

Upcoming Changes to Canada's Trademark Law

After five years of uncertainty and speculation, a date has been set for Canada's drastic new trademark laws to come into force.

On June 17, 2019, companies in all industries will be governed by an entirely different trademark regime that eliminates the concept of "use" as a requirement for obtaining registration.

This is the most significant change to Canada's trademark laws in modern history and dramatically changes the landscape of brand protection and enforcement in Canada.

In this video we will summarize the most important changes of the new *Trademarks Act*, and discuss the challenges as well as the opportunities that you should be aware of.

So firstly, "Use" of a Trademark Will No Longer Be Required for Registration

1. This is by far the most significant change to the law. It will allow an applicant to file for and obtain a trademark registration without ever having used that mark anywhere in the world.
2. Currently, an applicant has to have actually used the trademark in Canada, either by claiming a date of first use in their application or by filing a Declaration of Use.
3. On June 17, 2019, this requirement will be eliminated and will create both risks and opportunities for companies and brand owners.

Trademark Squatters and Trolls - The door opens for increased risk

On June 17, 2019 applicants will no longer have to claim that they have used the trademark being applied for. This will open the door to squatters and trolls who will search the world for unprotected brands and obtain registration for these brands in Canada.

If your company name or valuable brands are not registered in Canada, it is possible for a third party to register and own your mark without you ever knowing.

This risk can be avoided by applying for trademark registrations for your business name and valuable brands before the June 17 deadline

"Use" is Still Important

Although use will not be necessary to obtain registration, it is still an important factor when determining entitlement to trademarks, and in opposition and enforcement proceedings.

If you can establish prior use of your trademark, you can successfully oppose a troll's application, or seek to have their registration invalidated. However, to even become aware of pending applications, it is necessary to properly search and monitor your marks. Taking legal action against misuse requires increased diligence and cost.

Is there a way to avoid these costs? Well, if a dispute over first use is not required in the first place, you can establish your priority by having trademark applications under way before June 17, 2019. In Canada, being first to file will become very important—do not allow trolls to beat you to the Trademarks Office!

Filing fees will go UP!

Other changes to Canadian legislation will result in increased fees and a requirement to follow the Nice International Classification System for goods and services.

The new law will increase the base filing fee from \$250.00 to \$330.00, it will include only one class, and an extra fee of \$100.00 per additional international class.

With 45 classes of goods and services, these increases in fees could be significant. It will become necessary to be selective when choosing which classes to protect.

Renewal Period will Change!

The new law shortens the renewal period for a registered mark from 15 years to 10 years. It will also be more expensive to renew trademarks, regardless of the number of classes.

The new law will increase the renewal fee to \$400.00 for only one class, and an extra fee of \$125.00 per additional class.

To clarify, if you renew your mark before the June 17 deadline then your trademark will be renewed for an additional 15 years under the old rules. However, after June 17 all trademark registrations will be affected by the new rules and fees.

The Definition of Trademark will be Expanded.

Under amendments to the Trademarks Act, the definition of 'trademark' will be expanded to include a sign or combination of signs used by a person to distinguish that person's goods or services from those of others. The new definition will include:

- a word;
- a personal name;
- a design;
- a letter;
- a numeral;
- a colour;
- a figurative element;
- a three-dimensional shape;
- a hologram;
- a moving image;
- a mode of packaging goods;
- a sound;
- a scent;
- a taste;
- a texture; and
- the positioning of a sign.

So there's definitely a lot of options to choose from when it comes to registering a trademark to protect your branding assets!

The Little Changes

There are certain provisions of the new legislation that will make the application process a little more flexible.

For example, it will be possible to "divide" applications. This may be advantageous in the event of an opposition to some, but not all goods and services. It may also help speed up registration for certain goods or services when there are objections to others.

Once divided, any registration that results from a divided application may be merged.

However, some revisions may result in a greater likelihood of objections at the examination stage.

Trademark examiners will now be able to object to an application on the basis that a mark is not inherently distinctive.

This doesn't just apply to applications filed after the June 17 date. The amendments will also affect applications that have already been examined, but not yet approved. There are already many thousands of applications in that status, and it is expected that there will be many more before the June 17 deadline.

Moving forward

CIPO hopes that the impact of the amendments in force this June will not only simplify filing procedures, but also encourage more Canadian businesses to file trademarks applications in Canada and abroad.

However, simpler filing procedures and elimination of use as a registration requirement comes many risks.

While the amendments to the Trademarks Act do not literally create a first-to-file system, being proactive about protecting your brands can help you avoid having to challenge others for improperly encroaching on your rights.

Whatever these new changes bring to the Canadian trademark landscape, rest assured that our team at Witmart will be here to guide you through every step of the process. See you next time, and thanks for listening!