



Encouraging Trends in 2020/2021 for IP Rights Holders Enrolled in Canada’s Border Protection Program

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To help stem the flow of counterfeit products into Canada, owners of Canadian registered trademarks, copyrights, and geographical indications (“rights holders”) can enroll in a government program called the “Request for Assistance” (RFA). The program, now just over 6 years old, is operated by the Canada Border Services Agency (CBSA). Under the program, CBSA has the power to detain suspect counterfeit goods or pirated works at the border for a short period and to exchange information about the detained goods with the rights holder. Armed with that information, rights holders can then choose to take legal action against the importer, including seeking settlement with the importer either before or after commencing a court action.

When suspect goods are stopped, a CBSA officer will contact the rights holder whose brand is implicated in the shipment. Basic information about the shipment and images of the goods are typically provided. The rights holder is given three days to confirm whether the goods are counterfeit, and if so, whether they are interested in having the goods detained. If there is interest, the CBSA will issue an official Notice with additional information about the shipment and importer, and the detention of the shipment will continue for a short period of time (ten days for non-perishable goods, five days for perishable goods). Detention can be extended beyond this period if the rights holder commences a court action against the importer and sends notice of such action to the CBSA within that detention period. Of note, grey market goods and goods imported by a person in their baggage for personal use, cannot be stopped under the program. However, since June 30, 2020, in-transit shipments may be detained.

Rights holders can enroll in the RFA program by filing a form with the CBSA indicating their intellectual property rights to be recorded, and can provide other information that could help CBSA identify illegitimate goods—for example, the names of known counterfeit importers, as well as training materials. The rights holder’s RFA can be amended to include new intellectual property rights. There is currently no government fee for enrolling. Recordal lasts for two years and can be renewed for subsequent two year periods.

Statistics released by CBSA show that since implementation on January 1, 2015, over 340 individual rights holders have participated in the program. Today, there are over 260 copyrights, and 3,900 registered trademarks (including two geographical indications) covered by RFAs. This is an encouraging start. However, to put this into context, over 70,000 trademarks issued to registration in 2019, and there are many hundreds of thousands more registrations on the Register.

Moreover, the statistics also show that while the initial program uptake was positive, new RFA filings were at their lowest in 2020, with only 23 new enrollees. Over the course of the program, 99 rights holder have chosen not to re-enroll.

Detentions have been made at lower rates than in other jurisdictions that offer similar programs—only 620 suspected shipments have been encountered in just over six years. However, the number of detentions has been trending upward, with the majority of detentions (257) occurring in 2020. 2021 is also off to a significant start, with over 150 suspected shipments encountered in between January and March alone.

Despite these low detention numbers, CBSA Officers have had a good “batting average”. Fewer than a dozen of the hundreds of detained shipments have been confirmed as authentic goods or were personal shipments detained in error.

Rights holders enrolled in the program, on average, have also overwhelmingly engaged with the regime when notified of a



detained suspect shipment—over 80% have opted to pursue action against the importer. And the outcomes have been noteworthy, with over 300 successful out of court settlements. There have been no unsuccessful civil court proceedings. Moreover, in one instance, a rights holder was able to obtain a court order against an importer for destruction of the goods and an injunction against the importer less than a week after filing and serving the statement of claim.

During the first years of the RFA program there was some uncertainty about the costs of detention. The *Trademarks Act* and *Copyright Act* provide the cost would fall on the rights holder, and CBSA indicated that detained shipments would be held in bonded warehouses, with the potential cost depending on the size and nature of the shipment, as well as the fees charged by the individual warehouse. Such uncertainty, understandably, led many to decide to “watch from the sidelines” and see what practice developed over the first years of the program. Rights holders’ detention costs fears have not, however, been borne out. In almost all detention cases, we understand that in practice the CBSA has not passed the detention costs on to the rights holder because, for example, the shipment was already being detained for other reasons, or the rights holder was able to obtain, as part of a settlement agreement with the importer, an agreement for the importer to pay any detention fees related to the shipment.

Practitioners in the anti-counterfeiting space in Canada have taken steps to advocate for more government resources to be allocated to the RFA program, and for small, but important, changes to the program that would simplify the process and communications for rights holders, their representatives, and CBSA agents. In December 2020, the Intellectual Property Institute of Canada (IPIC) presented a white paper to Public Safety Canada identifying the most pressing gaps in the current system, and recommending solutions to make the program more responsive and less burdensome for all stakeholders. The paper is available on [IPIC’s website](#) (stable copy [here](#)). Both the Canada Bar Association and the Canada Anti-Counterfeiting Network have signaled their support for IPIC’s submission.

Owners of registered trademarks, copyrights, and geographical indications who are not yet enrolled should consider the RFA program. There is no government fee, and, when suspect shipments are stopped and rights holders engage, the program seems to be working favourably for rights holders. Because of the brief initial detention period, rights holders who enroll in the program would be well advised to have systems in place so that if alerted, steps to address the detention can be taken quickly, increasing the likelihood of a positive outcome.

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