

## Canadian Trademark Law - Life after Application

Hi, and welcome to this week's episode of our trademark and IP video series! Today we'll be talking about life **after** you submit your trademark application. Nope, sorry -- the trademark registration process doesn't end after you've submitted an application.

Once a trademark is filed, and even throughout the registration process, you still need to have a plan in place to defend your trademark. But don't worry, we're here to help!

**Let's start by answering some fundamental questions you probably have about trademark protection post-filing.**

**First, which courts are empowered to hear trademark disputes?**

The Federal Court has both concurrent and exclusive jurisdiction to hear trademark disputes – the jurisdiction is exclusive where statutory registration, expungement or the grant of trademark rights is at issue.

Jurisdiction is concurrent when the claim is one of infringement of those rights. A party can elect to bring these claims before the Federal Court or before the provincial superior courts.

## ENFORCEMENT OF TRADEMARKS IN CANADA

**Some points that I wanted to draw your attention to regarding jurisdiction:**

- The federal government was set out to have exclusive jurisdiction regarding Trademarks in the Constitution Act 1867.
- The federal government has exclusive jurisdiction regarding matters of statutory registration, expungement and the granting of trademark rights.
- Matters of infringement can be heard at either the federal level or at the provincial superior court level.
- Under the Trademarks Act, the Federal Court has exclusive jurisdiction to hear trademark matters.

That said, under The Federal Courts Act the Federal Court has concurrent jurisdiction along with the Provincial Superior Courts on certain matters such as infringement and passing off.

- Fun fact: when it comes to language, a trademark can be either in French or English.

A recent case in Quebec decided that registered trademarks do not have to be converted into the language of any given jurisdiction. This is why you will see many trademarks in Quebec that remain English even though they have language laws in Quebec.

**Let's say you're dealing with a trademark ownership issue. What actions can be taken against infringement (eg, civil, criminal, administrative)?**

***Civil action***

- Only a registered trademark can be infringed; infringement is a legal term which typically includes the sale, distribution or advertisement of any goods or services in association with a confusing trademark or trade name.
- A party can sue for trademark infringement based on Sections 19 and 20 of the Trademarks Act before the Federal Court or the relevant provincial superior court.

***Criminal action***

- The Criminal Code targets the sale, offer for sale or distribution of counterfeit products on a commercial scale, as well as the manufacture, cause to be manufactured, possession, import, export or attempt to export any counterfeit goods and any label or packaging for the purpose of sale or distribution on a commercial scale.
- In-transit shipments and personal-use goods are excluded.

What are the penalties for criminal trademark infringement offences?

- A fine of up to C\$1 million and up to five years in prison for an indictment; and
- \$25,000 fine and up to six months in prison for a summary conviction offence.

**What remedies are available to owners of infringed marks? Are punitive damages allowed?**

The owner of an infringed mark may seek:

- Injunctions;
- Permanent injunctions;
- Damages;
- An accounting of profits; or
- The destruction or other disposition of any offending goods, packaging, labels and advertising material and any equipment used to produce the goods, packaging labels or advertising material.
- Punitive damages and exemplary damages may be awarded in exceptional circumstances. The successful party is typically entitled to an award of costs.

### **Customs Enforcement**

#### **What customs enforcement measures are available to halt the import or export of infringing goods?**

Canada has adopted a new request for assistance regime to halt the import or export of counterfeit goods, whereby:

- The owner of registered marks may register these rights with the Canada Border Services Agency (CBSA).
- The CBSA may then detain goods for five to 10 days and exchange information with trademark owners, allowing them to take civil action to extend the detention period.

Brand owners will bear the costs of detention. There is no summary procedure allowing for the destruction of counterfeit goods.

### **Assignments**

#### **What rules and procedures govern the assignment of trademark rights? Must an assignment be recorded to have legal effect?**

There are no specific rules or procedures governing assignment of trademark rights.

- A trademark, whether registered or unregistered, is transferable either in connection with or separately from the goodwill of the business and in respect of either all or some of the goods or services in association with which it has been used.
- There is no requirement that an assignment be recorded to have legal effect.

An assignment may be recorded against a registration with CIPO, but the assignment need only be signed by the assignor. There is no requirement for notarisation. There is an official recordal fee of C\$100 per mark.

### **Licensing**

#### **What rules and procedures govern trademark licensing?**

The Trademarks Act governs the licensing of trademarks.

- A licence may be written or unwritten and may relate to both registered and unregistered marks.
- There is no provision to record a licence against registered marks.
- However, the Canadian Intellectual Property Office (CIPO) will permit the placement of licensing agreements on the files of trademarks that have been licensed and a note to that effect will be entered on the register.

### **Related IP rights**

#### **Can trademarks be protected under other IP rights (eg, copyright, designs)?**

1. It is possible to protect a design mark via copyright where the conditions set out in the Copyright Act have been met (generally an original artistic work authored by a citizen, subject or resident of a Berne Convention country).
2. It is also possible to protect a trademark via industrial design – to protect the visual features of shape, configuration, pattern or ornament or any combination of these features applied to a finished article.

### **Trademarks online and domain names**

#### **Who governs the protection of trademarks online and domain names?**

1. The Canadian Internet Registration Authority (CIRA) manages the '.ca' internet domain on behalf of all Canadians.
2. CIRA's Dispute Resolution Policy provides a mechanism for arbitration for individuals and businesses which meet CIRA's Canadian presence requirements.
3. It is also possible to seek relief from Federal Court or the provincial superior courts based on passing off, infringement and depreciation of goodwill of existing trademark rights.