How Canadian companies can protect themselves from fakes, here and abroad

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A magnifying glass reveals the word “fake” embedded within the word “authentic.”

*DAVID ISRAELSON-Special to The Globe and Mail -Published June 9, 2015 Updated May 15, 2018*

Sporting a fake down parka that you bought at a flea market may seem like innocent fun, but it's nothing of the sort to manufacturers and exporters, safety regulators and those whose business depends on protecting intellectual property.

It has recently become a bit easier for Canadian firms to protect themselves at the border, though. But only a bit, experts say.

"As of January 1, 2015, the situation in Canada improved markedly," says Steven Raber, a trademark litigator and partner at Fillmore Riley LLP in Winnipeg. "It's a step forward for the protection of the public, not just trademark owners."

Mr. Raber is referring to new sections of the federal Combatting Counterfeit Products Act that took effect this year.

Anyone suspecting that someone is trying to import fake goods can now fill out a "Request for Assistance" to the Canada Border Services Agency for free. CBSA will then hold the goods, giving the Canadian company time to start legal proceedings. The request is good for two years and it is renewable.

"Mind you, there are issues," Mr. Raber adds.

If the goods turn out to be counterfeit, whoever filed the request becomes their new owner.

"All costs associated with the storage, handling, destruction of goods detained fall onto the owner. The owner gets a notice [from CBSA] and from the day after that the owner is responsible," Mr. Raber says.

It still can be time consuming and expensive to get rid of trademark or copyright infringement, he explains. Counterfeiting and trademark infringement are pervasive; fake goods can include sophisticated electronics and key automotive and aircraft components.

In fact, the counterfeiting and pirating of both copyrighted works and trademarked goods touches on nearly everything we consume in Canada.

"It runs from illegal copies of books, to software, to putting up stuff on the Internet, to a host of other things," says David Reive, partner in Miller Thomson LLP's intellectual property group in Toronto.

The value of worldwide trade in counterfeit and pirated goods is expected to reach about $2.2-trillion (Canadian) this year, according to the International Chamber of Commerce.

The Royal Canadian Mounted Police's 2012 Intellectual Property Crime Statistics suggest the value of counterfeit goods seized by the RCMP has increased by 500 per cent in less than a decade, according to a 2014 [report](http://www.blakesfiles.com/Guides/2014_Blakes_Anti-Counterfeiting_Law_in_Canada_July.pdf) by law firm Blake, Cassels & Graydon LLP.

Despite the potential cost of filing for assistance, Mr. Raber thinks the new law is an improvement.

"The great leap forward here is with respect to trademark," he says. Trademarks are the business identity of a company, including a name, logo, slogan or website domain name. Copyright protects intellectual or creative work; for example, a book, movie, TV show or software.

In addition to going after suspected violators after the fact, companies should take precautions before they go to market, says Karen Durell, a patent agent and intellectual property associate at Miller Thomson.

"The main thing Canadian companies can do is actually make filings, submit applications for trademarks and patents and submit industrial designs, as well," she says. "It can give you the basis to say that you've taken steps to protect what you own and take action," she says.

"Trademarks are one of those areas where companies decide they're just going to use the trademark without registering. But you get much stronger protection when you register."

Canadian exporters should also do a bit of due diligence before marketing abroad to make sure they aren't infringing on someone else's product or trademark, Dr. Durell adds.

Combating fakes and piracy is getting better in some instances, Mr. Reive notes. "File sharing sites are a bit more controlled today than they were 10 or 15 years ago. Some of them have been hit with large damage awards because of illegal downloading of material."

Still it's a tricky area of law. "Given its ever-changing nature, the law is constantly playing catch-up when it comes to the Web, search engines and other online technologies," the federal Export Development Bank says on its website.

For example, a Canadian company that offers online training services can be vulnerable to a foreign competitor copying the product.

The government's Canada Business Network website has [resources for businesses](http://www.canadabusiness.ca/eng/page/2680/) that want to protect their intellectual property in export markets, which include links to global IP databases and assessment tools for Canadian businesses' intellectual assets.

Editor's note:  David Reive and Karen Durell are with law firm Miller Thomson LLP, not Miller Thompson, as spelled in a previous version of this story.