

Designs 2015

Canada
Natalie Raffoul
Clancy PC + Brion Raffoul

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Author
Natalie Raffoul

Legal framework

In Canada, industrial designs are regulated under the Industrial Design Act, as well as the Industrial Design Regulations. In terms of international legislation, Canada is a signatory to the Paris Convention, which also deals with designs. However, as Canada is a dualist country, international laws are not directly applicable until translated into national law.

Unregistered designs

Unregistered designs are afforded no protection in Canada. Unless a design is registered, its owner cannot make a legal claim of ownership and there is no legal protection to prevent others from making, importing or selling any article to which the design is applied.

Registered designs

Who can apply for a design?

Only the owner of a design may register it in Canada. Usually, the creator of the design is considered to be the proprietor (Section 12 of the act). However, there are several situations where this is not the case, such as

when a company employee develops a design as part of his or her employment. If a design is created within the scope of employment duties, the employer is considered to be the owner and therefore the only one that may apply for registration. Also, if multiple people create a design, they can file as joint proprietors (unless they are all working under contract or commission).

What can and cannot be protected?

Section 2 of the act defines a 'design' as "features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye". This can include patterns in fabric, the shape of a water bottle, the ornamentation applied to a bracelet and the visual features of a motor vehicle.

However, design protection cannot be obtained for the following:

- design features in isolation (only design features applied to a particular finished article can be protected);
- features of an article that do not have a fixed appearance (eg, holograms);

- buildings and structures to be constructed on site;
- the colour of an article;
- functional aspects of an article; and
- ideas or general concepts.

Fees

When filing a design application (under Section 4(1) of the act), a fee must be paid in order to have the Industrial Design Office (IDO) examine the application. The basic filing fee is C\$400. However, an additional fee of C\$10 is payable for every page of drawings in excess of 10 pages. Further, owners must pay a maintenance fee of C\$350 within five years of the registration date, pursuant to Section 18(1) of the regulations.

All fees and tariffs are found in Schedule 2 of the regulations.

Procedures

Application

Applications can be filed electronically in Canada. That said, hand delivery is often recommended to ensure that the resolution of the drawings meets the IDO requirements in their printed form, as electronic filings are also printed and then rescanned.

Every design application requires the following (Section 4 of the act and Sections 9 to 13 of the regulations):

- the prescribed fee; and
- the prescribed form, which includes:
 - the name and address of the applicant and, if an agent is named, the name and address of the agent;
 - a title identifying the finished article or set for which the design has been requested;
 - a description of the features that constitute the design;
 - drawing(s) or photograph(s) of the design as applied to the finished article; and
 - if the applicant has no place of business in Canada, the name and address of a representative for service.

Title

The title of the design should identify the complete finished article and not its component parts. Titles should include

the word 'set' when a design is applied to multiple articles of the same general character ordinarily sold together or intended to be used together (eg, a 'set of eating utensils').

Descriptions

The description must indicate whether the design relates to the appearance of the entire article or merely a portion of the article. Further, if the design relates only to a portion, that portion must be clearly identified in dotted or stippled lines.

Drawings or photographs

The drawings (or photographs, as dealt with under Section 9.1 of the regulations) must show the entire finished article to which the design is applied, even if the design relates only to a portion of the article. The drawings must feature a fully assembled view of the finished article. Parts that are not visible in the completely assembled article are not registrable and therefore should not be shown or labelled in the drawings. However, if an article has different positions (eg, open or closed), different views can be submitted to show design features that are visible when the article is used in those positions.

In addition, the article must be shown in isolation in all views, except for one view that may be included to show the article in its environment to give context. The environment must be shown in stippled lines.

Further, the drawings must clearly disclose all of the design features identified in the description. If a design is a set, all pieces of the set must be shown in the drawings. The drawings should also include figure numbers.

Originality

A design must be original in order to be entitled to registration. In Canada, a certificate of registration, in the absence of proof to contrary, is evidence of the originality of a design (Section 7(3) of the act). However, Section 6 of the act specifies that a design will not be registered if:

- the design is identical to or closely resembles an already registered design; or
- the design was published in Canada or elsewhere more than one year before the Canadian filing date.



Where a registered design has become publicly identifiable with the product, it may be eligible for registration as a distinguishing guise

Over the years, the courts have set down the following principles for deciding what constitutes an original design:

- When comparing designs to determine whether they are substantially different, this is a matter of impression to be judged solely by the eye.
- One must consider whether the originality of a design is substantial in regard to the quantity of prior art. The standard of originality varies from class to class, depending on the degree of possible changes and the quantity of registered designs in the field.
- In assessing originality, one must also consider the nature of the article and the constraints or limitations to which a designer is subject when designing an article. Few changes are required to make a design original when an article has a small range within which design creativity can be exercised. On the other hand, an article that has a large range within which creativity can be exercised will require a higher standard of originality.

The following jurisprudence also provides some guidance towards establishing originality:

- The Supreme Court of Canada decision in *Clatworthy & Son v Dale Display* ((1929), SCR 429) states that “to constitute an original design there must be some *substantial difference* between the new design and what had theretofore existed” (emphasis added).

- In *Rothbury International Inc v Canada (Minister of Industry)* (2004 FC 578) it was established that the degree of originality required to register an original design is greater than that laid down by Canadian copyright legislation, but less than that required to register a patent. This decision also stated that determining originality requires that review of the design be from the standpoint of the informed consumer.
- *Lewis Falk Ltd v Jacobowitz* ((1944), 61 RPC 116 (ChD)) stated that each design must be considered as a whole.

Number of designs per application

Section 10 of the regulations requires that the application relate to one design applied to a single article or set, or to variants of one design applied to an article or set. If this rule is not followed, the examiner will advise the applicant that the application must be limited to one of the disclosed designs. A separate application (commonly referred to as a ‘divisional’ application) may be filed for any of the other design(s). The filing fee is required for each divisional application filed.

Divisional applications must be filed before registration of the design in the original application (commonly referred to as the ‘parent’ application). A divisional application will have the same filing date as the parent application and the IDO will register the parent and any divisional(s) on the same date.

If any of these requirements is not met, the examiner will issue a report raising an objection. Unless the applicant can overcome the objection, the objection will be maintained and a final report will be issued.

Appealing examiner’s decision

If the IDO examiner’s final report finds that the application is unregistrable, the decision can be appealed to the Patent Appeal Board. The board will make recommendations to the commissioner of patents, who will either reverse the decision or support it in a final rejection. The final rejection can then be appealed to the Federal Court of Canada, then to the Federal Court of Appeal and finally to the Supreme Court of Canada.

Foreign applications

As mentioned previously, Canada is a signatory to the Paris Convention, which provides for a six-month period within which a design application in a convention country may be filed in other convention countries. If an application is filed during this six-month period, the application has the same force and effect as if it had been filed in the second country on the first date.

Section 20(1) of the regulations requires that a request for priority be made in writing and include the filing date of the foreign application, the name of the foreign country and the number assigned by that foreign country to the application.

Abandonment

Section 5(3) of the act states that if there is no response to an examiner's report within the period specified by the examiner, the application will be considered abandoned. Once the application has been abandoned, the IDO will send a notice of abandonment to the applicant as a courtesy. The notice will set out the reason for abandonment and the requirements for reinstatement. However, no fees will be refunded.

Reinstatement

In accordance with Section 5(4) of the act and Section 17 of the regulations, an abandoned application may be reinstated if the applicant submits a request for reinstatement within six months of the date of abandonment. The request must include replies in good faith to the examiner's objections and the prescribed fee for reinstatement (C\$200). If these requirements are not met within six months of abandonment, the application will become abandoned and no further reinstatement is possible.

Withdrawal

Applications may be voluntarily withdrawn by written request. Upon receipt of a written request to withdraw a design application, the application will be made inactive. However, the applicant may re-apply if the design was not published more than one year before the second filing.

Delay of registration

Some countries may reject an industrial design application because the design has already been registered in another country. For this reason, applicants may wish to delay registration to allow time to file the application in another country.

Applicants can request a registration deferral at any time before registration. The IDO requires a written request accompanied by the required fee (C\$100). A six-month deferral will be granted, beginning on the day on which the request is received. Each additional request requires a payment of further fees. An applicant may also request that the application proceed to registration before the end of a six-month deferral period.



Natalie Raffoul
Managing partner
nraffoul@cbrcanada.com

Natalie Raffoul holds a degree in electrical engineering from Western University (London, Canada) and a JD in law from Queen's University (Kingston, Canada). She is also a registered Canadian patent agent. Ms Raffoul is ranked among the world's leading patent practitioners by the *IAM Patent 1000 2014*. She is a regular lecturer at the Sprott School of Business at Carleton University for the entrepreneurship programme and is a faculty member for the IP Institute of Canada/McGill patent course and the Lead to Win entrepreneurship programme. Ms Raffoul regularly represents clients before the Canadian Industrial Design Office and has extensive experience filing industrial design applications for a wide variety of designs.

Registration

Once the examiner has determined that the application is allowable, it can proceed to registration. On registration, the applicant will receive the following:

- a registration certificate;
- a copy of the application;
- a covering sheet summarising information about the design; and
- a notice explaining the requirements for maintenance of the registration.

On registration, the design will be open for public inspection. In Canada, design protection lasts for 10 years from the registration date (with payment of a maintenance fee five years after the registration date). The 10-year term cannot be extended.

Enforcement

Section 11(1) of the act states that no person (who is not the owner or the holder of a licence) can make, import for the purpose of trade or business or sell, rent, offer or expose for sale or rent any article in respect of which the design is registered and to which the design or a similar design has been applied. Section 11(2) states that in order to analyse whether differences are substantial, the extent to which the registered design differs from any previously published design may be taken into account. In *Bodum USA Inc v Trudeau Corporation (1889) Inc* (2012 FC 1128) the court determined that the infringing product and the registered design must be analysed side by side from the point of view of the informed consumer.

The owner of a design may take legal action against anyone that infringes the design in Canada. However, the owner must do so within three years of the alleged infringement (Section 18 of the act). In an infringement proceeding, the court may make such orders as the circumstances require, including injunctions, recovery of damages or profits, punitive damages and disposal of any infringing article (Section 15.1 of the act).

Ownership changes and rights transfers

Assignments

An assignment occurs when the rights to a design are sold, in whole or in part, to

another party. The assignee obtains an exclusive ownership right to make, use and vend and to grant to others the right to make, use and vend the design, within and throughout Canada or any part thereof. For recordal purposes, assignments must be made in writing and submitted along with the prescribed fees (C\$100 for each design) to the IDO. Assignments may be recorded against both pending and registered designs.

Licences

When a design is licensed, the owner of the design allows another party to use it under particular terms and conditions set out in the licence agreement. Ownership is not transferred and licences can be granted to more than one party and cover one or more jurisdictions, for a defined period of time or until the registration expires. Licences are recorded in a similar manner to assignments.

Related rights

Designs can also be protected under Canadian copyright or trademark law. According to Section 64 of the Copyright Act, a 'useful article' (ie, one with a utilitarian function) will receive copyright protection where it is reproduced in a quantity of 50 or fewer (although there are exceptions to this limitation).

Additionally, according to Section 13 of the Trademarks Act, where a registered design has become publicly identifiable with the product, it may be eligible for registration as a distinguishing guise. **WTR**

Clancy^{P.C.+} Brion Raffoul

Barristers + Solicitors
Patent + Trade-mark Agents

Clancy PC + Brion Raffoul

289 Cyr Avenue, Ottawa, Ontario
K1L 7N6
Canada

Tel +1 613 521 8844

Fax +1 866 334 1413

Web www.cbrcanada.com