

What You Need to Know About the Changes Coming to Canada's Trademark System

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Overview

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- Most substantial changes to Canadian trademark system in 60 years
- Impetus for change
 - Meet international norms and treaties (Nice Classification, Madrid Protocol, Singapore Treaty)
 - Meet requirements of various trade agreements
 - Streamline process for protecting marks
- The legislative framework
 - 2014 legislation
 - 2016 legislation to implement CETA
 - 2018 omnibus IP improvement bill
- Most changes coming into force on **June 17, 2019**

Transitional Provisions

- With some exceptions, if application has not yet been advertised before June 17, it will have to comply with the new requirements in the *Trademarks Act* and *Trademarks Regulations*
- As of June 17, requirement for declaration of use will be eliminated

Categories of Marks

- Widening of categories of recognized marks

Current System	New System
Words, designs, sounds, distinguishing guises	Adding non-traditional marks such as textures, scents, holograms, tastes, position of a sign
Certification marks that have been used	Certification marks, regardless of whether they have been used or not

Term of Registration

- Currently, initial term is 15 years
- Initial term for any registration that issues on or after June 17 will be 10 years
- Therefore, for any allowed application, consider whether it is possible to complete registration process before June 17 in order to take advantage of 15-year term

Renewals

- Changes coming

Current System	New System
Can renew registration at any time before expiry or within 6-month grace period after expiry	Can only renew within period starting 6 months before expiry and ending 6 months afterwards
Do not need to classify goods/services upon renewal	If registration renewed on or after June 17, must submit proposed classification for consideration by CIPO
Renewal fee is \$350 regardless of number of classes	Renewal fee is \$400 for first class and \$125 for each additional class; CIPO will advise as to additional fee required once it reviews registrant's proposed classes

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Prosecution

Filing an Application

- Simplified process for filing an application

Current System	New System
Priority claim only from application filed in applicant's "country of origin"	Priority claim supported by any application filed in preceding 6 months
Must specify one or more of four bases of registration – use in Canada, proposed use, making known in Canada, use and registration abroad	No longer required to specify basis of registration in application (including no need to provide information regarding use)
Don't need to classify goods and/or services	Must classify in accordance with Nice Classification of Goods and Services, but still need to be acceptable to CIPO
Cannot file under Madrid Protocol	Can use Madrid Protocol

Examination Process

- Important changes

Current System	New System
No examination for distinctiveness	Examiner can ask for evidence of distinctiveness (particularly important for non-traditional marks)
Declaration of use required for proposed use application	Mark can be registered without use having commenced
No divisional applications	Can file divisional applications, as long as goods/services within scope of application as advertised or, if not advertised, within scope of original application

Costs

- Official fees for multi-class applications will be higher

Current System	New System
\$250 filing fee, regardless of number of classes	Filing fee of \$330 plus \$100 for each additional class beyond first one
\$200 registration fee, regardless of number of classes	No separate registration fee

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Other Changes of Note

Other Notable Changes

Current System	New System
Cannot assign “associated” marks	Concept of “associated” marks will be eliminated
Ability for foreign applicant to overcome descriptiveness objection by showing mark is “not without distinctive character”	Need to establish that an allegedly descriptive mark was distinctive as of Canadian filing date
Utilitarian function not necessarily a barrier to registration	Examiner can now object to registration of a trademark that contains features that are dictated primarily by function

Other Notable Changes *(cont'd)*

Current System	New System
Must submit evidence when requesting transfer of an application or registration	Evidence no longer required to support a request for transfer of an application or registration
Cannot merge registrations	Registrations for same mark that arise from divided application may be merged
Person cannot adopt a mark that is identical to, or closely resembles, a public authority's official mark in respect of which public notice of adoption and use has been given by the Registrar	Prohibition eliminated if public authority no longer qualifies as such or no longer exists

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Oppositions and Enforcement

Opposition Process

Current System	New System
Potential opponent can review use information in application in order to determine whether it has prior rights	Potential opponent will often need to conduct investigation prior to deciding whether to oppose
No protective orders – everything filed is available to the public	Protective orders and case management available*
No “bad faith” ground of opposition	Ground of opposition based on “bad faith” filing
No cost consequences	Cost consequences*
On appeal to Federal Court of Canada, new evidence can be filed as of right	Require leave of Federal Court of Canada to file new evidence on appeal

* Not in force on June 17, 2019

Enforcing Trademark Rights

- Important changes

Current System	New System
No requirement to use mark that is the subject of a registration in order to be entitled to a remedy	If asserting registration that is less than 3 years old, must have used mark in Canada before being entitled to remedies
No “bad faith” ground to challenge existing registration	Bad faith invalidity ground available

- Registration still subject to summary non-use proceedings if not used in Canada in association with goods and services listed in registration at any time within a three-year period

Impact of Changes

- Increased number of applications will be filed, particularly through Madrid
- Increased risk of trademark trolls (e.g., one troll has already filed more than 400 applications in all 45 classes)
- Will be more challenging to clear a mark
- Broader range of marks will be registrable
- Higher rate of oppositions

What Should I Be Doing Now?

- Consider renewing registrations early, particularly multi-class registrations, to reduce renewal fees and need to classify
- Consider filing before June 17, particularly multi-class applications, to reduce filing fees
- For pending, allowed applications, consider whether to file declaration of use now for some of the goods/services (to get 15-year term)
- Consider filing now to beat rush of Madrid applications

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Madrid Protocol

Madrid Protocol

- International treaty administered by the International Bureau (IB) of the World Intellectual Property Organization in Geneva, Switzerland
- Canada is the 104th member of the Madrid System, which includes 120 countries
- Process for filing trademark applications in multiple countries through one trademark office rather than separate filings in each jurisdiction

Madrid Protocol: Advantages

- Centrally administered by a single office – the International Bureau
- One application in one language instead of filing separate individual national applications
- Potential cost savings
- No longer need to engage local counsel to file an application in each jurisdiction
- More efficient as IB transmits requests for applications, renewals, address changes and changes of ownership with the designated countries

Madrid Protocol: Disadvantages

- The IR, and subsequent national applications, will be based on the home (Canadian) application/registration
- This includes the narrower description of goods/services acceptable to CIPO
- There is a 5-year dependency period on the home application/registration – any limitations, amendments, denials, cancellation of protection in the home application/registration are applied to the IR and the countries designated under the IR
- May still need to engage local counsel if there are objections, oppositions or for post-registration maintenance requirements

Summary

- Consider filing your international applications through the Madrid Protocol if:
 - you have a home application or registration for your mark that includes all of the goods and/or services you wish to protect, and
 - you are filing in more than three jurisdictions (in order to realize cost savings)
- If you do file through the Madrid Protocol, keep in mind that:
 - you may still need to engage local counsel
 - there is a 5-year dependency period on your home application/registration

Questions?

Please contact a member of the Blakes IP group:

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Do you have any questions?

If you have any questions, please contact a
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Thank You

Blake, Cassels & Graydon LLP