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<p>CANADIAN TRADEMARKS ACT ANNOTATED Robic Release No. 6, July 2024</p>

This comprehensive reference work sets out the original purpose and application of the Act, administrative policies, case law and secondary sources.

What’s New in this Update:

This release features updates to Appendix T. Quantum Table—Trademark Infringement and Passing Off. This release also includes updates to Appendix PS. Procedural Summaries including updates to the Trademarks Opposition Proceedings—Summary of Procedure, updates to Summary of Procedure for Appeals Pursuant to Section 56 of the Trademarks Act, and updates to Section 45 Proceedings under the Trademarks Act—Summary of Procedure.

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Highlights

Quantum Table—Trademark Infringement and Passing Off—Damages under Section 7—Keezio claimed that it lost profits totaling \$93,718 USD as a result of the November 2019 Complaints, but Justice Loo regarded the evidence advanced regarding damages as inadequate. There was no independent or expert evidence regarding the assessment or the calculation of damages. Keezio’s evidence in support of its damages claim came only from Clutek and aspects of the damages calculation were problematic. Justice Loo noted that there was no clear evidence contradicting Clute’s assertions as to damages, and it was reasonable to conclude that the delisting of Keezio’s product pages caused a decrease in Keezio’s sales on the days on which the delisting occurred. Accordingly, Justice Loo would assess damages on that basis. In Justice Loo’s view, it was appropriate to assess damages by comparing Keezio’s 2018 figures to its 2019 figures, without a 30% increase in sales. The decreased sales would then be multiplied by a profit margin of \$50 USD per unit for the days during which the Keezio sales pages were delisted. Justice Loo calculated that the sales on the relevant days in 2018 totalled 1,129 units, and the sales on the relevant days in 2019 totalled 640 units. Therefore, the decrease in sales totalled 489 units. At a loss of profit of \$50 USD per unit, the damages were \$24,450 USD: *Keezio Group, LLC v. The Shrunk’s Family Toy Company Inc.*, 2024 BCSC 64 (B.C.S.C.).

Trademarks Opposition Proceedings—Summary of Procedure—Cross-Examination—Cross Examination Orders—Effects on Applicant’s Evidence - The Registrar will now only grant an extension of time of two months to the applicant to file evidence, and if cross-examination is not completed within time, the two month extension will automatically reduce to one month. The Registrar will only grant an extension of time of one month from the completion of cross-examination to file and serve reply evidence, which is applicable regardless of whether the opponent completes the cross-examination or not.

Summary of Procedure for Appeals Pursuant to Section 56 of the Trademarks Act—Case Law—Cross-Examinations—The Associate Justice confirmed the right of a party to cross-examine a party adverse in interest on its affidavit. Rule 83 provides cross-examination as of right on affidavits served in a motion or application. Where a request to cross-examine is not frivolous or otherwise an abuse of process, a party seeking to cross-examine a deponent need not justify its decision to do so. Equally, a party filing an affidavit in support of its position cannot demand a reason from the examining party before submitting to cross-examination. As to the mode of cross-

examination, Rule 88 provides that cross-examination on an affidavit may be conducted orally or in writing. As to which party is entitled to determine the mode, cross-examination in writing constitutes an exception to the examining party's right to cross-examine an affiant by way of oral examination. Wanglaoji sought an oral cross-examination and communicated that position to Multi Access's counsel the very day the Chan affidavit was served. Some three weeks later, Multi Access responded and proposed a written cross-examination. The Associate Justice concluded that no principled reason was established as to why Wanglaoji should be denied its right to an oral cross-examination. The Associate Justice was satisfied that Wanglaoji had a right to an oral cross-examination of Chan. The Associate Justice explained that whether to permit a party to withdraw an affidavit is a discretionary decision of the Court, noting that the determining factor is the clear existence of prejudice to the party seeking to withdraw if leave is not given. Multi Access had not adduced any evidence of prejudice whatsoever. Multi Access's motion must fail on that basis alone. In any case, the Associate Justice noted that the email thread between counsel disclosed that this was not a case where an affiant had fallen ill or had left the employ of the party on whose behalf the affidavit was sworn. In those situations, prejudice of the sort necessary to permit the Court to exercise its discretion may be found. Here, the justifications offered to substitute affidavits and refuse oral cross-examination did not rise above mere inconvenience to the affiant. The Associate Justice was satisfied that the request to withdraw the Chan affidavit was an ill-disguised attempt to shield Chan from cross-examination. The Associate Justice noted that the jurisprudence of the Federal Court and others was clear; a Court should not exercise its discretion to permit the withdrawal of an affidavit merely to prevent cross-examination: *Guangzhou Wanglaoji Grand Health Co., Ltd. v. Multi Access Limited*, 2023 CarswellNat 1264, 2023 CarswellNat 1265, 2023 FC 287, 2023 CF 287, 2023 A.C.W.S. 826, 202 C.P.R. (4th) 162 (F.C.).

Section 45 Proceedings under the Trademarks Act—Summary of Procedure—Extension of Time—Exceptional Circumstances—Requests for an extension beyond the benchmark period in section 45 proceedings should be clearly marked “Exceptional circumstances/extension request”, and the requesting party must include the following information: the length of the delay sought; and sufficient details as to the timeline and steps planned to meet the proposed extended deadline. A new practice in both section 45 proceeding and in trademark opposition proceedings will include a new basis upon which a party can request an exceptional circumstances extension. An exceptional circumstances exception may be granted if the party is able to demonstrate a consistent overall pattern of reasonable effort, promptness, and diligence in its efforts to meet an upcoming deadline. The requesting party must provide the following information: an explanation as to why it will not be possible

to meet the upcoming deadline at issue; and, the actions taken prior to the upcoming deadline to meet it.

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