

## EXTENSION OF THE TIME LIMIT TO FILE THE DECLARATION OF USE REQUIRED BY SUBSECTION 40(3) OF THE *TRADE-MARKS ACT*

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### DECLARATION OF USE

When an application for the registration of a trade-mark is based on the intention to use the trade-mark in Canada, one must first file a declaration which states that the applicant has commenced use of the trade-mark in Canada, in order to obtain the registration. Paragraph 40(2) of the *Trade-marks Act* states the following<sup>1</sup>:

#### **Marque de commerce projetée**

Lorsqu'une demande d'enregistrement d'une marque de commerce projetée est admise, le registraire en donne avis au requérant. Il enregistre la marque de commerce et délivre un certificat de son enregistrement après avoir reçu une déclaration portant que le requérant, son successeur en titre ou l'entité à qui est octroyée, par le requérant ou avec son autorisation, une licence d'emploi de la marque aux termes de laquelle il contrôle directement ou indirectement les caractéristiques et la qualité des marchandises et services a commencé à employer la marque de commerce au Canada, en liaison avec les marchandises ou services spécifiés dans la demande.

#### **Proposed trade-mark**

When an application for registration of a proposed trade-mark is allowed, the Registrar shall give notice to the applicant accordingly and shall register the trade-mark and issue a certificate of registration on receipt of a declaration that the use of the trade-mark in Canada, in association with the wares or services specified in the application, has been commenced by

- (a) the applicant;
- (b) the applicant's successor in title; or
- (c) an entity that is licensed by or with the authority of the applicant to use the trade-mark, if the applicant has direct or indirect control of the character or quality of the wares or services.

When must this declaration be filed? Usually, it will be filed once the application for registration has been allowed<sup>2</sup>, following paragraph 40(3), which states<sup>3</sup> :

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<sup>1</sup> *Trade-Marks Act*, R.C.S. 1985, c. T-13, as section 40 is modified by C.S. 1993, c. 15, s. 68 and C.S. 1993, c. 44, s. 231.

<sup>2</sup> The registrar will thus issue a "notification of allowance", the last paragraph of which reads:

**Abandon de la demande**

La demande d'enregistrement d'une marque de commerce projetée est réputée abandonnée si la déclaration d'emploi mentionnée au paragraphe (2) n'est pas reçue par le registraire dans les six mois qui suivent l'avis donné aux termes du paragraphe (2) ou, si la date en est postérieure, à l'expiration des trois ans qui suivent la production de la demande au Canada.

**Abandonment of application**

An application for registration of a proposed trade-mark shall be deemed to be abandoned if the registrar has not received the declaration referred to in subsection (2) before the later of

- (a) six months after the notice by the Registrar referred to in subsection (2), and
- (b) three years after the date of filing of the application in Canada.

Thus, the declaration of use must be filed :

- within six (6) months of the date from which the registration was allowed, or
- within three (3) years of the date of filing of the application for registration according to the time limit which is most advantageous for the applicant.<sup>4</sup>

If an application for registration is filed on 2008-01-01 and the registration is allowed on 2009-01-01, the applicant will have until 2011-01-01 to file the declaration of use (within three years of the date of filing of the application for registration). However, if an application for registration is filed on 2008-01-01 but if the registration is only allowed on 2012-01-01 (more than three (3) years of the date of filing of the application for registration), the applicant will have until 2012-07-01 (six (6) months of the date from which the registration was allowed) to file the declaration of use.

**FAILURE TO FILE**

En conformité du paragraphe 40(2) de la Loi sur les marques de commerce, une DÉCLARATION indiquant que le requérant a commencé à utiliser la marque de commerce au Canada en liaison avec les marchandises et/ou services mentionnés dans la demande doit être fournie le ou avant le JJ-MM-AAAA à défaut de quoi la demande sera réputée abandonnée en vertu du paragraphe 40(3) de la Loi. Lors de la préparation de la déclaration d'emploi, veuillez s.v.p. vous référer à l'énoncé des marchandises/services qui figure sur la dernière feuille de vérification que vous avez reçue.

.Pursuant to sub-section 40(2) of the Trade-marks Act, a DECLARATION of use of the Trade-mark in Canada in association with the wares and/or services specified in the application must be filed on or before DD-MM-YYYY failing which the application shall be deemed abandoned pursuant to sub-section 40(3) of the Act. When preparing your declaration of use, please refer to the statement of wares/services appearing in the latest Proof Sheet that you have received.

<sup>3</sup> As modified by the coming into effect, on 1994-01-01 of section 231 of *the North American Free Trade Agreement Implementation Act*, C.S. 1993, c. 44).

<sup>4</sup> In theory, nothing prevents the declaration of use from being filed before the notification.

If the applicant does not file the declaration of use, his application for registration will be deemed to be abandoned, without any notice to that effect by the registrar<sup>5</sup>. There will be such a notice<sup>6</sup> if the application for registration contains a basis other than the one which is planned<sup>7</sup>: in this case, the registrar will send a notice<sup>8</sup> which will state that the portion of the application which is based on a foreseen use of the trade-mark is abandoned, but will also grant the applicant an additional delay of two (2) months in order for him to proceed with respect to any other basis<sup>9</sup>, which the application might contain<sup>10</sup>.

<sup>5</sup> Section 36 would be inapplicable because the time limit for the filing of the declaration of use is specifically stipulated in the Act.

<sup>6</sup> Section 36 would apply because there is no statutory provision regarding an obligation with respect to the final fee for the issuance.

<sup>7</sup> The registrar's notice read as follows:

Si votre déclaration ne nous parvient pas dans les délais prévus, le bureau procédera à l'enregistrement en fonction de(s) l'autre (autres) revendication(s).

If no declaration of use is filed within the prescribed time, the office will proceed to registration based on the other(s) claim(s).

<sup>8</sup> Which notice reads :

**ANNULATION D'UNE REVENDEICATION**  
**Article 16(3)**

La revendication à l'enregistrement selon la disposition de l'article 16(3) de la *Loi sur les marques de commerce* a été annulée parce que le requérant n'a pas produit sa déclaration d'emploi.

Par ailleurs, pour que nous puissions enregistrer la marque de commerce, basée sur la partie déjà utilisée seulement, le requérant doit acquitter le droit d'enregistrement prescrit de deux cent (200,00\$) dollars.

Nous vous accordons par la présente une prolongation jusqu'au 24 octobre 2005 pour vous permettre d'acquitter les dits frais d'enregistrement.

De plus, soyez avisé que si aucune réponse n'est donnée avant la date prescrite, cette demande sera traitée comme étant abandonnée selon l'article 36 de la *Loi sur les marques de commerce*.

**CANCELLATION OF CLAIM**  
**Section 16(3)**

The claim to registration based on the provision of section 16(3) of the *Trade-marks Act* has been cancelled since the applicant failed to submit the declaration of use.

However, before this application can proceed to registration based on the used claim(s) only, it will be necessary for the applicant to submit the prescribed registration fee of two hundred (\$200.00) dollars.

You are hereby granted an extension of time until October 24, 2005 in which to pay the registration fee.

If a response is not filed on or before the prescribed date, this application will be treated as abandoned in compliance with section 36 of the *Trade-marks Act*.

<sup>9</sup> That is, a trade-mark used in Canada, a trade-mark which has been revealed in Canada, or a trade-mark which has been registered in a country which is a member of the Union and which is used elsewhere in the world.

<sup>10</sup> Essentially, for the "registration of a trade-mark, including the issuance without additional fees of the corresponding certificate of registration" pay the fee of 200\$, which is provided for by item 15 of Part II of the schedule entitled "Tariff of Fees", which refers to section 12 of the *Trade-Marks Regulations*, itself enacted by virtue of Paragraph 65(e) of *Trade-marks Act*. It must be noted that it is no longer

The filing of a declaration of use covering only part<sup>11</sup> of the wares or services will cause the registration to issue only for those wares or services<sup>12</sup>.

## EXTENSION OF TIME LIMIT

The applicant who can not file the declaration of use which is provided for by paragraph 40(2), within the time limit provided for by paragraph 40(3), can, however, by paying off the prescribed fee<sup>13</sup>, ask for an extension of the time limit, in accordance with paragraph 47(1)<sup>14</sup>, which states the following :

### Prorogations

Si, dans un cas donné, le registraire *est convaincu que les circonstances justifient* une prolongation du délai fixé par la présente loi ou prescrit par les règlements pour l'accomplissement d'un acte, il peut, sauf disposition contraire de la présente loi, prolonger le délai après l'avis aux autres personnes et selon les termes qu'il lui est loisible d'ordonner. [Les italiques sont nôtres.]

### Extensions of time

If, in any case, the Registrar *is satisfied that the circumstances justify* an extension of the time fixed by the Act or prescribed by the regulations for the doing of any act, he may, except as in this Act otherwise provided, extend the time after such notice to other persons and on such terms as he may direct. [Our emphasis.]

It must be pointed out that the powers granted to the registrar in accordance with section 47 of the Act are of discretionary and administrative nature<sup>15</sup>.

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required to file samples which demonstrate the manner in which the trade-mark is used, whether the application is intended for the registration of a word or of a design trade-mark.

<sup>11</sup> At least with respect to the wares or services covered by the proposed use basis.

<sup>12</sup> In Canada, an application could be partially assigned but cannot be divided.

<sup>13</sup> The prescribed fee for an application for an extension of time, by virtue of subsection 47(1) or (2) of the Act, for the doing of any one or more acts, is 125\$ for each act : item 9 of part I of the «Tariff of Fees».

<sup>14</sup> Subsection 47(2) applies when an extension is applied for after the expiration of the time fixed for the doing of an act. In the case of a declaration of use or of an application to extend the time limit for doing so which is not filed within the prescribed time limit, the registrar can accede to a “retroactive” application to extend the time limit, provided that the registrar is satisfied that the omission was not reasonably avoidable, that the prescribed fee is paid [we pay only one fee, and not one fee for the application under paragraph 47(2) and another fee under subsection 47(1)] and that failure has not already been noted and the application deemed to be abandoned, by virtue of subsection 40(2). Regarding the application of subsection 47(2), see *Fjord Pacific Marine Industries Ltd. v. Canada (Registrar of Trade-marks)* (1975), 20 C.P.R. (2d) 108 (F.C.T.D.), judge Mahoney at page 112; *Rust-Oleum Corporation v. Canada (Registrar of Trade-marks)* (1986), 8 C.I.P.R. 1 (F.C.T.D.) Teitelbaum J., at page 5; *Rust-Oleum Corporation v. Canada (Registrar of Trade-marks)* (1986), 8 C.I.P.R. 213 (F.C.T.D.), Martin J., at page 216.

<sup>15</sup> See, among others, *A. Lassonde Inc. v. Canada (Registrar of Trade-marks)* (2003), [2003] 4 F.C. 618 (F.C.) Lemieux J., at paragraph 40; *Kitchen Craft Connection Ltd. v. Canada (Registrar of Trade-marks)* (1991), 48 F.T.R. 85 (F.C.T.D.), Dubé J., at page 87; *Centennial Packers Ltd. v. Canada Packers Inc.* (1987), 15 C.P.R. (3d) 103 (F.C.T.D.), Joyal J., at page 14, *Canadian Schenley*

## DURING THE FIRST THREE YEARS

The registrar must be satisfied that the circumstances justify the extension time. Thus, a vague statement such as “We have been informed that the applicant can not file the declaration of use provided for by paragraph 40(2) of the Act because the trade-mark is not yet totally used in Canada with respect to all the merchandise and services which are mentioned in the application for registration”, is insufficient. The registrar has revised/standardised his filing policy and one must, since April 14, 1998, provide a true reason for the extension<sup>16</sup> and not simply state that the mark is not yet used and that more time is needed to commercialise it in Canada<sup>17</sup>. **During the first three (3) years**, which follow the period when registration is allowed, this reason does not need to be “significant and substantial”; however, one must nonetheless be provided<sup>18</sup>. This is the meaning that must be given to the administrative directive, which reads as follows<sup>19</sup> :

### 1. Prolongation de 6 mois

Le Bureau octroie présentement des prolongations de délai de six mois lorsque le délai pour déposer la déclaration d'emploi est expiré si la requête est justifiée et que le droit prescrit de 50\$ est acquitté.

### 1. Six month extension

As of April 14, 1998, on the first request for an extension of time or any subsequent one, if a reason is not provided that would justify the extension of time, the office will refuse the extension of time and allow the applicant two months to further respond.

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*Distilleries Ltd. v. Canada (Registrar of Trade-marks)* (1975), 20 C.P.R. (2d) 108 (F.C.T.D.), Mahoney J., at page 112; *Centennial Grocery Brokers Ltd. v. Canada (Registrar of Trade-marks)* (1972), 5 C.P.R. (2d) 235 (F.C.T.D.), Heald J., at page 239.

<sup>16</sup> The registrar's communications bear this note :

Nous vous rappelons qu'en vertu de l'article 47(1) de la loi, le registraire doit être convaincu que les circonstances justifient l'octroi d'une prolongation du délai fixé par la présente loi.

You are reminded that under the conditions of Section 47(1) of the Trade-marks Act, the Registrar must be satisfied that the circumstances justify granting an extension of time fixed by this Act.

<sup>17</sup> By analogy, see *In re Comdial Corp.* (1993), 32 U.S.P.Q. (2d) 1863 (U.S.P.T.O. – Comm.), at page 1864 : “Since petitioner's extension request merely set forth a statement that it had made ongoing efforts but did not specify any type(s) of ongoing efforts that were actually being made, the extension request did not include a showing of good cause, and it was properly denied”; see also *In re Sparc International Inc.* (1993), 33 U.S.P.Q. (2d) 1479 (U.S.P.T.O.-Comm.), at page 1480.

<sup>18</sup> Here, one must beware of too much imagination/creativity, because what is written remains and could come back to haunt him if, in order to obtain an extension, he twisted the truth or even invented an excuse. It is preferable to ask the client/correspondent to indicate what the reasons for non commercialisation are, even if this means suggesting some possible reasons.

<sup>19</sup> Published in the editions of July 8, 1998, July 15, 1998, and July 22, 1998, of the Trade-Marks Journal, vol. 45, no 2280, 2281 and 2282. This notice recaptures in part the one which was published in the editions of January 28, 1998, February 4, 1998, February 11, 1998, and February 18, 1998, in the Trade-Marks Journal, vol. 45, no 2257, 45-2258, 2259 and 2260.

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À compter du 14 avril 1998, à la première demande de prolongation de délai et les suivantes, s'il n'y a pas de raisons données, le Bureau refusera la prolongation de délai et donnera au requérant deux mois additionnels pour répondre.

As of April 14, 1998, on the first request for an extension of time or any subsequent one, if a reason is not provided that would justify the extension of time, the office will refuse the extension of time and allow the applicant two months to further respond.

At this stage in the application, the Trade-marks Office does not have any established policy regarding the nature of the application but will most likely accept<sup>20</sup> all good reasons, whether they are simple or general, without questioning their existence and without any inquiries about documentary evidence<sup>21</sup>. Which reasons justify an extension of the time limit? The Act, the rules and the directives are silent. However, it is interesting to note that, in the United States, the USPTO indicates that, with respect to the commercialisation efforts that must be alleged by an applicant who finds himself in a similar situation<sup>22</sup>, will be recognised<sup>23</sup>, in a non exhaustive manner, the following reasons :

Those efforts may include, without limitation, product or service research or development, market research, manufacturing activities, promotional activities, steps to acquire distributors, steps to obtain required governmental approval, or other similar activities. In the alternative, a satisfactory explanation for the failure to make such efforts must be submitted<sup>24</sup>.

The severing of a distribution/licensing contract, the bankruptcy of a distributor, a large number of merchandise or services, a specialised market or high end products,

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<sup>20</sup> Telephone conversation, on 1998-09-24, between Laurent Carrière and the Administrator of the declarations and registrations section, Lise Audette. The purpose of this telephone conversation was only to clarify the policy of the Trade-Marks Office, which can be modified without prior notice.

<sup>21</sup> Considering that the clerks of the declarations section are able to read and that, in the event that one would attempt to automatically/routinely use the same reason, during these three (3) first years, questions could be asked to the applicant, usually in the form of a paragraph included in the notice of the granting of the extension, which informs the applicant that a subsequent application could be refused if the circumstances are not well supported.

<sup>22</sup> In the United States, an application which is based on the intention to use (or «ITU») must also be accompanied by the filing of a declaration of use [see Paragraph 1051(d) of the American Act and section 2.88 of its Regulation; the question regarding the extension of time limits is strictly regulated : see section 2.89 of the Regulation with respect to what must be included in the application], or else the application is deemed to be abandoned. The first two (2) extensions of six (6) months can be obtained quasi-automatically but the four others –also of six (6) months- must be justified according to the rules. If the declaration of use is not filed within the thirty six (36) months of the acceptance of the registration, then the application is deemed to be abandoned, without any other possibility of extension. On this subject, see generally Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, 4<sup>th</sup> ed. (New York, Thomsom/West, 1996), at §19:25, updated 6/2004.

<sup>23</sup> During this telephone conversation, on 1998-09-24, between Laurent Carrière et Lise Audette, Ms Audette informally indicated that any of the reasons mentioned in the TMEB's list would be acceptable for the CIPO, at least during the initial period of three (3) years.

<sup>24</sup> *Trademark Manual of Examining Procedure*, 4th ed., Rev April 2005 (Washington, Patent and Trademark Office, 1997), at §1108. Also available at [http://tess2.uspto.gov/tmdb/tmep/1100.htm#\\_T1108](http://tess2.uspto.gov/tmdb/tmep/1100.htm#_T1108).

a change in a given sector of the economy, legal procedures or the delay caused by an opposition, the assignment of the mark in question or a corporate reorganisation, should also be sufficient reasons for the granting of an extension of the time limit, during the course of the first three (3) years<sup>25</sup>.

## STANDARD TIME LIMIT EXTENSION

The standard time extension is of six (6) months. However, when the use of the mark is delayed because the applicant is awaiting a government approval<sup>26</sup>, the extension of time will then be of twelve (12) months<sup>27</sup>. This is the meaning that must be given to the second part of the practice notice<sup>28</sup> which reads as follows :

### 2. Prolongation de 1 an

Le Bureau octroie présentement des prolongations de délai d'un an lorsqu'un requérant est en attente d'une approbation gouvernementale avant que la marque soit en utilisation.

À compter du 14 avril 1998, à la première demande de prolongation de délai et les suivantes, si la demande est en attente d'une approbation gouvernementale, le Bureau demandera de spécifier le ministère dont le requérant attend l'approbation.

### 2. One year extension

The Office currently grants extensions of time of one year where the request for an extension of time is based on a situation in which the applicant requires a type of government approval before use of the trade-mark can begin.

As of April 14, 1998, on the first request and on any subsequent one, if the request is based on awaiting approval from a government department, the Office will require specifics of the government department from which the applicant is seeking approval.

The trade-marks office will thus require that the name of the government department in question be indicated<sup>29</sup> and does not require a copy of documentary evidence<sup>30</sup>.

<sup>25</sup> In *In re Alco Industries Inc.* (1995) 34 U.S.P.Q. (2d) 1799 (U.S.P.T.O. - Comm.) it was, with respect to the mark "QUALITY PRODUCTS FROM PEOPLE WHO CARE" successfully argued, in order to obtain an extension, that "(1) the mark is long, so that it fits on packaging for goods better than on goods themselves; (2) the goods are presently in packages which do not include the mark; (3) it is expensive to redesign the package to include the mark; and (4) when new packaging is developed for the goods, applicant intends to include the mark in the new packaging".

<sup>26</sup> It can be an approval by the Federal Government, by a Provincial Government or even by a Municipal Government [confirmation via telephone on 1998-09-24 by the assistant director, Linda Powers].

<sup>27</sup> The fee remains unchanged: \$125 per request for an extension of time, whether it is for a period of six (6) or twelve (12) months.

<sup>28</sup> Published in the editions of July 8, 1998, July 15, 1998 and July 22, 1998, of the Trade-Marks Journal, vol. 45, no 2280, 2281 and 2282. This practice notice recaptured in part the one which was published in the editions of January 28, 1998, February 4, 1998, February 11, 1998, and February 18, 1998, in the Trade-Marks Journal, vol. 45, no 2257, 45-2258, 2259 and 2260.

<sup>29</sup> For the moment, it is not required to include the particular department of the ministry. However, it would be wise to include it if it is available.

This aspect of the policy targets all required government approvals<sup>31</sup>, even if they do not cover all the merchandise or all the services which are mentioned in the application<sup>32</sup>: if at least one merchandise or service is covered, the extension of twelve (12) months applies. Furthermore, contrary to popular opinion, these government approvals are not limited to pharmaceutical products or parapharmaceuticals, but target every required government approval<sup>33</sup>.

## AFTER THREE YEARS

Things get more complicated in the case of a request for an extension of time that extends beyond the period of three (3) years from the original deadline to file a declaration of use. The Trade-marks Office will request significant and substantive reasons. This is prescribed by part three of the administrative directives<sup>34</sup>, which states the following :

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<sup>30</sup> However, the Office could, in case of doubt, request further explanations or corroborating documents. It is important to remember that, by virtue of section 29 of the Act, everything that is filed with the registrar is public : thus, one should not hesitate to conceal confidential information while indicating the reason behind the concealment.

<sup>31</sup> The Practice Notice does not specify that it must be an approval by a Canadian government. In fact, the Trade-Marks Office can accept a request for an approval made to any government authority, even a non Canadian one (for example, the American FDA) : in this case, the extension of twelve (12) months applies as well.

<sup>32</sup> Shrewd individuals had already understood this and, mainly in the case of “blockade” registrations, a pharmaceutical product would be added in order to “extend” the delays at a lower cost. The consequences of such a behavior on the application, notably in regard of the intent to use the trademark *in toto*, remain to be decided.

<sup>33</sup> For example, approval by virtue of banking legislation, permit to conduct business in another province, zoning regulation, etc. See also, for instance, *Pest Control Products Regulations* (SOR/2006-124), *Medical devices Regulations* (SOR 98-282) or *Motor Vehicle Tire Safety Regulation, 1995* (SOR/95-148).

<sup>34</sup> Published in the editions of July 8, 1998, July 15, 1998, and July 22, 1998, of the Trade-Marks Journal, vol. 45, no 2280, 2281 and 2282. This Practice Notice recaptured in part the one which was published in the editions of January 28, 1998, February 4, 1998, February 11, 1998, and February 18, 1998, in the Trade-Marks Journal, vol. 45, no 2257, 45-2258, 2259 and 2260, which read as follows:

À compter d'aujourd'hui, à l'expiration du délai de trois ans à compter de la date indiquée dans l'avis d'admission pour soumettre une déclaration d'emploi, le Bureau exigera des *raisons considérables et substantielles* pour justifier l'octroi d'une autre prorogation de délai ainsi que les détails spécifiques empêchant le dépôt de la déclaration d'emploi. Le droit prescrit de 50\$ doit être acquitté pour chaque demande. [Les italiques sont nôtres.]

Effective immediately, upon the expiration of three years from the initial deadline to file a Declaration of Use provided in the Notice of allowance, the office will require *significant and substantive reasons* which clearly justify a further extension of time and which set out in detail the reason(s) *why it is not yet* possible to file a Declaration of Use. The prescribed fee of \$50.00 is required for each request. [Our emphasis.]

[The prescribed fee is now \$125.00.]

### 3. Raisons considérables et substantielles

La pratique administrative publiée dans le journal des marques de commerce le 28 janvier 1998, 4 février 1998, 11 février 1998 et 18 février 1998, énonçait que le Bureau exigerait des raisons *considérables et substantielles* pour justifier l'octroi d'une autre prolongation de délai après le délai de trois ans à compter de la date indiquée dans l'avis d'admission pour soumettre une déclaration d'emploi. L'évaluation afin de déterminer si une raison est considérable et substantielle, sera faite sur une base individuelle par le Gestionnaire de la section des déclarations et des enregistrements et la Directrice adjointe, Direction des marques de commerce. [Les italiques sont nôtres.]

### 3. Significant and substantive reasons

The Office Practice Notice published in the Trade-marks Journal January 28, 1998, February 4, 1998, February 11, 1998 and February 18, 1998, stated that the Office will require *significant and substantive* reasons to support a request for an extension of time that extends beyond the period of 3 years from the original deadline to file a declaration of use. The determination of whether a reason is significant and substantive will be decided on a individual basis by the manager of the Declaration and Registration Section and the Assistant Director, Trade-marks Branch. [Our emphasis.]

This part of the directive, which requires “significant and substantive reasons”<sup>35</sup> or, if we prefer, “considerable and substantive reasons”<sup>36</sup>, targets requests for an extension of time that extend beyond the period of three (3) years from the original deadline to file a declaration of use. Again, the justified extensions will be granted for periods of six (6) or twelve (12) months<sup>37</sup>, according to the situation.

<sup>35</sup> According to the 1994 revised 3rd edition of the *Collins English Dictionary*, “significant” means “1. Having or expressing a meaning; indicative 3. Important, notable, or momentous whereas “substantive” means 2. Of, relating to, containing, or being the essential element of a thing”. [The 1999 edition provides for the same definitions.] According to the 1983 edition of the *Gage Canadian Dictionary*, “significant” means “1. Full of meaning; important; of consequence” whereas “substantive” means “3. Real, actual; 4. Having a firm and solid basis”. Finally, the 1996 edition of *The Oxford English Reference Dictionary* defines “significant” as “1. having a meaning; indicative; 3. Noteworthy; important; consequential” and “substantial” as “of real importance, value, or validity”. The 2004 edition of the *Canadian Oxford Dictionnaire* defines «substantial» as «1. of great importance or consequence 2. having or conveying an unstated meaning ; having information that can be gathered; 3. noteworthy, noticeable».

<sup>36</sup> According to the 1996 edition of *Le nouveau petit Robert*, «considérable» means «1. VIEILLI Qui attire la considération [*i.e.*, motif que l'on a pour agir] à cause de son importance, de sa valeur, de sa qualité; 2. Très important (grandeur, quantité)» alors que «substantiel» signifie «1. Essentiel; 2. Qui appartient à la substance [*i.e.*, ce qui constitue la chose], à l'essence, à la chose en soi; 3. Qui nourrit beaucoup; 4. Riche en substance par son contenu; 5. Important.». [The 2007 edition provides for the same definitions.] According to the 3rd 1997 edition of the *Multi dictionnaire de la langue française*, «considérable» signifie «Important par le nombre, le prix, la force; syn. Énorme; grand; immense» alors que «substantiel» signifie «1. Nutritif; 2. Dont le contenu est étoffé, riche; 3. Important.». [The 4th 2003 edition provides for the same definitions.] Finally, the 1998 edition of the *Le petit Larousse illustré* defines «considérable» as «Dont l'importance est grande; notable» et «substantiel» comme «1. Nourrissant. 2. Important, considérable. 3. Essentiel, capital. 4. Relatif à la substance [*i.e.*, matière dont qqch est formé]». [The 2007 edition provides for the same definition.]

<sup>37</sup> We can presume that, in the case of pharmaceutical trade-marks, the long waiting period for the granting of a government approval should be considered as a “significant and substantive reason”. However, the obtaining, from a municipality, of a simple permit which allows one to do business would not be considered as a “significant and substantive reason”.

It must now be determined what constitutes a “significant and substantive” reason. Even though the Trade-marks Office intends, at least for the time being, to treat the issue on a case by case basis<sup>38</sup>, we can already presume that what would be considered as a special circumstance, thus excusing the non use in case of a forfeiture procedure by virtue of section 45 of the Act, should be accepted by the Trade-marks Office<sup>39</sup>. However, these reasons should go beyond normal commercialisation efforts<sup>40</sup> (such as the search for business partners)<sup>41</sup>.

In closing, it should be noted that, when the Trade-marks Office is not satisfied with the given reasons in support of a request for an extension of time, a notice will be given<sup>42</sup> which will refuse the extension but will grant the applicant the possibility to

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<sup>38</sup> At least for the beginning of the coming into effect of this policy, in order to assure consistency – which is often found to be missing- with respect to the examiners.

<sup>39</sup> Without any doubt, the nature of the products and services and the care which is given to the presentation of the request for an extension of time can also help. This does not mean that, to be considered as “significant and substantive”, the reason must be extraordinary, result from a superior force or from a galactic invasion. Thus, in the TMO 742237 request, the following has been accepted as a “significant and substantive” reason : “Responsive to your July 10, 1998 letter, please note that the above-mentioned application is still under the process of being transferred to the company LUXINDEX SRT, S.L. Unfortunately, this assignment has not yet been recorded in view of problems surrounding the due execution of the documents before the competent Spanish authorities. We are informed that the nature of these problems are confidential but should be resolved within the next six months hence the present request for an extension of time of six months”.

<sup>40</sup> For example, the need for new tests, in order to upgrade a product, could be a reason which could justify the extension of time during the first period of three (3) years, but not later on. However, if this further upgrade, during the following period, is deemed to be necessary because of a change in the scientific or governmental norms [briefly explained and not simply alleged], this could, without any doubt, be considered as a “significant and substantive” reason.

<sup>41</sup> One can also foresee situations where the same reason which justified the extension during the first period of three (3) years would also be considered as a “significant and substantive” reason. For example, oenology, as we all know, helps the tracking of pesticides, fungicides and herbicides in wine; this being said, the approval of molecules developed by the phytosanitary industry, for this purpose, takes eight (8) years...

<sup>42</sup> In order to illustrate, this is what a notice issued on August 3, 1998, would contain, in part :

present better reasons within two (2) months of the notice<sup>43</sup>. If they are accepted, the extension of time will be of six (6) months (or of twelve (12) months, if the case arises) from the filing of the improved request<sup>44</sup>. This policy applies, whether the request for an extension of time is made within the first period of three (3) years or during the following period.

## SUMMARY

Let us summarize.

- Within six (6) months of the notice of allowance or three (3) years of the filing of the application : no explanation/reason/justification needs to be provided;
- Within the three (3) years that follow the expiration of the six (6) months of the notice of allowance or three (3) years of the filing of the application : circumstances which must convince the registrar to grant an extension need to be provided;
- After the three (3) years which follow the expiration of the six (6) months following the notice of allowance or three (3) years of the filing of the application : the reasons must be significant and substantial.

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Les raisons exposées dans votre lettre ne sont pas jugées suffisantes pour justifier toute autre prorogation de délai.

The reasons outlined in your letter are not considered sufficient to justify any further extension of time.

Vous êtes donc avisé par la présente que si les exigences exposées dans la notification d'acceptation émise le 26 août 1994 [donc il y a plus de 3 ans même si on compte à compter du délai octroyé soit dans ce cas, le 26 février 1995] n'ont pas été remplies avant le 3 octobre 1998 [donc 2 mois de l'avis], la demande sera abandonnée en conformité avec l'article 40(3) de la Loi sur les marques de commerce.

Accordingly, you are hereby advised that if the requirements outlined in the Notice of Allowance issued on August 26, 1994 have not been fulfilled prior to October 3, 1998, this application will be abandoned in compliance with section 40(3) of the Trade-marks Act.

Veillez prendre note qu'aucune autre prorogation de délai ne sera accordée à moins que des raisons considérables et substantielles ne soient soumises, lesquelles justifient clairement l'octroi d'une prorogation de délai additionnelle.

Please note that no further extensions of time will be granted unless significant substantive [take note that the "and" in the administrative directive has been omitted] reason(s) are provided which clearly justify the grant of a further extension of time.

<sup>43</sup> In this case, it is not necessary to pay another fee of \$125.00: The Trade-marks Office considers the improved request as being a part of the initial one and will thus reimburse the fee which will accompany the improved request. There will be no reimbursement if no improved request is filed.

<sup>44</sup> For those who wish to extend the delays to their maximum, this would result in an extension of eight (8) or of fourteen (14) months, depending on the circumstance.

### SMALL CHART

Let us use the example of a trade-mark which has been allowed for registration on 2007-07-01 and for which the initial time limit to file a declaration of use was set for 2008-01-01. The following chart<sup>45</sup> illustrates, step by step, the type of reasons that must be brought forward :

Within the initial 3 years of the time limit set in the notice of allowance						Subsequently to the 3 year time limit		
1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	The others
20080101	20080701	20090101	20090701	20100101	20100701	20110101	20110701	
Reasons justifying the request	Reasons justifying the request	Reasons justifying the request	Reasons justifying the request	Reasons justifying the request	Reasons justifying the request	Significant and substantive reasons	Significant and substantive reasons	Significant and substantive reasons

<sup>45</sup> The US situation may be summarized by the following chart. In any case, the maximum period will be 36 months from the allowance to registration (and not from the expiration of the initials statutory 6 months) to file the statement of use (SOU).

Initial 6-Month ITU Application Period	Automatic 6-Month Extension Period	Subsequent 6-Month Extension Period	Subsequent 6-Month Extension Period	Subsequent 6-Month Extension Period	Subsequent 6-Month Extension Period
PTO sends a Notice of Allowance	Must make request within the original six month term, include a verification of continued intention to uses the mark in commerce, and must remit fee.	Must show good cause (as defined by the Commissioner) and meet the same requirements as in the initial period	Must show good cause (as defined by the Commissioner) and meet the same requirements as in the initial period	Must show good cause (as defined by the Commissioner) and meet the same requirements as in the initial period	Must show good cause (as defined by the Commissioner) and meet the same requirements as in the initial period

Fig. 19:25C Chart of Periods of Extension of Time to file SOU, *McCarthy On Trademarks*.

## AVIS DE PRATIQUE

Publié dans les éditions des 8 juillet 1998, 15 juillet 1998 et 22 juillet 1998 du Journal des marques de commerce, vol. 45, n<sup>os</sup> 2280, 2281 et 2282.

### 1. Prolongation de 6 mois

Le Bureau octroie présentement des prolongations de délai de six mois lorsque le délai pour déposer la déclaration d'emploi est expiré si la requête est justifiée et que le droit prescrit de 50\$ est acquitté.

À compter du 14 avril 1998, à la première demande de prolongation de délai et les suivantes, s'il n'y a pas de raisons données, le Bureau refusera la prolongation de délai et donnera au requérant deux mois additionnels pour répondre.

### 2. Prolongation de 1 an

Le Bureau octroie présentement des prolongations de délai d'un an lorsqu'un requérant est en attente d'une approbation gouvernementale avant que la marque soit en utilisation.

À compter du 14 avril 1998, à la première demande de prolongation de délai et les suivantes, si la demande est en attente d'une approbation gouvernementale, le Bureau demandera de spécifier le ministère dont le requérant attend l'approbation.

### 3. Raisons considérables et substantielles

La pratique administrative publiée dans le journal des marques de commerce le 28 janvier 1998, 4 février 1998, 11 février 1998 et 18 février 1998, énonçait que le Bureau exigerait des raisons *considérables et substantielles* pour justifier l'octroi d'une autre prolongation de délai après le délai de trois ans à compter de la date indiquée dans l'avis d'admission pour soumettre une déclaration d'emploi. L'évaluation afin de déterminer si une raison est considérable et substantielle, sera faite sur une base individuelle par le Gestionnaire de la section des déclarations et des enregistrements et la

## PRACTICE NOTICE

Published in the issues of July 8, 1998, July 15, 1998 and July 22, 1998 of the Trade-marks Journal, vol. 45, nos 2280, 2281 and 2282.

### 1. Six month extension

The Office currently grants extensions of time of six months upon the expiration of the time limit to file a declaration of use if the request is justified and the prescribed fee of \$50.00 is paid.

As of April 14, 1998, on the first request for an extension of time or any subsequent one, if a reason is not provided that would justify the extension of time, the office will refuse the extension of time and allow the applicant two months to further respond.

### 2. One year extension

The Office currently grants extensions of time of one year where the request for an extension of time is based on a situation in which the applicant requires a type of government approval before use of the trademark can begin.

As of April 14, 1998, on the first request and on any subsequent one, if the request is based on awaiting approval from a government department, the Office will require specifics of the government department from which the applicant is seeking approval.

### 3. Significant and substantive reasons

The Office Practice Notice published in the Trade-marks Journal January 28, 1998, February 4, 1998, February 11, 1998 and February 18, 1998, stated that the Office will require *significant and substantive* reasons to support a request for an extension of time that extends beyond the period of 3 years from the original deadline to file a declaration of use. The determination of whether a reason is significant and substantive will be decided on an individual basis by the manager of the Declaration and Registration Section and the Assistant Director, Trade-marks Branch. [Our

Directrice adjointe, Direction des marques de commerce. [Les italiques sont nôtres.]

emphasis.]

**ROBIC** + LAW  
+ BUSINESS  
+ SCIENCE  
+ ART

