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# LEGISLATIVE SUMMARY



## **Bill C-56:**

### **An Act to amend the Copyright Act and the Trade-marks Act and to make consequential amendments to other Acts**

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Any substantive changes in this Legislative Summary that have been made since the preceding issue are indicated in **bold print**.

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*Legislative Summary of Bill C-56*  
(Legislative Summary)

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# LEGISLATIVE SUMMARY OF BILL C-56: AN ACT TO AMEND THE COPYRIGHT ACT AND THE TRADE-MARKS ACT AND TO MAKE CONSEQUENTIAL AMENDMENTS TO OTHER ACTS

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## 1 BACKGROUND

### 1.1 OVERVIEW

Bill C-56, An Act to amend the Copyright Act and the Trade-marks Act and to make consequential amendments to other Acts (short title: “Combating Counterfeit Products Act”), was introduced in the House of Commons by the Minister of Industry and Minister of State (Agriculture), the Honourable Christian Paradis, and read for the first time on 1 March 2013.<sup>1</sup> The bill passed second reading and was referred to the House of Commons Standing Committee on Industry, Science and Technology on 12 June 2013.<sup>2</sup> The House of Commons adjourned on 18 June 2013, before the committee began to study the bill.

As its short title indicates, the purpose of Bill C-56 is to combat counterfeiting by amending the *Copyright Act*<sup>3</sup> and the *Trade-marks Act*<sup>4</sup> to strengthen the enforcement of the rights they protect. The amendments made by the bill enact new border enforcement measures and create new civil causes of action and criminal offences. More specifically, according to its summary, Bill C-56:

- creates new civil causes of action with respect to activities that sustain sales of copies that infringe copyright and goods with counterfeited trademarks;
- creates new criminal offences for trademark counterfeiting that are analogous to existing offences in the *Copyright Act*;
- creates new criminal offences prohibiting the possession or export of products that infringe copyright or of counterfeit trademarked goods, packaging or labels;
- enacts new border enforcement measures enabling customs officers to detain goods that they suspect infringe copyright or trademark rights and allowing the officers to share information relating to the detained goods with rights owners who have filed a request for assistance, in order to give the rights owners an opportunity to pursue a remedy in court;
- exempts the importation and exportation of copies and goods by individuals for their personal use from the application of the border measures; and
- adds the offences set out in the *Copyright Act* and the *Trade-marks Act* to the list of offences set out in the *Criminal Code*<sup>5</sup> for the investigation of which police may seek judicial authorization to use electronic surveillance.

Bill C-56 also amends the *Trade-marks Act* to, among other things, expand the scope of what can be registered as a trademark and to allow the Registrar of Trade-marks to correct errors that appear in the trademark register. Lastly, the bill streamlines and modernizes the trademark application and opposition process.

## 1.2 RECENT REFORM OF THE *COPYRIGHT ACT*

The background to Bill C-56 is the recent in-depth reform of the *Copyright Act*. On 29 June 2012, Bill C-11, An Act to amend the Copyright Act,<sup>6</sup> received Royal Assent. That bill amended the *Copyright Act* by adding new rights and new exceptions, and most of its provisions came into force on 7 November 2012.<sup>7</sup>

One of the fundamental objectives of Bill C-11 was to allow for the ratification and implementation of two World Intellectual Property Organization (WIPO) treaties on copyright in the digital era that Canada signed in 1997 but has not yet ratified: the *WIPO Copyright Treaty*<sup>8</sup> and the *WIPO Performances and Phonograms Treaty*,<sup>9</sup> which came into force in 2002 and which together are known as the “WIPO Internet Treaties.” On 12 June 2013, the Minister of Canadian Heritage and Official Languages, the Honourable James Moore, tabled the WIPO’s two Internet treaties in the House of Commons, noting that each treaty included an explanatory memorandum.<sup>10</sup> However, the tabling of the treaties in the House does not mean that they are ratified; several more steps are required before the ratification process will be complete.<sup>11</sup>

As Bill C-11 did not address counterfeiting, amendments to the *Copyright Act* brought by Bill C-56 represent a new element of reform.

## 1.3 ARGUMENTS CITED BY THE GOVERNMENT FOR LEGISLATING IN RESPECT OF COUNTERFEITING

The government states that it has long combatted counterfeiting because of the significant harms to various parties owing to counterfeit goods.<sup>12</sup> According to the government, counterfeit goods made of inferior materials without quality controls may pose health and safety risks, and they undermine consumer confidence in the marketplace. The government also asserts that these goods disrupt Canadian markets, lead to lost tax revenues for the government and increase costs for legitimate Canadian businesses. It also contends that the resulting lost revenues for rights holders lead to delays in creating new products and innovative services.<sup>13</sup>

The government also states, in referring to the reports of two House of Commons committees that appear to confirm the growing threat posed by these goods,<sup>14</sup> that there is reason to believe that there is an upward trend in global trade in counterfeit goods. The retail value of counterfeit goods seized by the Royal Canadian Mounted Police is stated to have increased from \$7.6 million in 2005 to \$38 million in 2012.<sup>15</sup>

The government adds that combatting counterfeiting has become a priority for Canada’s key trading partners and other G8 countries, many of which have taken steps to strengthen their respective intellectual property rights regimes. The government therefore says it wants to strengthen its own intellectual property rights enforcement regime to bring it into line with international standards.<sup>16</sup> It states that this measure would be of particular importance since Canada continues to negotiate new trade agreements and expand trade links to new markets around the world.<sup>17</sup>

## 1.4 ANTI-COUNTERFEITING TRADE AGREEMENT

The Anti-Counterfeiting Trade Agreement (ACTA)<sup>18</sup> was signed on behalf of Canada by the Minister of International Trade and Minister for the Asia-Pacific Gateway on 1 October 2011 after several years of negotiations. Australia, the United States, Japan, Morocco, New Zealand, the Republic of Korea and Singapore signed the agreement at the same time.<sup>19</sup> ACTA was open for signing from 1 May 2011 to 1 May 2013 by participants in its negotiation and by any other World Trade Organization members to which the participants could agree by consensus.<sup>20</sup>

On 26 January 2012, 22 member states of the European Union added their signatures to ACTA.<sup>21</sup> However, the agreement generated heated opposition throughout Europe, and thousands of protestors demonstrated in the streets because the agreement was seen as a form of invasion of privacy and a restriction on freedom of expression. On 4 July 2012, on the advice of five of its commissions, the European Parliament rejected the agreement by a vote of 478 to 39, with 165 abstentions.<sup>22</sup> That decision means that neither the European Union, which had participated in the negotiations, nor any of its member states may join ACTA by ratifying it.

ACTA provides that it will come into force after deposit of the sixth instrument of ratification, acceptance or approval.<sup>23</sup> To date, the agreement has not come into force, since only Japan has ratified it. Canada's expression of its intention to ratify the Agreement by introducing Bill C-56 is a subject of debate (see section 3, "Commentary," in this Legislative Summary).

According to the Canadian government, the objective of ACTA is "to put in place international standards for enforcing intellectual property rights in order to fight more efficiently the growing problems of counterfeiting and piracy."<sup>24</sup> The government also states that the agreement relates to three areas:

- improving international cooperation;
- establishing best practices for enforcement; and
- providing a more effective legal framework.<sup>25</sup>

## 2 DESCRIPTION AND ANALYSIS

Bill C-56 contains 63 clauses. The following description focuses on certain aspects of the bill, rather than reviewing all of its provisions. Clauses 2 to 6 amend the *Copyright Act*, clauses 7 to 56 amend the *Trade-marks Act*, clause 57 is a transitional provision, clauses 58 to 62 make consequential amendments to various Acts, and clause 63 provides for the coming into force of the provisions of the bill.

## 2.1 AMENDMENTS TO THE *COPYRIGHT ACT* (CLAUSES 2 TO 6)

### 2.1.1 CLAUSE 2: DEFINITION OF “MINISTER”

At present, the minister responsible for the administration of the *Copyright Act* is the Minister of Industry, except in relation to sections 44.1 to 44.3, for which the Minister of Public Safety and Emergency Preparedness is responsible.

Sections 44.1 to 44.3 of the *Copyright Act* refer to the *Customs Act* and concern the procedures for a court order in relation to the importation of works. Bill C-56 amends the definition of “Minister” in section 2 of the *Copyright Act* to provide that the Minister of Public Safety and Emergency Preparedness will now be responsible for the new sections 44 to 44.12, which are added by clause 5 of the bill, discussed later.

### 2.1.2 CLAUSE 3: PROHIBITED EXPORTATION

Clause 3 of Bill C-56 amends section 27 of the *Copyright Act* by adding new subsections 27(2.11) and 27(2.12). Subsection 27(2.11) adds the following to the copyright violations already provided in section 27: exporting and attempting to export a copy of a work, sound recording or fixation of a performer’s performance or of a communication signal that the person knows or should have known was made without the consent of the owner of the copyright in the country where the copy was made. A prohibited exportation or attempt to export is exportation for the purpose of one of the acts set out in paragraphs 27(2)(a) to 27(2)(c):

- sale or rental;
- distribution to such an extent as to affect prejudicially the owner of the copyright; or
- by way of trade, the distribution, exposition or offering for sale or rental, or exhibiting in public.

Paragraph 27(2)(e) of the *Copyright Act* currently provides a prohibition similar to the one proposed by new subsection 27(2.11) but in relation to importation. Similarly, new subsection 27(2.12) reproduces the content of subsection 27(2.1) of the *Copyright Act* and provides that new subsection 27(2.11) does not apply with respect to a copy that was made under a limitation or exception under the *Copyright Act* or, if it was made outside Canada, that would have been made under such a limitation or exception had it been made in Canada.

### 2.1.3 CLAUSE 4: CRIMINAL OFFENCES

Clause 4 of Bill C-56 amends section 42 of the *Copyright Act*, which defines what constitutes a criminal offence.

Subclause 4(2) adds new paragraph 42(1)(e) to the Act. This provision adds the offence of possessing, for sale, rental, distribution for the purposes of trade or for exhibition in public by way of trade, an infringing copy of a work or other subject-matter in which copyright subsists. Subclause 4(2) also adds a new offence to the offence of importing for sale or rental into Canada any infringing copy, set out in existing paragraph 42(1)(e) (which will become new paragraph 42(1)(f)): exporting or



attempting to export, for sale or rental, an infringing copy of a work or other subject-matter in which copyright subsists (new paragraph 42(1)(g)).

Subclause 4(7) replaces existing subsection 42(5) of the *Copyright Act*, pursuant to which no person may be prosecuted under section 42 for importing a book or parallel importation of books as provided in section 27.1. New subsection 42(5) provides instead that:

[f]or the purposes of this section, a copy of a work or other subject-matter is not infringing if the copy was made with the consent of the owner of the copyright in the country where the copy was made.

#### 2.1.4 CLAUSE 5: NEW SECTIONS 44 TO 44.12, IMPORTATION AND EXPORTATION (PART IV OF THE *COPYRIGHT ACT*)

Clause 5 of Bill C-56 replaces sections 44 and 44.1 in the final division of Part IV of the *Copyright Act* (a division that will now be entitled “Importation and Exportation” rather than “Importation”) with new sections 44 to 44.12.

The amendment to the definition of “Minister” made by clause 2 of the bill and the clarification in clause 5 mean that the Minister of Public Safety and Emergency Preparedness is responsible for these new *Copyright Act* sections. New section 44 adds the definition of “customs officer” to the Act, among other things, by referring to subsection 2(1) of the *Customs Act*, which defines “officer” or “customs officer” as meaning:

a person employed in the administration or enforcement of [the *Customs Act*], the *Customs Tariff* or the *Special Import Measures Act* and [including] any member of the Royal Canadian Mounted Police.

New subsection 44.01(1) prohibits the importation and exportation of copies of a work or other subject-matter in which copyright subsists if:

- they were made without the consent of the owner of the copyright in the country where they were made; and
- they infringe copyright or, if they were not made in Canada, they would infringe copyright had they been made in Canada by the person who made them.

However, new subsection 44.01(2) provides that these prohibitions do not apply to:

- copies that are imported or exported by an individual that are in his or her possession or baggage if the circumstances indicate that the copies are intended only for his or her personal use; or
- copies that, while being shipped from one place outside Canada to another, are in customs transit control or customs transshipment control in Canada.

New section 44.02 provides that the owner of copyright in a work or other subject-matter may file with the Minister a request for assistance in pursuing remedies under

the *Copyright Act* with respect to copies imported or exported in contravention of new section 44.01, and the form and manner in which the request is to be made.

New sections 44.03 to 44.07 contain measures relating to detained copies and deal with the disclosure of information that may be made between a customs officer and an owner of copyright. These provisions of Bill C-56 refer to section 101 of the *Customs Act*, which provides:

Goods that have been imported or are about to be exported may be detained by an officer until he is satisfied that the goods have been dealt with in accordance with this Act, and any other Act of Parliament that prohibits, controls or regulates the importation or exportation of goods, and any regulations made thereunder.

New section 44.03 provides that a customs officer who is detaining copies of a work or other subject-matter protected by copyright under section 101 of the *Customs Act* may, at the officer's discretion and to obtain information about whether the importation or exportation of the copies is prohibited under new section 44.01, provide the owner of copyright in that work or subject-matter with a sample of the copies and with any information about the copies. The customs officer can provide this information if he or she reasonably believes that it does not directly or indirectly identify any person.

New subsection 44.04(1) provides that a customs officer who is detaining copies of a work or other subject-matter under section 101 of the *Customs Act* and who has reasonable grounds to suspect that the importation or exportation of the copies is prohibited under section 44.01 may, at the officer's discretion and if the Minister has accepted a request for assistance with respect to the work or subject-matter filed by the owner of copyright in it, provide that owner with a sample of the copies and with information about the copies that could assist them in pursuing a remedy under the *Copyright Act*.

New subsection 44.04(2) establishes criteria for detention and, subject to subsection 44.04(3), provides that the customs officer shall not detain, for the purpose of enforcing section 44.01, the copies for more than 10 working days – or, if the copies are perishable, for more than five days – after the day on which the customs officer first sends or makes available a sample or information to the copyright owner under subsection 44.04(1). At the request of the copyright owner made while the copies are detained for the purpose of enforcing section 44.01, the customs officer may, having regard to the circumstances, detain non-perishable copies for one additional period of not more than 10 working days.

New subsection 44.04(3) provides that if, before the copies are no longer detained for the purpose of enforcing section 44.01, the owner of copyright has provided the Minister with a copy of a document filed with a court commencing proceedings to obtain a remedy under the *Copyright Act* with respect to the detained copies, the customs officer shall continue to detain them until the Minister is informed in writing that:

- the proceedings are finally disposed of, settled or abandoned;

- a court directs that the copies are no longer to be detained for the purpose of the proceedings; or
- the copyright owner consents to the copies no longer being so detained.

New subsection 44.04(4) provides that the occurrence of any of the events referred to in subsection 44.04(3) does not preclude a customs officer from continuing to detain the copies under the *Customs Act* for a purpose other than the proceedings.

New subsection 44.05(1) provides that a person who receives a sample or information that is provided under section 44.03 shall not use the information, or information that is derived from the sample, for any purpose other than to give information to the customs officer about whether the importation or exportation of the copies is prohibited under section 44.01.

Similarly, new subsection 44.05(2) provides that a person who receives a sample or information that is provided under subsection 44.04(1) shall not use the information, or information that is derived from the sample, for any purpose other than to pursue remedies under the *Copyright Act*.

New section 44.06 provides that the customs officer may – at the officer’s discretion – give the owner of the copyright and the owner, importer, exporter and consignee of the detained copies an opportunity to inspect the samples and information provided under subsection 44.04(1).

New section 44.07 imposes on the owner of copyright who has received a sample or information under subsection 44.04(1) the obligation to pay to “Her Majesty in right of Canada,” that is, the government, the charges for storing and handling the detained copies and, if applicable, the charges for destroying them, and provides for the procedures applicable to that obligation.

New section 44.08 provides that “Her Majesty” and the customs officer will have no liability for any loss or damage suffered in relation to the enforcement or application of sections 44.01 to 44.04 and 44.06 because of:

- the detention of copies of a copyrighted work or other subject-matter, except if the detention contravenes subsection 44.04(2);
- the failure to detain copies; or
- the release or cessation of detention of any copies, except if the release or cessation contravenes subsection 44.04(3).

New sections 44.09 and 44.1 concern the powers of the court relating to detained copies. New section 44.09 provides for the powers granted to the court in relation to the proceedings referred to in subsection 44.04(3).

First, new subsection 44.1(1) provides that, if the proceedings are dismissed or discontinued, the court may award damages against the owner of copyright who commenced proceedings referred to in subsection 44.04(3) to the owner, importer, exporter or consignee of the copies who is a party to the proceedings. The damages

may be awarded for losses, costs or prejudice suffered as a result of the detention of the copies.

Second, new subsection 44.1(2) provides that any damages awarded, in proceedings referred to in subsection 44.04(3), to the owner of copyright for copyright infringement under subsection 34(1) are to include the charges incurred by the copyright owner as a result of storing, handling or, if applicable, destroying the detained copies.

New section 44.11 reproduces section 44 of the *Copyright Act*, and new section 44.12 reproduces section 44.1, both currently in force, and amends them to reflect the amendments made by Bill C-56. Clause 6 replaces section 44.1 with section 44.12 in certain passages of the Act, to reflect the amendments made by clause 5 of the bill.

## 2.2 AMENDMENTS TO THE *TRADE-MARKS ACT* (CLAUSES 7 TO 56)

### 2.2.1 CLAUSE 7: DEFINITIONS

Clause 7 of Bill C-56 amends the list of definitions in section 2 of the *Copyright Act*. In particular, it repeals the definitions of “package” and “wares” and of “distinguishing guise” and adds “proposed trade-mark,” “sign” and “release” to the definitions set out in section 2 of the *Trade-marks Act*.

The bill replaces the word “wares,” which is currently defined simply by providing that “‘wares’ includes printed publications,” with the word “goods” in the various definitions and provisions where it appears in the Act.

The repeal of the definition of “distinguishing guise” in subclause 7(2) must be read together with the addition of the definition of “sign” in subclause 7(5) and the consequential amendments to other definitions and provisions in the Act to reflect that addition. The definition of “sign” includes:

a word, a personal name, a design, a letter, a numeral, a colour, a figurative element, a three-dimensional shape, a hologram, a moving image, a mode of packaging goods, a sound, a scent, a taste, a texture and the positioning of a sign.

Subclause 7(3) replaces the word “mark” with the expression “sign or combination of signs” in the definitions of “certification mark,” “trade-mark” and “proposed trade-mark.”

Subclause 7(5) adds the new definition of “proposed certification mark,” which means a sign or combination of signs that is proposed to be used for the purpose of distinguishing or so as to distinguish goods or services that are of a defined standard from those that are not of that defined standard, with respect to

- the character or quality of the goods or services;
- the working conditions under which the goods have been produced or the services performed;

- the class of persons who have produced the goods or performed the services; or
- the area within which the goods have been produced or the services performed.

## 2.2.2 CLAUSE 9: NEW HEADING BEFORE SECTION 7, “UNFAIR COMPETITION AND PROHIBITED SIGNS”

Clause 9 replaces the heading before section 7, which currently reads “Unfair Competition and Prohibited Marks,” with “Unfair Competition and Prohibited Signs,” to reflect the amendments made to the words “mark” and “sign” in the Act.

## 2.2.3 CLAUSE 10: REPEAL OF SUBSECTION 7(E) CONCERNING HONEST INDUSTRIAL OR COMMERCIAL USAGE IN CANADA

Clause 7 of Bill C-56 repeals paragraph 7(e) of the *Trade-marks Act*. This provision, which appears in the part of the Act relating to unfair competition and prohibited marks, provides that no person shall “do any other act or adopt any other business practice contrary to honest industrial or commercial usage in Canada.” In 1976, the Supreme Court of Canada held, in *MacDonald v. Vapor Canada Ltd.*,<sup>26</sup> that paragraph 7(e) was unconstitutional because it concerned contractual practices, which fall under the power in relation to property and civil rights assigned to the provinces in subsection 92(13) of the *Constitution Act, 1867*. In 2005, in *Kirkbi AG v. Ritvik Holdings Inc.*,<sup>27</sup> the Supreme Court had to rule on the constitutionality of paragraph 7(b) of the *Trade-marks Act* and concluded that it “is sufficiently integrated into the federal scheme and, in this respect, is significantly different from s. 7(e)” and therefore lies within the federal government’s legislative competence.<sup>28</sup> In its ruling, the Court also reaffirmed its position in *MacDonald v. Vapor Canada Ltd.* in which it struck down paragraph 7(e) “on the ground that it was unrelated to trade or to trade-marks, or other forms of intellectual property subject to federal legislative authority.”<sup>29</sup>

## 2.2.4 CLAUSE 15: NEW SECTION 12 CONCERNING WHEN TRADEMARKS ARE REGISTRABLE

Clause 15 of Bill C-56 amends section 12 of the *Trade-marks Act*, which concerns when trademarks are registrable. Current subsection 12(2) of the *Trade-marks Act* is replaced by new subsection 12(2), which provides:

A trade-mark is not registrable if, in relation to the goods or services in association with which it is used or proposed to be used, its features are dictated primarily by a utilitarian function.

Subclause 15(4) of the bill also adds new subsection 12(3), which reproduces current subsection 12(2) but adds, among other things, that a trademark that would not be registrable by reason of paragraph 12(1)(a) or paragraph 12(1)(b) is still registrable if it is distinctive at the filing date of an application for its registration, having regard to all the circumstances of the case, including the length of time during which it has been used.

## 2.2.5 CLAUSE 16: REPEAL OF SECTION 13 CONCERNING REGISTRATION OF A DISTINCTIVE SIGN

Clause 16 of Bill C-56 repeals section 13 of the *Trade-marks Act*. This provision concerns the registration of a distinctive sign, a concept that is eliminated from the Act by the bill. As discussed earlier, the definition of “distinctive sign” is repealed by subclause 7(2) of the bill and a new definition of “sign” is added in subsection 7(5). The new concept will now appear in the other definitions and provisions of the Act.

## 2.2.6 CLAUSE 20: NEW SECTION 18.1 CONCERNING UNREASONABLY LIMITING THE DEVELOPMENT OF ANY ART OR INDUSTRY

Clause 20 of Bill C-56 adds a new section 18.1 to the *Trade-marks Act* that provides:

The registration of a trade-mark may be expunged by the Federal Court on the application of any interested person if the Court decides that the registration is likely to unreasonably limit the development of any art or industry.

The power granted to the Federal Court is currently found in subsection 13(3) of the Act concerning registration of a distinctive sign. As discussed earlier, section 13 of the Act is repealed by clause 16 of the bill and the definition of “distinctive sign” is repealed by subclause 7(2) of the bill.

## 2.2.7 CLAUSE 21: NEW SECTION 19.1 CONCERNING PROHIBITIONS ON GOODS, LABELS AND PACKAGING

Bill C-56 makes it illegal to make, import, export or possess counterfeit labels. In the documents provided when the bill was introduced, the government explains that some counterfeiters have developed a practice where they import the goods and the trademarks appearing on labels separately, instead of importing goods with counterfeit trademarks already attached to them.<sup>30</sup> Once the goods arrive in Canada, the labels are attached.

Clause 21 of Bill C-56 adds to the *Trade-marks Act* new section 19.1, which provides prohibitions concerning goods, labels and packaging. Subsection 19.1(1) provides that a person shall not manufacture, cause to be manufactured, possess, import, export or attempt to export any goods, for the purpose of their sale or distribution, if:

- the goods, or their labels or packaging, bear a trademark that is identical to or would create confusion with a trademark registered for such goods;
- the owner of the registered trademark has not consented to having the goods, labels or packaging bear the trademark; and
- the sale or distribution of the goods would be contrary to the *Trade-marks Act*.

The second subsection of section 19.1 provides the same prohibition in relation to any label or packaging, in any form, for the purpose of its sale or distribution or for the purpose of the sale, distribution or advertisement of goods or services in association with it, if:

- the label or packaging bears a trademark that is identical to or could be confused with a registered trademark;
- the person knows or ought to know that the label or packaging is intended to be associated with goods or services for which that registered trademark is registered;
- the owner of that registered trademark has not consented to having the label or packaging bear the trademark; and
- the sale, distribution or advertisement of the goods or services in association with the label or packaging would be contrary to the *Trade-marks Act*.

Subsection 19.1(3) provides that a person shall not sell, offer for sale or distribute any label or packaging, in any form, if:

- the label or packaging bears a trademark that is identical to or could be confused with a registered trademark;
- the person knows or ought to know that the label or packaging is intended to be associated with goods or services for which that registered trade-mark is registered;
- the owner of that registered trademark has not consented to having the label or packaging bear the trademark; and
- the sale, distribution or advertisement of the goods or services in association with the label or packaging would be contrary to the *Trade-marks Act*.

#### 2.2.8 CLAUSE 22: NEW SUBSECTION 20(1.1) CONCERNING AN EXCEPTION FOR A UTILITARIAN FEATURE

Clause 22 adds to the *Trade-marks Act* new subsection 20(1.1), which provides a new exception to infringement of a registered trademark for the exclusive use of that trademark: “The registration of a trademark does not prevent a person from using any utilitarian feature embodied in the trade-mark.”

#### 2.2.9 CLAUSE 28: NEW SECTIONS 28, 29 AND 29.1 CONCERNING THE TRADEMARKS REGISTER

Clause 28 of Bill C-56 replaces current sections 28 and 29 of the *Trade-marks Act* with new sections 28, 29 and 29.1. Current sections 26 to 29 comprise the part of the *Trade-marks Act* that deals with the trademarks register. The register, which is kept under the supervision of the Registrar of Trade-marks appointed by the Governor in Council under section 63, includes all the information required by the Act concerning a registered trademark.

New subsection 29(1)(a) provides, among other things, that the trademarks register shall be made available to the public on the terms and in the manner established by the Registrar. New section 29.1 provides that despite subsection 29(1), which lists the material to be made available to the public on the terms and in the manner established by the Registrar, the Registrar may destroy certain applications and certain documents six years after they are refused, abandoned, expunged or declared invalid.

## 2.2.10 CLAUSE 31: NEW SECTIONS 31 AND 32 CONCERNING CIRCUMSTANCES ESTABLISHING THAT A TRADEMARK IS DISTINCTIVE

Clause 31 of Bill C-56 adds, among other things, a new section 32 to the *Trade-marks Act* that provides the circumstances in which, at the request of the Registrar, an applicant must furnish to the Registrar any evidence that the Registrar requires establishing that the trademark is distinctive at the filing date of the application for registration of the trademark. Those circumstances are:

- the applicant claims that the trademark is registrable under new subsection 12(3) of the *Trade-marks Act*;
- the Registrar's preliminary view is that the trademark is not inherently distinctive;
- the trademark consists exclusively of a single colour or of a combination of colours without delineated contours;
- the trademark consists exclusively or primarily of one or more of the following:
  - the three-dimensional shape of any of the goods specified in the application, or of an integral part or the packaging of any of those goods;
  - a mode of packaging goods;
  - a sound;
  - a scent;
  - a taste;
  - a texture;
  - any other prescribed sign.

## 2.2.11 CLAUSE 32: NEW SECTION 33 CONCERNING THE DATE OF THE APPLICATION FOR REGISTRATION OF A TRADEMARK

Current section 33 of the *Trade-marks Act* provides:

Every trade union or commercial association that applies for the registration of a trade-mark may be required to furnish satisfactory evidence that its existence is not contrary to the laws of the country in which its headquarters are situated.

Clause 32 of Bill C-56 replaces that provision with new section 33 which provides, among other things, that the filing date of an application for the registration of a trademark in Canada is the date on which the Registrar has received all of the following:

- an explicit or implicit indication that the registration of the trademark is sought;
- information allowing the identity of the applicant to be established;
- information allowing the Registrar to contact the applicant;
- a representation or description of the trademark;
- a list of the goods or services for which registration of the trademark is sought;
- any prescribed fees.



## 2.2.12 CLAUSE 36: NEW SECTION 39.1 CONCERNING DIVISIONAL APPLICATIONS

Clause 36 of Bill C-56 adds new section 39.1 to the *Trade-marks Act*. The new provision adds the concept of divisional application to this part of the Act, which deals with applications for registration of trademarks. A divisional application is a separate application from the corresponding original application and may itself be subdivided. Among other things, the first subsection of new section 39.1 allows an applicant who has made an original application for registration of a trademark, after filing that application, to limit it to one or more of the goods or services that were within its scope and file a divisional application for the registration of the same trademark in association with any other goods or services that were within the scope of the original application.

## 2.2.13 CLAUSE 42: NEW PART – “OFFENCES AND PUNISHMENTS”

Clause 42 of Bill C-56 creates a new part entitled “Offences and Punishments” by adding new section 51.01 to the *Trade-marks Act*. New subsection 51.01(1) adds the offence of selling or offering for sale, or distributing on a commercial scale, any goods in association with a trademark, knowing that:

- the trademark is identical to, or cannot be distinguished in its essential aspects from, a trademark already registered for such goods;
- the owner of the registered trademark has not consented to the sale, offering for sale, or distribution of the goods in association with the trademark; and
- the sale or distribution of the goods in association with the trademark would be contrary to section 19 or section 20 of the *Trade-marks Act*, both of which deal with the rights accorded by registering a trademark.

New subsection 51.01(2) adds the offence of manufacturing, causing to be manufactured, possessing, importing, exporting or attempting to export any goods, for the purpose of their sale or of their distribution on a commercial scale, knowing that the listed circumstances are met. New subsection 51.01(3) adds the offence of selling or advertising services in association with a trademark, knowing that the listed circumstances are met. The circumstances mentioned in new subsections 51.01(2) and 51.01(3) are essentially the same as the circumstances listed in new subsection 51.01(1).

New subsection 51.01(4) adds the offence of manufacturing, causing to be manufactured, possessing, importing, exporting or attempting to export any label or packaging, in any form, for the purpose of the sale, distribution on a commercial scale or advertisement of the label or packaging or of goods or services associated with it, knowing that

- the label or packaging bears a trademark that is identical to, or that cannot be distinguished in its essential aspects from, a registered trademark;
- the label or packaging is intended to be associated with goods or services for which that registered trademark is registered;

- the owner of the registered trademark has not consented to having the label or packaging bear the trademark; and
- the sale, distribution or advertisement of the goods or services in association with the label or packaging would be contrary to section 19 or section 20 of the *Trade-marks Act*.

New subsection 51.01(5) adds the offence of selling or offering for sale, or distributing on a commercial scale, any label or packaging, in any form, knowing that the listed circumstances are met. Those circumstances are essentially the same as are listed in new subsection 51.01(4).

With respect to the preceding provisions, new subsection 51.01(6) provides for punishments corresponding to those provided in section 42 of the *Copyright Act* for the offences listed in that section. For example, new subsection 51.01(6) provides that every person who commits an offence under any of subsections 51.01(1) to 51.01(5) is liable

- on conviction on indictment, to a maximum fine of \$1 million or to imprisonment for a maximum term of five years or to both; or
- on summary conviction, to a maximum fine of \$25,000 or to imprisonment for a maximum term of six months or to both.

New subsection 51.01(7) provides that proceedings by way of summary conviction for an offence under section 51.01 may be instituted no later than two years after the day on which the subject-matter of the proceedings arose.

New subsection 51.01(8) gives the court before which any proceedings for an offence under section 51.01 are taken the power, on a finding of guilt, to order that any goods, labels, or packaging in respect of which the offence was committed, any equipment used to manufacture them and any advertising materials relating to the goods be destroyed or otherwise disposed of.

New subsection 51.01(9) provides that before making an order for the destruction or other disposition of equipment under subsection 51.01(8), the court shall require that notice be given to the owner of the equipment and to any other person who, in the opinion of the court, appears to have a right or interest in the equipment, unless the court is of the opinion that the interests of justice do not require that the notice be given.

## 2.2.14 CLAUSE 43: NEW PART – “IMPORTATION AND EXPORTATION”

Clause 43 of Bill C-56 creates a new part entitled “Importation and Exportation,” by adding new sections 51.02 to 51.12 to the *Trade-marks Act*.

New section 51.02 adds the definitions of “customs officer”; “Minister,” meaning the Minister of Public Safety and Emergency Preparedness “; “relevant registered trademark”; and “working day,” all of which apply to new sections 51.03 to 51.12. These new sections reproduce the spirit of new sections 44.01 to 44.12, which are added to the *Copyright Act* by clause 5 of Bill C-56, and applies them to the *Trade-marks Act*.

New subsection 51.03(1) provides that goods shall not be imported or exported if the goods or their labels or packaging bear – without the consent of the owner of a registered trademark for such goods – a trademark that is identical to, or that cannot be distinguished in its essential aspects from, the registered trademark.

New subsection 51.03(2) provides that subsection (1) does not apply if

- the trademark was applied with the consent of the owner of the trademark in the country where it was applied;
- the sale or distribution of the goods in question or, in the case of a trademark on the goods' labels or packaging, the sale or distribution of the goods in association with the labels or packaging, would not be contrary to the *Trade-marks Act*;
- the goods are imported or exported by an individual who has them in his or her possession or baggage and the circumstances, including the number of goods, indicate that the goods are intended only for his or her personal use; or
- the goods, while being shipped from one place outside Canada to another, are in customs transit control or customs transshipment control in Canada.

New subsection 51.03(3) provides that a contravention of the prohibition provided in new subsection 51.03(1) does not give rise to a remedy under section 53.2, which grants the court the power to make any order that it considers appropriate if it is satisfied, on application of any interested person, that any act has been committed contrary to the *Trade-marks Act*.

New section 51.04 provides that the owner of a registered trademark may file with the Minister a request for assistance in pursuing remedies under the *Trade-marks Act* with respect to goods imported or exported in contravention of new section 51.03, and the form and manner in which the request is to be made.

New sections 51.05 to 51.09 contain measures relating to detained goods and deal with the disclosure of information that may be made between a customs officer and an owner of a registered trademark.

New section 51.05 provides that a customs officer who is detaining goods under section 101 of the *Customs Act* may, at the officer's discretion and in order to obtain information about whether the importation or exportation of the goods is prohibited (under new section 51.03), provide the owner of a relevant registered trademark with a sample of the goods and with information about the goods. The customs officer may provide that information only if he or she reasonably believes that it does not directly or indirectly identify any person.

New subsection 51.06(1) provides that a customs officer who is detaining goods under section 101 of the *Customs Act* and who has reasonable grounds to suspect that the importation or exportation of the goods is prohibited (under new section 51.03) may, at the officer's discretion, provide the owner of the trademark with a sample of the goods and with information about the goods that could assist the trademark owner in pursuing a remedy under the *Trade-marks Act*. The customs officer may provide the sample or information in question only if the trademark owner

provides a request for assistance with respect to the relevant registered trademark that has been accepted by the Minister.

New subsection 51.06(2) establishes criteria for detention and, subject to subsection 51.06(3), provides that the customs officer shall not detain, for the purpose of enforcing section 51.03, the goods for more than 10 working days – or, if the goods are perishable, for more than five days – after the day on which the customs officer first sends or makes available to the owner of the relevant registered trademark a sample or information under subsection 51.06(1). At the request of the trademark owner made while the goods are detained for the purpose of enforcing section 51.03, the customs officer may, having regard to the circumstances, detain non-perishable goods for one additional period of not more than 10 working days.

New subsection 51.06(3) provides that if, before the goods are no longer detained for the purpose of enforcing section 51.03, the owner of the relevant registered trademark has provided the Minister with a copy of a document filed with a court commencing proceedings to obtain a remedy under the *Trade-marks Act* with respect to the detained goods, the customs officer shall continue to detain them until the Minister is informed in writing that

- the proceedings are finally disposed of, settled or abandoned;
- a court directs that the goods are no longer to be detained for the purpose of the proceedings; or
- the trademark owner consents to the goods no longer being so detained.

New subsection 51.06(4) provides that the occurrence of any of the events referred to in subsection 51.06(3) does not preclude a customs officer from continuing to detain the goods under the *Customs Act* for a purpose other than with respect to the proceedings.

New subsection 51.07(1) provides that a person who receives a sample or information that is provided under section 51.05 shall not use the information, or information that is derived from the sample, for any purpose other than to give information to the customs officer about whether the importation or exportation of the goods is prohibited under section 51.03.

Similarly, new subsection 51.07(2) provides that a person who receives a sample or information that is provided under subsection 51.06(1) shall not use the information, or information that is derived from the sample, for any purpose other than to pursue remedies under the *Trade-marks Act*.

New section 51.08 provides that the customs officer may – at the officer's discretion – give the owner of a relevant registered trademark and the owner, importer, exporter and consignee of the detained goods an opportunity to inspect a sample or information that has been given under subsection 51.06(1).

New section 51.09 imposes on the owner of a relevant registered trademark who has received a sample or information under subsection 51.06(1) the obligation to pay “Her Majesty in right of Canada,” that is, the government, the charges for storing and

handling the detained goods – and, if applicable, the charges for destroying them – and provides for the manner in which that obligation may be discharged.

New section 51.1 provides that “Her Majesty” and the customs officer are not liable for any loss or damage suffered in relation to the enforcement or application of sections 51.03 to 51.06 and 51.08 because of

- the detention of goods, except if the detention contravenes subsection 51.06(2);
- the failure to detain goods; or
- the release or cessation of detention of any detained goods, except if the release or cessation contravenes subsection 51.06(3).

New sections 51.11 and 51.12 concern the powers of the court relating to detained goods. New section 51.11 provides the powers given to the court concerning the conditions that may be imposed in the proceedings referred to in subsection 51.06(3).

New section 51.12 provides that, if the proceedings are dismissed or discontinued, the court may award damages against the owner of a relevant registered trademark who commenced proceedings referred to in subsection 51.06(3) to the owner, importer, exporter or consignee of the goods who is a party to the proceedings. The damages may be awarded for losses, costs or prejudice suffered as a result of the detention of the goods.

#### 2.2.15 CLAUSE 44: REPEAL OF THE DEFINITION OF “RELEASE,” AND CLAUSE 53: REPLACEMENT OF “WARES” BY “GOODS”

Clause 44 of Bill C-56 repeals the definition of “release” that currently appears in section 52 of the *Trade-marks Act*, which simply refers to the meaning in the *Customs Act*. Subclause 7(6) of the bill adds a new definition of “release” that refers specifically to subsection 2(1) of the *Customs Act*, which defines that term as meaning:

- in respect of goods, to authorize the removal of the goods from a customs office, sufferance warehouse, bonded warehouse or duty free shop for use in Canada, and
- in respect of goods to which paragraph 32(2)(b) applies, to receive the goods at the place of business of the importer, owner or consignee.

In addition, paragraph 32(2)(b) of the *Customs Act* provides:

- In prescribed circumstances and under prescribed conditions, goods may be released prior to the accounting required under subsection (1) if ...
- (b) the goods have been authorized by an officer or by any prescribed means for delivery to, and have been received at, the place of business of the importer, owner or consignee of the goods.

In French, this new definition creates a problem of concordance between the *Trade-marks Act* and the *Customs Act*. This is because the French term for “goods” – “*marchandises*” – appears in the French version of the definition in the *Customs Act* provided above, but “*marchandises*” is repealed by subclause 7(1) of Bill C-56,

and replaced, through clause 53, by “*produits*” in the *Trade-marks Act*. A number of technical amendments in the bill stem from that replacement.

#### 2.2.16 CLAUSE 49: NEW SECTION 64 CONCERNING THE ELECTRONIC FORM AND MEANS OF COMMUNICATING WITH THE REGISTRAR

Clause 49 of Bill C-56 replaces current section 64 of the *Trade-marks Act*, which deals with the manner in which information is to be published by the Registrar. New subsection 64(1) provides that subject to the regulations, any document, information or fee that is provided to the Registrar under the *Trade-marks Act* may be provided in any electronic form, and by any electronic means, that is specified by the Registrar.

New subsection 64(2) adds that subject to the regulations, the Registrar may use electronic means to create, collect, receive, store, transfer, distribute, publish, certify or otherwise deal with documents or information.

New subsection 64(3) adds the clarification that “electronic,” in reference to a form or means, includes optical, magnetic and other similar forms or means.

#### 2.2.17 CLAUSES 51 AND 52: NEW SECTIONS 69 TO 72, “TRANSITIONAL PROVISIONS,” AND REPEAL OF SECTION 69

Clause 51 of Bill C-56 replaces the “transitional provision” currently in force in section 69 of the *Trade-marks Act* with the new part entitled “Transitional Provisions,” consisting of new sections 69 to 72. Clause 52 of Bill C-56 repeals section 69 of the *Trade-marks Act*.<sup>31</sup>

Clauses 51 and 52 of Bill C-56 must be read together with clause 63, which provides for the coming into force of various provisions in the bill (see section 2.5, “Coming into Force,” in this Legislative Summary). As clause 51 is not included in the exceptions in clause 63 of Bill C-56, it comes into force on a day to be fixed by order of the Governor in Council under subclause 63(1).

Clause 52 also comes into force on a day to be fixed by order of the Governor in Council under subclause 63(3), but that day will not necessarily be the same as that for the coming into force of clause 51. This means that, when it comes into force, and according to the order of the coming into force of the various provisions in the bill as determined by the dates provided for in the orders, clause 52 of Bill C-56 will repeal section 69 of the *Trade-marks Act* that is then in force.

#### 2.3 TRANSITIONAL PROVISION (CLAUSE 57)

Clause 57 of Bill C-56 provides that the Registrar of Trade-marks may amend the trademarks register to reflect the amendments made to the *Trade-marks Act* by the bill.

## 2.4 CONSEQUENTIAL AMENDMENTS (CLAUSES 58 TO 62)

Clauses 58 to 62 of Bill C-56 make consequential amendments to the *Access to Information Act*, the *Criminal Code*, the *Customs Act* and the *Olympic and Paralympic Marks Act*.

Clause 59 amends, in section 183 of the *Criminal Code*, the definition of “offence,” which applies to Part VI of the Code relating to invasion of privacy, by adding references to new section 42 of the *Copyright Act* and new section 51.01 of the *Trade-marks Act* to the list of offences in that section. The effect of the addition is to enable police to seek judicial authorization to intercept private communications in investigations relating to those offences.

## 2.5 COMING INTO FORCE (CLAUSE 63)

Subsection 63(1) provides that, subject to subsections 63(2) and 63(3), the provisions of the bill – other than sections 1, 3 and 4; subsections 7(1) and 7(1)(4); sections 10, 11 and 14; subsection 15(2); sections 19, 21, 25 and 26; subsection 37(2); and sections 42, 45, 46, 53, 54, 56, 59, 61 and 62 – come into force on a day or days to be fixed by order of the Governor in Council. This means that the enumerated provisions come into force on the date on which the bill receives Royal Assent.<sup>32</sup>

Subsection 63(2) provides that sections 2, 5 and 6, subsection 7(6) and sections 43, 44 and 60 come into force on a day to be fixed by the Governor in Council. Finally, subsection 63(3) provides that sections 52 and 58 come into force on a day to be fixed by the Governor in Council.

## 3 COMMENTARY

On the same day as Bill C-56 was introduced in the House of Commons, the United States government published a report inviting its trading partners to ensure that the Anti-Counterfeiting Trade Agreement (ACTA) comes into force as quickly as possible. In the report, the United States government also urged Canada to meet its obligations under ACTA:

The United States continues to encourage Canada to provide for deterrent level sentences to be imposed for IPR [Intellectual Property Rights] violations, as well as meet its Anti-Counterfeit Trade Agreement (ACTA) obligations by providing its customs officials with *ex officio* authority to stop the transit of counterfeit and pirated products through its territory.<sup>33</sup>

However, only Japan has ratified the agreement to date.

Michael Geist, a professor at the University of Ottawa, notes that within a few days of its introduction in the House of Commons, Bill C-56 was under attack from both the opposition parties and the public.<sup>34</sup> For example, MP Charmaine Borg accused the government of trying to get ACTA into Canadian legislation “through the backdoor.”<sup>35</sup> According to Professor Geist, the questions raised about Bill C-56 are twofold: the substance of the bill and the implementation of ACTA.<sup>36</sup>

First, regarding the substance of Bill C-56, the fears expressed relate, in particular, to the decision to give customs officers new powers not subject to oversight by the courts. As Professor Geist points out, customs officers are not experts in intellectual property, but the bill gives them the power to determine whether exceptions to the *Copyright Act* apply, determinations that are often difficult enough for the courts to make, complex as they are.<sup>37</sup> According to some commentators,<sup>38</sup> the new border provisions are inspired by the World Customs Organization's model provisions.<sup>39</sup>

Second, Professor Geist believes that the apparent intention of implementing ACTA via Bill C-56 is the factor that has prompted the most negative reaction. In his opinion, the main objective of the bill is to respond to pressure from the United States, in spite of the fact that most of Canada's trading partners have not ratified the agreement or have flatly rejected it, as in the case of the European Union.<sup>40</sup> The United States itself has not ratified the agreement.

On the other hand, some commentators, particularly those working with law firms and groups representing businesses that are affected by counterfeiting, have welcomed Bill C-56.<sup>41</sup> For example, Brian P. Isaac and Philip Lapin, lawyers who specialize in intellectual property, believe that:

debate on the proposed *Combating Counterfeit Products Act* ("CCPA") should not concentrate on whether it is compliant with the Anti-Counterfeiting Trade Agreement ("ACTA") or other international treaties, but instead whether it provides effective measures for addressing the problem of black market distribution of goods bearing counterfeit trade-marks and pirated copyright works (collectively "counterfeits") in Canada.<sup>42</sup>

In their view:

The CCPA is an important bill that should be passed. However, significant improvements could be made, in particular to the proposed border measures. We hope that there will be robust debate, appropriate amendment, and passage of the bill into law during the current session of parliament.<sup>43</sup>

Barry Sookman, a lawyer specializing in intellectual property and author, believes that:

Given the indisputable focus of the legislation on curbing commercial scale counterfeiting and its goal of protecting the health and safety of consumers and others, one would expect support for the Bill to be widespread.<sup>44</sup>

Because Bill C-56 has sparked conflicting opinions and because it draws largely on the recommendations in the recent report of the House of Commons Standing Committee on Industry, Science and Technology on the intellectual property regime in Canada,<sup>45</sup> its study by the committee and the amendments that may follow will likely lead to the vigorous debate hoped for by some commentators.



## NOTES

1. [Bill C-56: An Act to amend the Copyright Act and the Trade-marks Act and to make consequential amendments to other Acts](#), 1<sup>st</sup> Session, 41<sup>st</sup> Parliament (first reading version, 1 March 2013).
2. House of Commons, [Debates](#), 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 12 June 2013, 2445.
3. [Copyright Act](#), R.S.C., 1985, c. C-42.
4. [Trade-marks Act](#), R.S.C., 1985, c. T-13.
5. [Criminal Code](#), R.S.C., 1985, c. C-46.
6. [Bill C-11: An Act to amend the Copyright Act](#), 1<sup>st</sup> Session, 41<sup>st</sup> Parliament. For more information on Bill C-11, see Dara Lithwick and Maxime-Olivier Thibodeau, [Legislative Summary of Bill C-11: An Act to amend the Copyright Act](#), Publication no. 41-1-C11-E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 20 April 2012.
7. [Copyright Modernization Act: Order Fixing Various Dates as the Dates on which Certain Provisions of the Act Come into Force](#), SI/2012-85, 7 November 2012.
8. World Intellectual Property Organization [WIPO], [WIPO Copyright Treaty](#), 1996.
9. WIPO, [WIPO Performances and Phonograms Treaty](#), 1996.
10. House of Commons, [Debates](#), 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 12 June 2013, 1545. In the [Explanatory Memorandum on the World Intellectual Property Organization Performances and Phonograms Treaty](#), Canada states its intention to “make 3 notifications under the WIPO Performances and Phonograms Treaty to ensure that its domestic copyright regime is compliant with its Treaty obligations.” The first two notifications are similar to those made by Canada pursuant to the *International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations* (Rome Convention). Under the first notification, Canada “will not apply the criterion of fixation with regards to the exclusive rights for producers of phonograms.” Under the second, Canada “will not apply the criterion of publication with regards to the right to remuneration for broadcasting and communications to the public.” Thirdly, Canada intends to declare that the right to equitable remuneration provided for in section 19 of the *Copyright Act* does not apply to any retransmission.
11. Michael Geist, “[Canada Moves Forward with WIPO Internet Treaty Ratification But It Likely Won’t Be Final Until 2014](#),” 14 June 2013. See also Government of Canada, Canada Treaty Information, [Policy on Tabling of Treaties in Parliament](#).
12. Industry Canada, “[Combating Counterfeit Products Coming into Canada](#),” *Frequently Asked Questions*. See also other Industry Canada documents related to Bill C-56: “[Harper Government Protecting Canadians from Counterfeit Goods](#),” News release, 1 March 2013; “[Combating Counterfeit Products Coming into Canada](#),” Background; [What the Combating Counterfeit Products Act Means](#), Fact sheet; [What the Combating Counterfeit Products Act Means for Consumers and the Public](#), Fact sheet; and [What the Combating Counterfeit Products Act Means for Business Innovation](#), Fact sheet.
13. Industry Canada, “Combating Counterfeit Products Coming into Canada,” *Frequently Asked Questions*.

14. Ibid. See also House of Commons, Standing Committee on Industry, Science and Technology (INDU), [Intellectual Property Regime in Canada](#), March 2013; and House of Commons, Standing Committee on Public Safety and National Security, [Counterfeit Goods in Canada – A Threat to Public Safety](#), May 2007. In addition, see the [Government Response to the Third Report of the House of Commons Standing Committee on Industry, Science and Technology, “Intellectual Property Regime in Canada,”](#) June 2013, in which the government explains how it believes Bill C-56 responds to the recommendations in the report on counterfeiting.
15. Industry Canada, “Combating Counterfeit Products Coming into Canada,” Background.
16. Industry Canada, “Combating Counterfeit Products Coming into Canada,” *Frequently Asked Questions*.
17. Industry Canada (2013), “Harper Government Protecting Canadians from Counterfeit Goods.”
18. [Anti-Counterfeiting Trade Agreement](#) [ACTA].
19. Foreign Affairs and International Trade Canada, [Anti-Counterfeiting Trade Agreement \(ACTA\): History of Negotiations and Relevant Documents](#).
20. ACTA, Article 39. The participants in its negotiation are Australia, the Republic of Austria, the Kingdom of Belgium, the Republic of Bulgaria, Canada, the Republic of Cyprus, the Czech Republic, the Kingdom of Denmark, the Republic of Estonia, the European Union, the Republic of Finland, the French Republic, the Federal Republic of Germany, the Hellenic Republic, the Republic of Hungary, Ireland, the Italian Republic, Japan, the Republic of Korea, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, the Republic of Malta, the United Mexican States, the Kingdom of Morocco, the Kingdom of the Netherlands, New Zealand, the Republic of Poland, the Portuguese Republic, Romania, the Republic of Singapore, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain, the Kingdom of Sweden, the Swiss Confederation, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.
21. European Parliament, [ACTA before the European Parliament](#), 4 July 2012.
22. [“Is the ACTA Internet piracy treaty, which inspired street protests in Europe, going to get quietly passed in Canada?”](#), *National Post* [Toronto], 4 March 2013.
23. ACTA, Article 40.
24. Foreign Affairs and International Trade Canada, *Anti-Counterfeiting Trade Agreement*.
25. Ibid.
26. [MacDonald v. Vapor Canada Ltd.](#), [1977] 2 S.C.R. 134.
27. [Kirkbi AG v. Ritvik Holdings Inc.](#), [2005] 3 S.C.R. 302.
28. Ibid., para. 36.
29. Ibid., para. 34.
30. Industry Canada, *What the Combating Counterfeit Products Act Means for Consumers and the Public*.
31. Current section 69 of the *Trade-marks Act* that is replaced by clause 51 of Bill C-56 provides:

An application for the registration of a trade-mark filed before this section comes into force shall not be refused by reason only that subsection 50(1) deems the use, advertisement or display of the trade-mark by a licensed entity always to have had the same effect as a use, advertisement or display of the trade-mark by the owner.

New section 69 of the *Trade-marks Act* pursuant to clause 51 of Bill C-56 reads as follows:

The disclosure of documents – on which entries in the register to be kept under paragraph 26(1)(b), as it read immediately before the day on which subsection 27(1) of the *Combating Counterfeit Products Act* comes into force, are based – is subject to subsection 50(6), as it read on June 8, 1993.

32. [Interpretation Act](#), R.S.C., 1985, c. I-21, s. 5.
33. Office of the United States Trade Representative, [2013 Trade Policy Agenda and 2012 Annual Report of the President of the United States on the Trade Agreements Program](#), pp. 139–140.
34. Michael Geist, “[Anti-counterfeiting bill spurs legitimate concerns](#),” *Ottawa Citizen*, 12 March 2013.
35. House of Commons, [Debates](#), 1<sup>st</sup> Session, 41<sup>st</sup> Parliament, 4 March 2013, 1450.
36. Geist (12 March 2013).
37. Ibid.
38. Brian P. Isaac and Philip Lapin, “[An analysis of Canada’s proposed Combating Counterfeit Products Act \(Bill C-56\)](#),” Smart & Biggar Fetherstonhaugh, 25 March 2013; and Barry Sookman, “[The Combating Counterfeit Products Act](#),” 4 March 2013.
39. World Customs Organization, [Model Provisions for National Legislation to Implement Fair and Effective Border Measures Consistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights](#).
40. Geist (12 March 2013); see also European Parliament (2012).
41. See, for example, Electro-Federation Canada, “[EFC Welcomes Introduction of the Combating Counterfeit Products Act](#),” News release, 17 March 2013; Canadian Chamber of Commerce, “[We Welcome New Legislation Aimed at Tackling Counterfeit and Pirated Products](#),” News release, 1 March 2013; Food and Consumer Products of Canada, “[Anti-counterfeit legislation welcomed by consumer packaged goods manufacturers](#),” News release, 1 March 2013; and Canadian Anti-Counterfeiting Network, “[CACN Welcomes Introduction of Anti-Counterfeiting Legislation](#),” News release, 4 March 2013.
42. Isaac and Lapin (2013).
43. Ibid.
44. Sookman (2013).
45. INDU (2013).