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Ilyana Goyette
Deputy Director, Policy and Legislation
Trademarks and Industrial Designs Branch
Canadian Intellectual Property Office
Place du Portage I
50 Victoria Street, Room C-114
Gatineau, QC K1A 0C9

BY EMAIL ONLY

Dear Ms. Goyette:

Re: Comments on the Proposed Changes to the Refusal and Review Process for Industrial Design Examination Decisions

On March 29, 2021, the Canadian Intellectual Property Office (“CIPO”) proposed changes to the refusal and review process for industrial design examination decisions. Despite the absence of meaningful comment from the public, the proposed changes have already been implemented in a pilot project. The long-standing review process for industrial design applications by the qualified Patent Appeal Board (“PAB”), with an option for an oral hearing, has been abruptly replaced with review by an unidentified “subject matter expert” from the Trademarks and Industrial Design Branch (“TDIB”), and the oral hearing right removed.

Although the changes are intended to ensure “quality and timely IP rights that reflect client expectations”,¹ Brion Raffoul LLP respectfully submits that the proposed changes are likely to achieve the *exact opposite of their intent*. Removing the PAB’s

¹ Discussion paper: Proposed change to the refusal and review process for industrial design examination decisions, CIPO, <http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04916.html>

role in the review process will diminish the quality of decisions, lead to confusion and delays, and likely violate the duty of procedural fairness owed to current applicants. Further, the rationale for these changes appears dubious and the current ‘consultation’ process is deeply flawed. Accordingly, CIPO should cancel the pilot program, withdraw the proposed changes, and maintain the current refusal and review process.

The removal of the PAB is likely to compromise the quality of the review process

Under the standard process predating the pilot project, “[before] a final refusal is issued, an applicant who has failed to overcome the objections to registration raised by the examiner will be invited... to request a review of the decision by the Patent Appeal Board (PAB).”² The PAB is an advisory body made up of Senior Patent Office officials that provides recommendations to the Commissioner of Patents,³ and is already familiar with industrial designs, administrative procedure, and quasi-judicial proceedings. The PAB’s involvement in the review process for industrial designs dates back to at least 1974.⁴

According to the proposed changes, an applicant will no longer be able to request a review by the PAB. Instead, a “subject matter expert from the *policy and legislation group* of the Trademarks and Industrial Designs Branch (TIDB)” [emphasis added], apparently “supported by legal services”, will conduct a review of all applications that are to be considered for refusal.⁵

It is unclear how a person from the “policy and legislation group” of the TIDB would have the requisite expertise to examine industrial design applications. It is even less clear how such a “subject matter expert” would have *more expertise than the initial Examiner*, who routinely examines applications. The point of reviewing an Examiner’s decision is not to opine on future policy or legislation, but to determine whether the application meets the requirements of the *Industrial Design Act and Regulations*.⁶ A “subject matter expert” from the policy and legislation group may well be an expert in

² *Ibid.*

³ About the Patent Appeal Board, CIPO, https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr01971.html.

⁴ Notice to the Patent Profession CPOR, July 2, 1974, 15 CPR (2d) 197.

⁵ Discussion paper, *supra* note 1.

⁶ *Industrial Design Act*, RSC 1985, c I-9 and *Industrial Design Regulations*, SOR/2018-120.

drafting and shaping policy and legislation in the abstract. However, that has no bearing on their ability to apply such legislation to individual industrial design applications.

Further, Brion Raffoul LLP notes that the design patent review process before the USPTO is similar to the current industrial design review process in Canada. An applicant for a design patent in the US may appeal to the US Patent Trial and Appeal Board (PTAB) with the option for an oral hearing, if requested. Further, the European Intellectual Property Office (EUIPO) has a similar process for European Community designs. Neither the US nor the EUIPO delegate such appeals to an unidentified official from a policy group. Such an approach in Canada is likely to make the Canadian industrial design process less appealing to foreign applicants and will likely diminish their trust in the results. Thus, the proposed changes *diminish*, rather than enhance, the quality of industrial design decisions.

The ‘efficiency’ rationale is unfounded

Only eleven (11) requests for review to the PAB have been made in the last five (5) years.⁷ In other words, on average, the PAB reviews just *over two (2) industrial design decisions per year*. This is a relatively small burden for the PAB. Further, although CIPO asserts that the proposed changes would result in more consistent and “faster final decisions” for applicants,⁸ we submit that neither consistency nor speed should be bought at the expense of correctness. A final decision that is incorrect in law provides no advantage to the applicant, regardless of the speed with which that decision is reached.

Accordingly, Brion Raffoul LLP submits that the proposed changes will not promote efficiency, especially during the transition period. The proposed changes will, instead, invite confusion, delays, and needless litigation.

The changes violate applicants’ rights to procedural fairness

According to the proposed changes, “all requests for review by the PAB received by CIPO on or after March 29, 2021, will be led by the TIDB”.⁹ Given that CIPO’s

⁷ Discussion paper, *supra* note 1.

⁸ *Ibid.*

⁹ *Ibid.*

current service standard requires that the first office action issue within the first 21 months of filing, applications filed even as far back as June, 2019, may thus be subject to this new process. Those who filed industrial design applications before March 29, 2021, reasonably expected to be able to appeal to a specialized board and to request an oral hearing. They could not have expected that the final review would be performed by an unidentified “subject matter expert” from a policy and legislation group of the TIDB. Furthermore, the removal of the right to oral hearing may be deeply prejudicial to applicants’ interests.

The Supreme Court of Canada has established that, where an applicant/claimant has a legitimate expectation of a certain procedure, the duty of procedural fairness *requires* that procedure to be used.¹⁰ Accordingly, especially in view of the abrupt nature of the changes, the pilot project and proposed changes likely violate the duty of procedural fairness owed to applicants.

The consultation process was defective

The pilot project went unannounced, other than an online “discussion paper” and a minor change to the Industrial Design Office Practices manual (“IDOP”). ***Not even the industrial design guide on the CIPO website has been amended to reflect the pilot project***, which is, *de facto*, a significant procedural change.¹¹ There is no indication that patent and/or trademark agents were even informed of the consultation. As of May 30, 2021, the guidelines still outline a period of “three months from the date of the notice [for the applicant] to ask the Patent Appeal Board to review the decision.”¹²

It is customary for CIPO to issue practice notices regarding changes to current practice. For example, CIPO issued two (2) practice notices on May 3, 2021, regarding changes to *trademark* examination procedures, including an accelerated examination pilot project. The most recent practice notice found on CIPO’s website for industrial designs is from **2017**.¹³ The small change to section 18.02.01 of IDOP was only ‘announced’ by an entry in Annex B of IDOP. (Brion Raffoul LLP also notes that current

¹⁰ *Baker v. Canada (Minister of Citizenship and Immigration)*, [1999] 2 SCR 817 at para 26

¹¹ Industrial designs guide, CIPO, https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr02300.html.

¹² *Ibid*, at “5. Examination and registration process in Canada”.

¹³ Industrial Design Practice Notices, CIPO, https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr00277.html?Open&wt_src=cipo-id-main.

section 18.02.01 of IDOP appears to *directly conflict* with section 18.02.) No reasonable attempt appears to have been made by CIPO to inform even *current* applicants about these significant changes to the appeal process.

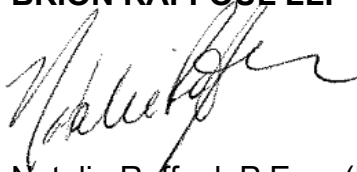
Further, Brion Raffoul LLP notes that the period for consultation closes only two (2) months after the pilot project began. In light of the small number of reviews subject to this process each year, ***any consultation based on the actual effectiveness of the pilot project in any specific case was likely not even possible.*** Changing long-established policy on the basis of such a deficient, if not non-existent, consultation process should be unacceptable, even if the changes were minor and positive. The proposed changes are both drastic and detrimental and further compound the defects of the consultation process.

Conclusion

The proposed replacement of the PAB with a “subject matter expert” from the policy and legislative group of the TIDB, on dubious ‘efficiency’ grounds, is likely to undermine the substantive quality of the review process and diminish applicants’ trust in the system. Moreover, the sudden changes and elimination of oral hearings for even previously filed applications likely violates the legal duty of procedural fairness owed to applicants. These problems are compounded by the serious deficiencies in the ‘consultation’ process.

Accordingly, Brion Raffoul LLP respectfully submits that the proposed changes to the refusal and review process for industrial design examination decisions ***should be withdrawn and the pilot project ended immediately.***

Sincerely,
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