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New Legislation to Combat Counterfeiting in Canada

By Paul W. Donovan

Pending legislation in Canada aims to make it easier for intellectual property rights owners to enforce their rights against counterfeiters.

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: the *Combating Counterfeit Products Act*), had its introduction and first reading on March 1, 2013. The Act was sponsored by the Minister of Industry and Minister of State (Agriculture).

As noted in the backgrounder to the Act: "The harm associated with the trade in counterfeit goods is significant. Counterfeit products can pose health and safety risks to Canadians and their families, resulting in decreased consumer confidence in the marketplace, lost tax revenue for the government and lost income for businesses who suffer from such infringement".

The legislation, if enacted, would amend both the *Copyright Act* and the *Trade-marks Act* to add new civil and criminal remedies and new border measures in both Acts. More specifically, the summary of the Act highlights the following changes that would be made:

- (a) creation of new civil causes of action with respect to activities that sustain commercial activity in infringing copies and counterfeit trade-marked goods;
- (b) creation of new criminal offences for trade-mark counterfeiting that are analogous to existing offences in the *Copyright Act*;
- (c) creation of new criminal offences prohibiting the possession or export of infringing copies or counterfeit trade-marked goods, packaging or labels;
- (d) enacting new border enforcement measures enabling customs officers to detain goods that they suspect infringe copyright or trade-mark rights and allowing them 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 a reasonable opportunity to pursue a remedy in court;
- (e) exempting the importation and exportation of copies and goods by an individual for their personal use from the application of the border measures; and
- (f) adding the offences set out in the *Copyright Act* and the *Trade-marks Act* to the list of offences set out in the *Criminal Code* for the investigation of which police may seek judicial authorization to use a wiretap.



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The first reading of the Act can be viewed at:
<http://parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6013262&File=4>

The Intellectual Property Institute of Canada ("IPIC"), the IP profession's premier lobbying group in Canada, is currently soliciting comments as a number of its committees are busy studying and preparing a response to Bill C-56. It will likely be some time before the bill becomes a law, as the legislation still has to move through the following steps:

- Second Reading: The principle of the bill is debated and the bill is referred to a committee for more detailed study.
- Committee Consideration: After a detailed analysis of the bill, often involving the hearing of witnesses, and a clause-by-clause study, the committee reports the bill back to the House of Commons.
- Report Stage: The bill, as passed by the committee, is considered by the House and further amendments can be proposed and debated.
- Third Reading: The bill, as adopted at the report stage, is debated a final time. Debate focuses on the final form of the bill.
- Passage and Royal Assent: If the bill originated in the House of Commons and is passed at the third reading stage, it is sent to the Senate where it follows a similarly lengthy process.

If any of your clients have any comments on the proposed legislation, please feel free to direct them to my attention and we can consider filing comments with IPIC on behalf of your clients.

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