# NEW OPPOSITION PROCEDURES COME INTO FORCE

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Under Canadian law, a trademark application may be opposed by any person interested prior to the registration of the application. Opposition proceedings are prosecuted before the Registrar at the Opposition Board, although any decision of the Registrar is subject to appeal before the Federal Court of Canada.

While a number of oppositions do progress through to the Registrar's decision, a large number tend to be settled before then. In recognition of a possible settlement, over the years, the Board has generally allowed for a suspension of an opposition at any stage of the proceedings, with the filing of numerous extension requests by any party, provided the other party consented and the appropriate filing fee was paid.

While parties generally make every effort to complete settlement negotiations in a timely fashion, progress can be hindered or delayed by circumstances that may be beyond the control of the parties involved. A settlement agreement must address the rights of the parties in a number of jurisdictions and, of course, there is always the issue of how far any one party is willing to compromise in order to get on with their business operations. Because of these inherent delays, which would affect a successful completion of settlement negotiations, there have been some instances where an application may be suspended in opposition for up to 10 years, or more.

Ultimately, the Board recognises that the rights of the parties to an opposition must be weighed against the public interest at large, since an application suspended in opposition can ultimately create a backlog in the progress of numerous third-party applications in all areas of prosecution.

In 2007, the Canadian Trade-marks Office set out to change this 'abuse' of process, by the introduction of new rules of practice for Trade-mark Opposition Proceedings. The overall opposition procedures themselves are governed by the Trade-marks Act and the Trade-marks Rules and Regulations, and these did not change. What did change, however, were the allowable extensions of time available to any party in an opposition proceedings. Granting extensions of time has always been at the discretion of the Board, and it was now prepared to assert its position in a new and profound way.

This initial venture by the Board in flexing its discretionary muscle did not go completely smoothly, however—not only on the part of the opposing parties and practitioners, but also with the Board staff.

Under the new rules of practice, any extension of time, even with the other party's consent, required "exceptional circumstances" before the Board would grant it. Details of the actual settlement negotiations were often required and the extensions granted were relatively short. And because all "exceptional circumstances" requests needed to be reviewed by the small

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number of hearing officers available, it was not long before the Board was facing a severe backlog of files requiring discretionary decisions on extension requests alone. A party was often faced with the need to file a second or third extension request, when it had yet to receive the Board's decision on whether the previous extension request was going to be granted.

Luckily, after further consultation with the public, including trademark practitioners and trademark owners, the Opposition Board has issued a new set of Rules of Practice effective as of March 31, 2009. These new Rules of Practice attempt to balance the need for a reasonable time frame for successful settlement negotiations with the needs of the public for a timely conclusion of any opposition proceedings.

Under the new Rules of Practice, the Opposition Board is allowing each party the option of requesting a single nine-month extension of time, amounting to a cooling-off period of a maximum of 18 months in total. The parties do not need to provide minute details of settlement negotiations in their extension request, only confirmation that settlement negotiations have been initiated and that the other party consents. The opponent of this special extension request either before the filing of its Statement of Opposition or before its evidence in chief. The applicant can file its special extension request either before the filing of its counterstatement or before its evidence in chief.

While most practitioners and trademark owners would agree that any extension request based on settlement negotiations should be allowable at any stage of opposition, this new practice adopted by the Board is still a great improvement over the previous practice adopted in 2007. And provided applicants and opponents are made aware in advance of their options and limitations for settlement negotiations when dealing with a potential opposition, it is to be hoped that all parties can work reasonably well within the framework of the new Rules of Practice.

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