



# IP PERSPECTIVES

INTELLECTUAL PROPERTY AND TECHNOLOGY LAW NEWSLETTER

## June 2007

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## Canada to fortify protection for Olympic marks

Pending legislation for Olympic marks will supplement existing protection.

Like other public authorities under the *Trade-marks Act*, the Canadian Olympic Association has historically enjoyed significant protection for its official marks.

Now, in light of the 2010 Olympic and Paralympic Games to be held in Vancouver, the Government of Canada is proposing special legislation to expand the scope of protection for Olympic and Paralympic marks and to facilitate enforcement.

Bill C-47, the *Olympic and Paralympic Marks Act*, presently includes two broad categories of protection. The first, in clause 3 of the Bill, would prohibit adoption or use in connection with a business of a mark that is or is likely to be mistaken for a mark enumerated in the Bill. It would also prohibit use or adoption of a translation of a protected mark into any language. Clause 3 would broadly prohibit any such adoption or use, regardless of whether

Welcome to the new *IP Perspectives*. This month's issue of our newsletter marks a change in editorship and also launches our new design.

Although the editorial team has changed, we intend to continue the traditions of our previous editor, A. David Morrow. We thank David for his leadership and for many years of providing our readers with valuable insight on a variety of important IP issues.

While the format has been updated, the contents will continue to provide regular

updates on Canadian intellectual property law of interest to the international legal community. We always appreciate your comments about any aspect of our newsletter. Please feel free to contact either of us with your suggestions.

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the mark is used as a trade-mark or results in a likelihood of confusion in the marketplace. Exceptions include prior use, and use for reporting or critiquing.

Under clause 3, certain marks would be protected as long as the *Act* is in force, such as OLYMPICS, the well-known five-ring design, FASTER, HIGHER, STRONGER and SPIRIT IN MOTION. Other marks would be protected only until the end of 2010, including

VANCOUVER GAMES, CANADA'S GAMES, and GAMES CITY.

The second broad category of protection, found in clause 4 of the Bill, would prohibit directing attention to business, wares, or services in a way that is likely to mislead the public into believing that they are approved, authorized, or endorsed by one of many Olympic or Paralympic organizations, or that a business association exists with any such organization. Use of expressions such as "tenth", "winter", "games", or "gold" is relevant to determining whether this prohibition has been breached. The prohibition in clause 4 would only be in force during a period prescribed by regulation.

Enforcement provisions in Bill C-47 include the usual remedies available in Canadian law. However, interim or interlocutory injunctive relief would be considerably easier for an organizing committee to obtain, as the usual prerequisite proof of irreparable harm would not be required during a period prescribed by regulation.

At the time of writing, Bill C-47 had passed in the House of Commons and was before the Senate. Debates in the House of Commons referred to the importance of supporting the games, and of ensuring that they receive maximum sponsorship revenue.

Jonas H. Gifford, **Vancouver**



## Canadian IP regulations amended

On June 2, 2007, amendments to the Patent Rules came into force. These amendments affect small entity fees, title documents and sequence listings. Minor amendments were also made to regulations under other IP statutes.

### Patent Rules

**Small entity.** The definition of a "small entity" has been amended to exclude: (a) an entity controlled directly or indirectly by another entity, other than a university, that employs more than 50 employees; and (b) an entity that has transferred or licensed or has an obligation, other than a contingent obligation, to transfer or license any right in the invention to an entity, other than a university, that employs more than 50 employees.

In the event of a mistaken small entity payment, the Patent Office may grant an extension of time to pay the proper fee if the applicant or patentee states that, to the best

of its knowledge, the small entity fee was paid in good faith and the request for the extension is being filed without undue delay.

The time extension is at the discretion of the Patent Office. Further, the definition of small entity retains imprecise language from the previous definition. As a result, at least until the policy and practice of the Canadian Patent Office in respect of accepting corrective fee payments become clear, we are maintaining our policy of submitting all fees at a standard level.

**Assignments.** A new requirement for an applicant to file a declaration of entitlement

replaces the former title document registration requirements.

The declaration must state the basis for the applicant's entitlement to apply. For example, the applicant may declare it is entitled as employer of the inventor(s), or by virtue of an assignment identified in the declaration.

It remains necessary to register title documentation to show any change of title from the original applicant, and any change of title after issuance of the patent.

**Sequence listings.** The amendments extend the use of the *Standard for the Presentation of Nucleotide and Amino Acid Sequence Listings in International Patent Applications Under the PCT* to non-PCT applications.

If a sequence listing is required, the specification must contain a sequence listing in electronic form. A paper copy of the sequence listing is no longer required.

It is not yet known how the Canadian Patent Office will catalogue, safeguard and publish sequence listings in electronic form. We therefore currently recommend that applicants include the content of the sequence listing in the text of the specification, in the form of a table.

**Further information.** A more detailed summary of these amendments to the Patent Rules may be found on our website. To request a copy, please contact the editors of this newsletter.

### Other IP Regulations

The *Trade-marks Regulations* have been amended to eliminate a number of

government fees. The rules regarding service of documents in trade-mark oppositions have been revised to make it easier to serve documents.

Further amendments to shorten the time frames in trade-mark oppositions will come into effect on October 1, 2007.

Under the *Copyright Regulations* and the *Industrial Design Regulations*, the fees for obtaining certified copies of documents for use in certain court proceedings have been eliminated.

Ronald D. Faggetter, Toronto;  
David E. Schwartz and Philip D. Lapin, Ottawa



## Video recording law introduced in Canada to combat piracy

Warner Bros. Studios recently announced its intention to cancel preview screenings of its films in Canada in an attempt to combat piracy. In response, the Government of Canada has introduced a Bill to amend Canada's Criminal Code.

As a result of significant pressure applied by Canadian and foreign movie studios, the Government of Canada recently introduced a Bill proposing amendment to Canada's *Criminal Code* directed to deterring unauthorized recording of movies in theatres in Canada. The Bill followed an announcement by Warner Bros. Studios that it was going to cancel

preview screenings of its films in Canada, as well as threats that other movie studios would push back Canadian motion picture release dates.

Bill C-59, *An Act to amend the Criminal Code (unauthorized recording of a movie)*, had its first reading in the Parliament of Canada on June 1, 2007. The Act proposes to amend the

*Criminal Code* by adding a new section, providing:

432. (1) A person who, without the consent of the theatre manager, records in a movie theatre a performance of a cinematographic work within the meaning of section 2 of the Copyright Act or its soundtrack

(a) is guilty of an indictable offence and liable to imprisonment for a term of not more than two years; or

(b) is guilty of an offence punishable on summary conviction.

(2) A person who, without the consent of the theatre manager, records in a movie theatre a performance of a cinematographic work within the meaning of section 2 of the Copyright Act or its soundtrack for the purpose of the sale, rental or other commercial distribution of a copy of the cinematographic work

(a) is guilty of an indictable offence and liable to imprisonment for a term of not more than five years; or

(b) is guilty of an offence punishable on summary conviction.

(3) In addition to any punishment that is imposed on a person who is convicted of an offence under this section, the court may order that anything that is used in the commission of the offence be forfeited to Her Majesty in right of the province in which the proceedings are taken. Anything that is forfeited may be disposed of as the Attorney General directs.

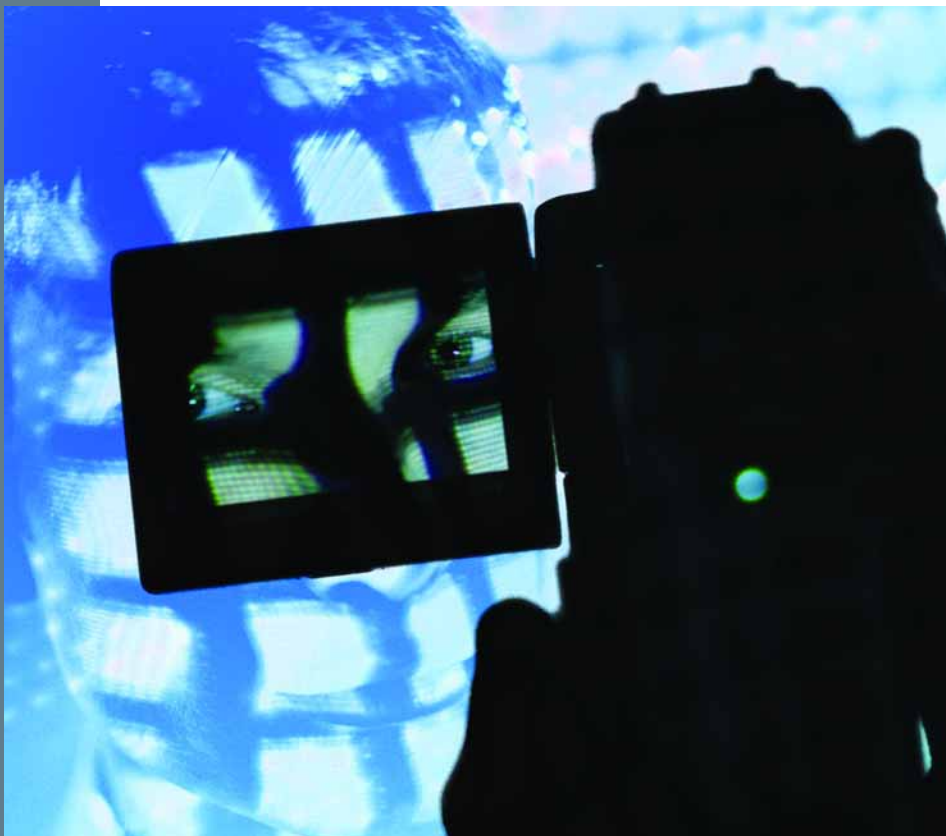
The Bill, which is intended to address the increasing problem of distribution of pirated copies of films originating from recordings made in Canadian theatres, is apparently being fast-tracked through Parliament. The problem has grown in recent years with the increased availability of camcorder technology which allows movies to be easily and surreptitiously recorded in theatres.

While Canada's *Copyright Act* does cover the production of infringing copies of works, one element requires proof beyond a reasonable doubt that the perpetrator knowingly made the copy "for sale or rental". As this is difficult to prove, law enforcement authorities have generally refused to lay charges or take steps against individuals caught making unauthorized copies.

Using technological measures that can identify the source of pirated copies of films, the movie industry has estimated that a significant percentage of unauthorized motion picture recordings worldwide originate in Canada. Press reports in the spring of 2007 also indicated that Montreal has been identified as the number one source of illegal film recording in the world.

It is hoped that the new Bill will be effective in curtailing the unauthorized recording of motion pictures in Canada. In the meantime, motion picture studios will continue to call for action under the existing criminal provisions, and to consider civil options against the producers and purveyors of pirated copies of movies.

Brian P. Isaac, Toronto



## Pharmaceutical data protection update

Recent amendments to Canada's *Food and Drug Regulations* have significantly enhanced the data protection available to the innovative pharmaceutical industry.

As previously reported, the data protection provision of the *Food and Drug Regulations* was substantially amended on October 5, 2006. The amendments prohibit the issuance of a notice of compliance (NOC) to a manufacturer that makes a direct or indirect comparison to an "innovative drug" until eight years after issuance of the innovator's first NOC for the innovative drug. This period is extended by six months if the innovative drug has been the subject of clinical trials designed and conducted for increasing knowledge of the drug's behaviour in pediatric populations. Furthermore, a manufacturer that makes a direct or indirect comparison to the innovative drug will not be permitted to file such a submission until six years after issuance of the innovator's first NOC for the innovative drug.

A Register of Innovative Drugs is available on Health Canada's website which lists products considered by Health Canada to be "innovative drugs" following issuance of the NOC. The list shows 24 products as of June 13, 2007, and includes the date on which data protection ends for each. Health Canada has indicated that it will publish guidelines regarding the application of the new provision.

Apotex Inc. and the Canadian Generic Pharmaceutical Association (CGPA) – an industry association representing most generic drug manufacturers in Canada – commenced proceedings in the Federal Court in November 2006, seeking a declaration that the new provision is unlawful on a number of counts, including that it is beyond the Governor in Council's power to make regulations under the *Food and Drugs Act*. The Attorney General was



successful in striking the Apotex proceeding on the basis that Apotex lacked standing to bring the application (*Apotex Inc. v. Canada*, 2007 FC 232), but not in striking the CGPA proceeding (*Canadian Generic Pharmaceutical Association v. Canada*, 2007 FC 154). Both decisions have been appealed.

The new data protection provision was long overdue and, subject to a negative outcome in the validity challenges, brings Canada in line with its international obligations.

Nancy P. Pei, Toronto

## Canada partially implements amendments to PCT Regulations

On April 1, 2007, a number of amendments to the *Regulations under the Patent Cooperation Treaty* came into force. These amendments include, among other things, "restoration" of a priority claim in a late-filed PCT application, as well as incorporation by reference of priority applications. Presently, Canada has partially – but not fully – implemented these changes.

### Restoration of priority claims in late-filed PCT applications

New PCT Rules 26bis.3 and 49ter.2 permit "restoration" of right of priority if the international application was filed more than 12 months but no more than 14 months after the priority date. To seek restoration, the 12-

month priority deadline must have been missed either “in spite of due care” or “unintentional[ly]”.

During the national phase, restoration based on the “due care” ground will be effective in each designated state except those that informed the International Bureau of incompatibility of their national laws. However, the “unintentional” ground is potentially weaker, as it applies only in designated states whose national laws allow for restoration based on the “unintentional” or a more lenient criterion.

Presently, Canada has adopted these changes only in connection with the international phase, and not in connection with the national phase of PCT applications.

Thus, during the international phase, the Canadian PCT Receiving Office will entertain and grant requests under Rule 26bis.3 to restore a priority claim.

However, Canada has informed the International Bureau that new Rule 49ter, which governs restoration of priority during the national phase, is not compatible with our national laws. As a result, any request for restoration of a priority claim that may have been granted by a competent Receiving Office during the international phase will have no effect on the corresponding Canadian national phase application. Similarly, a request for restoration of priority filed in Canada during the national phase will not be considered.

Eventually, Canada will likely amend its national laws to permit such restoration of late priority claims during the national phase. In this regard, Canada has signed the *Patent Law Treaty*, thereby expressing an intention to eventually implement PLT Art. 13(2) and R. 14(4), which are substantially similar to the relevant PCT Rules. To do so, Parliament will have to amend the *Patent Act*. At present, no draft legislation has been tabled, and no specific timeframe has been publicly announced.

### Incorporation by reference of priority applications

Amendments to PCT Rule 20 effectively permit a PCT international application to be amended to include subject matter that was accidentally omitted from the application as originally filed without affecting the international filing date, if certain conditions are met.

Among other requirements, the priority application must contain the subject matter that was accidentally omitted from the PCT

international application. In addition, the PCT application as filed must contain a statement incorporating the priority application by reference (a checkbox in the new PCT Request form is provided for this purpose). The incorporation by reference must then be confirmed within two months from the mailing date of an invitation to furnish the missing subject matter, or if no such invitation is mailed, within two months from the filing date. Other formal requirements are set forth in PCT Rule 20.6.

Canada has not filed any notification of incompatibility of these provisions with its national laws. Therefore, the Canadian Intellectual Property Office is bound by these provisions, both in its capacity as Receiving Office during the international phase and as Designated Office during the national phase.

### Other international phase amendments

Rectification of obvious mistakes is now permitted if the mistake is obvious to the competent Authority, whereas the previous rule required the error to be obvious to “anyone”. A new time limit of 26 months from the priority date applies.

Minor amendments have also been made to the rules relating to physical requirements, correction procedures, PCT minimum documentation, and minimum requirements for ISAs / IPEAs.

Stephen J. Ferance, Vancouver



# Notes

## Announcements

**Jonas H. Gifford** has returned after his articles to join our Vancouver office as an associate. Mr. Gifford obtained his B.Sc. in physics and computer science and his LL.B. from the University of Victoria.

**Jean-Yves Pikulik** has joined our Montreal office as a technical consultant. Mr. Pikulik obtained a B.Eng. in computer engineering from McGill University.

**Kathy Rzeszutek** has returned after her articles to join our Vancouver office as an associate. Dr. Rzeszutek holds a B.Sc.Hons. and a Ph.D. in chemistry from the University of Manitoba, and an LL.B. from the University of British Columbia.

**Steven B. Garland** was elected Secretary of the Executive of the International Association for the Protection of Intellectual Property Canada.

## Seminars and Presentations

**Steven B. Garland** spoke on the topic of "International Enforcement of Patents: Applications/Implications of Voda" at the 4th Annual Intellectual Property Law Seminar at the Howard University School of Law on March 2, 2007.

**Gunars A. Gaikis** presented on "Successfully Protecting Exclusivity in the New Regulatory Framework" at The Canadian Institute's Summit on Pharmaceutical & Biotech Regulatory Compliance, held in Toronto on March 26, 2007.

**Philip Lapin** presented a paper on the subject of "Section 45 (Expungement) Proceedings Under the Canadian *Trade-marks Act*" at the Intellectual Property Institute of Canada's Spring Meeting in Gatineau, Quebec on March 27, 2007. **Sanro Zlobec** moderated a panel on "Effective Patent Searching Strategies" at the same meeting.

**Michael D. Manson** spoke to the Federal Court Judges about the recent four leading trademark cases before the Supreme Court of Canada, in Ottawa during the week of May 14, 2007.

**François Guay** and **Sanjay Goorachurn** presented on the topic of "Aspects commerciaux et litigieux de la PI reliés aux transactions de fusions et acquisitions et aux licences" at the Congrès annuel du Barreau du Québec, held in Mont Tremblant, QC on June 1, 2007.

**Michael D. Manson** participated in the Continuing Legal Education Society of British Columbia's Federal Court Practice closing panel titled "Practice and Procedure in the Federal Court", held in Vancouver on June 1, 2007.

**Nancy P. Pei** spoke on the topic of "Maintaining Profitability while Minimizing the Impact of Patent Expiry and Generic Entry" at The Canadian Institute's Drug Pricing & Reimbursement in Canada Conference, held in Toronto on June 4, 2007.

**Christian Bolduc** presented on "Stratégies de dépôts et de recherches, Examen de la demande et oppositions, Contentieux et actions judiciaires" at the Association des praticiens du droit des marques et des modèles, in Paris on June 5, 2007.

**Michael D. Manson** spoke on the topic of "Judiciary & Prosecution of Criminal/Civil Cases" at the 2007 International Law Enforcement IP Crime Conference, held in Niagara Falls, ON from June 19 to 21, 2007.

**Michael D. Manson** participated in the Oxford Mock Trial Symposium, held at St. Anne's College in England from June 28 to 30, 2007.

**John R. Morrissey** will be speaking on "Advising the Canadian Client About U.S. IP Law" at the Joint New York State Bar Association Intellectual Property Section / Intellectual Property Institute of Canada meeting, to be held in Ithaca, NY from August 5 to 7, 2007.

**Michael D. Manson** will participate in the Continuing Legal Education Society of British Columbia's Patent Rights & Disputes course, to be held in Vancouver on September 20, 2007.

## Publications

**Stephen J. Ferance**, "A Canadian Double-Patenting Primer for U.S. Practitioners", *Philadelphia Intellectual Property Law Association Newsletter*, Spring 2007, pp. 3-9.



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