and two, there will be fewer office actions before examiners issue final refusals. This means that when responding to an office action with substantive objections, applicants should raise all available arguments, and not rely on the issuance of a subsequent office action to raise any additional arguments.

**Phone Calls with Examiners.** The *Trademark Regulations* state that examiners are not required to have regard to any communication that is not submitted in writing, with limited exceptions where it is more efficient to resolve an issue by phone. On May 20, 2020, CIPO launched an initiative that expanded the list of acceptable phone amendments, which resulted in an increase in the approval rate of applications and had a positive impact on delays. As a result of the success of the initiative, CIPO has further expanded the list of acceptable telephone amendments, including simple issues with the statement of goods and services.

**Requests for Expedited Examination.** There are no specific provisions in the *Trademarks Act* or *Trademark Regulations* for expedited examination. However, on May 3, 2021, CIPO issued a Practice Notice entitled “Requests for Expedited Examination” outlining the circumstances under which applicants can make written requests, with accompanying affidavit or statutory declaration, for expedited examination. They include: an existing or expected court action concerning the applicant’s trademark in association with the goods or services covered by the application; the applicant is combatting counterfeit products at the Canadian border; to protect rights from being “severely disadvantaged” on online marketplaces; and to preserve the applicant’s claim to priority within a defined deadline and following a request from a foreign intellectual property office. On behalf of clients, we have made successful applications for expedited examination with examination to approval in weeks, not months, and in one case, days.

**Renewals of Unclassified Registrations and Classification.** Post CIF, renewals and classifications are handled by two separate online portals at CIPO. This means that there may be some disconnect when registrants attempt to do both on the same day. A two-step process may be inevitable. Upon the renewal of unclassified registrations, registrants are initially required to pay a single renewal fee based on one class. Thereafter, CIPO will issue an examiner's report setting out a deadline by which the registration must be classified. Once the classification is officially approved by CIPO, an Adjusted Renewal Fee Notice will issue outlining any applicable renewal fees that will be payable based on the number of additional classes. Alternatively, registrants can elect to classify the registration at least 4 to 6 months prior to the final renewal date, such that the classification is made of record prior to renewal. In doing so, the renewal portal will automatically adjust the renewal fees to reflect the proper number of classes. In either scenario, it is a two-pronged process. The two stages may be frustrating for registrants, but hopefully in time, and in view of the AI technology now being used in the pre-assessment process, CIPO will harmonize the renewal and classification process.

**Exclusionary Wording in Goods and Services.** On July 19, 2021, CIPO issued a Practice Notice entitled "Exclusionary wording in statements of goods and services," for example to ensure goods fall in one Nice class and not another. The Practice Notice states that exclusionary phrases are not preferred and should only be used sparingly. They are permitted when the goods and services are otherwise acceptable, and to restrict material composition of certain goods. Examples of acceptable exclusions are: "clothes washing machines, none being for domestic use" and "downspouts, not of metal." An example of an unacceptable exclusion is "shoes not included in other classes."

---

*This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.*