

Amendments to Trademarks Regulations Prompt Changes at Trademarks Opposition Board

On January 29, 2025, the Canadian Intellectual Property Office (CIPO) announced that the long-awaited amendments to the *Trademarks Regulations* (SOR/2018-227) and new practice notices implementing cost awards, confidentiality orders, and case management procedures to section 45 and opposition proceedings before the Trademark Opposition Board (TMOB) are anticipated to come into effect on April 1, 2025. These amendments will empower the Registrar of Trademarks (the Registrar) to deliver timely and effective decisions in the increasingly complex trademark matters the TMOB regularly adjudicates.

Background and Consultation Process

Bill C-86, the *Budget Implementation Act, 2018, No. 2*, introduced the proposed changes to opposition and Section 45 procedures in 2018 as part of Canada's broader efforts to strengthen intellectual property protections, which led to notable changes to the patent, trademark, and copyright regimes in Canada. As part of the bill's many goals, the bill granted the Registrar new powers to award costs, issue confidentiality orders, and case manage proceedings to make intellectual property dispute resolution at the TMOB more efficient and to discourage misuse of the system. The amendments to the *Trademarks Act*, which went into effect June 17, 2019, remained silent as to how these procedures would be implemented. In an effort to ensure that the new rules met stakeholders' needs, CIPO conducted consultations, gathering feedback on the proposed amendments and draft practice notices to help shape the final framework and details for the new processes, all of which are summarized below.

Cost Awards

Unlike the cost awards at the Federal Court of Canada, the proposed amendments to the *Trademarks Regulations* and TMOB practice attempt to curtail problematic and unreasonable behavior before the TMOB, rather than reimburse the prevailing party for a portion of its legal costs. This fixed scheme will be dependent on the *type* of proceeding before the Registrar. Notably, the Registrar would not be able to award costs on its own prerogative. Costs may only be awarded at the request of a party in proceedings under sections 11.13 (related to Geographical Indications), 38 (opposition), and 45 (summary non-use) of the *Trademarks Act*. The Registrar may direct by which party and to which party costs are to be paid and specify that costs will not be awarded for proceedings that do not reach a final decision.

Under the proposed amendments, the party seeking costs must provide detailed reasons entitling it to those costs including allegations of bad faith, late cancellation of hearings, and unreasonable conduct resulting in undue delay, complexity, or expense in a proceeding. The decision of the Registrar, including reasons, will be delivered in the disposition of a proceeding. Once certified, the Registrar's order for costs can be enforced through the Federal Court.

Confidentiality Orders

The general rule for all materials filed with the Canadian Intellectual Property Office – including proceedings before the TMOB – is that all documents are open to the public. The proposed amendments would allow parties in opposition, section 45, or objection proceedings to request that portions of the evidence submitted to the Registrar be made confidential. The requests would be made prior to the submission of the evidence at issue and must include sufficient particulars to meet the Supreme Court of Canada's test for issuing a confidentiality order. This test requires that the party seeking the confidentiality order establish three core prerequisites to be granted an exception to the open court principle, namely that:



Noelle Engle-Hardy

Member

nengle-hardy@cozen.com
Phone: (647) 417-5333
Fax: (416) 361-1405



Any Obando Ospina

Associate

aobandoospina@cozen.com
Phone: (416) 639-6698
Fax: (416) 361-1405



Arielle Zhivko

Articling Student

azhivko@cozen.com
Phone: (416) 639-6687
Fax: (416) 361-1405

Related Practice Areas

- Intellectual Property

1. court openness poses a serious risk to an important public interest because reasonably alternative measures will not prevent the risk;
2. the order sought is necessary to prevent that risk; and
3. the benefits of the order outweigh its negative effects.¹

The Registrar will qualify a “serious risk” as a risk that is real and substantial, and that poses a serious threat to an important *public* interest in confidentiality, as opposed to a *subjective* interest that is merely specific to the party requesting the order.

While joint consent to an order by all parties involved in the proceeding may inform the Registrar’s assessment, a confidentiality order will be considered an exceptional process. The burden will be on the requesting party to justify restricting the open court principle.

If the confidentiality order is granted, the request itself and any replies and submissions from the other party/parties will remain publicly accessible. The confidentiality order issued by the Registrar is modelled after that of the Federal Court’s, and all information must be submitted electronically. Like an order for costs, a confidentiality order may also be filed and enforced as an order of the Federal Court. Breaches – or potential breaches – of a confidentiality order issued by the Registrar may only be remedied at the Federal Court (including by way of injunction), and costs may be awarded against the breaching party if a confidentiality order is breached during an ongoing proceeding before the TMOB.

Based on the draft practice notices and communications from CIPO, confidentiality orders do not appear to be available for trademark applicants seeking to demonstrate that their trademark has acquired distinctiveness. The absence of confidentiality designations for sensitive sales and advertising information will continue to be a potential source of frustration for those trademark applicants seeking to overcome objections on the basis of section 12(1)(b) of the *Trademarks Act* and/or non-distinctiveness during prosecution.

Case Management

Currently, case management is not available for trademark proceedings at the TMOB. The proposed amendments will enable the Registrar to manage proceedings through two practices. First, the Registrar may make orders and directions to ensure that matters proceed in an efficient **and** cost-effective manner. The Registrar is also empowered in “exceptional circumstances” to order that a proceeding continue as a case-managed proceeding. This will allow the Registrar to alter timelines and vary procedures stipulated by the *Trademarks Act*, akin to the powers granted to Case Management Judges at the Federal Court. The Registrar’s determination of exceptional circumstances will be on a case-by-case basis by assessing “all of the surrounding circumstances,” including:

- whether intervention in the proceeding is required in order to deal with matters in an efficient and cost-saving manner;
- procedural efficiency;
- the volume of evidence;
- the complexity of the proceeding;
- whether the parties are represented;
- the number of related files involving the same or similar parties;
- the amount of intervention by the Registrar that the proceeding is likely to require; and
- whether substantial delay has occurred or is anticipated in the conduct of the proceeding.

As of the date of this publication, the Registrar has identified that (i) divisional applications in oppositions; and (ii) corrections to protocol applications after an opposition is commenced are instances where the surrounding circumstances may warrant a case management designation.

Further Guidance Forthcoming

CIPO will provide additional guidance to the profession at French- and English-language webinar sessions held on February 27 and 28, 2025. In the meantime, CIPO draft practice notices and model orders aimed at clarifying these changes can be [found here](#).

Cozen O'Connor's Canadian Intellectual Property team will continue to closely monitor the implementation of the bill and its amendments to the *Trademarks Act* and *Trademarks Regulations* and provide further updates as they emerge.

If you have any questions about this article or if you need assistance navigating trademark procedures, please feel free to contact any member of our Canadian Intellectual Property team.

¹ *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41 at para 53 and *Sherman Estate v Donovan*, 2021 SCC 25 at para 38.