

Great White North Cheat Sheet

Six Things you Need to Know About Canada's Amended Trademarks Act

New York Intellectual Property Law Association - July 2019

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Nice to Meet You!

- **Stuart Ash**
 - Partner in Ottawa office of Gowling WLG
 - 20+ years experience in trademark matters

- **GowlingWLG**
 - Full service, sector based law firm
 - Offices in 18 cities in Canada, Russia, UK, France, Germany, UAE, Singapore and China
 - Large experienced trademarks team in Canada (30+ full-time lawyers and agents)

Setting the stage

- **Changes enacted June 17, 2019.**
- **Five years in the making; most comprehensive changes in fifty years**
- **Goal is to harmonize Canadian trademark law with law of its trading partners and to streamline and simplify the trademark registration process in Canada.**
- **Involved accession to:**
 - Singapore Treaty on the Law of Trademarks
 - Madrid Agreement Concerning the International Registration of Marks
 - Nice Agreement Concerning the International Classification of Goods and Services

Why do I care?

- **US/ Canada trade relationship is the largest in the world (US\$714.1b in 2018);**
- **Canada is the largest export market for US goods and services (US \$353.6b, nearly 20% of all US exports) and the most important export market for 36 states;**
- **Canada is the number one jurisdiction for US foreign trademark filings (ahead of EUIPO and Mexico and 4x China);**



Why do I care?

- **Online shopping, marketplaces and services continue to make location less relevant;**
- **Trolls and other opportunistic filers are now taking advantage of opportunity to file in Canada.**



Agenda

Six Key Things

- **Accession to the Madrid Protocol**
- **Adoption of the Nice Classification**
- **Elimination of Use as a Prerequisite to Registration**
- **Examination for Distinctiveness**
- **Notification of Third Party Rights**
- **Term and Renewal**
- **Won't discuss: non-traditional marks, division and merger, modified opposition procedure**

Accession to the Madrid Protocol

- **Amended Act provides for Canada's accession to the Madrid Protocol.**
- **Organizing principle: Protocol applications will follow the domestic practice and procedure as closely as possible**
- **Canada will accept initial application designations and subsequent application designation**
- **Declarations**
 - Article 5(2)(b) - refusals (examiner's first report) can be issued any time up to up to 18 months (not 12)
 - Article 5(2)(c) – oppositions may be filed after 18 months
 - Article 8(7)(a) – ability to charge individual (national) fees
 - Rule 20 (bis)(b) - license recorded on International Register has no effect in Canada

Accession to the Madrid Protocol

- **What do we expect?**
- **increase in the number of applications filed in the CIPO.**
 - combined with elimination of use as a prerequisite to registration, it will likely become somewhat more difficult to clear, register and enforce marks in Canada.
- **Large number of refusals**
 - s.30(a) requirement to describe goods and services in ordinary commercial terms
 - Will always be a total refusal
- **You may wish to consider:**
 - Appointing a Canadian representative
 - Benefits of filing directly

Adoption of Nice Classification

Prior to June 17th

- **Canada was one of the few countries in the world that did not adhere to Nice.**
- **No per class filing fees or renewal fees**
 - **Filing fee C\$250**
 - **Renewal Fee C\$350**
- **s.30(a) required that goods and services be described in “ordinary commercial terms”.**
- **Could select from Goods and Services Manual “pick list”**

Adoption of Nice Classification

Post June 17th

- **Canada has now adopted the Nice Classification.**
- **Applications filed after June 17th must have the goods and services grouped and classified in accordance with the Nice Classification. Government fees for filing will now be assessed and charged on a per class basis.**
- **The new government filing fee will be C\$330 [US\$ 250] for one class and C\$100 [US\$ 75] for each additional class. The existing C\$200 [US\$ 150] registration fee will be eliminated.**
- **Existing registrations will need to be grouped and classified as a condition of renewal. Government fees for renewal will also be charged on a per class basis (C\$400 [US\$ 300] for the first class and C\$125 [US\$ 95] for each class thereafter).**

Adoption of Nice Classification

Post June 17th

- Pending applications which were not advertised as of June 17th in which the goods and services have not been grouped and classified will need to be classified before moving forward.
- Pending applications which were allowed as of June 17th will be allowed to move forward without classification. Registration fee payment letters are now being received.
 - We expect, however, that the Registrar may issue s. 44.1 classification requests in respect of such registrations.
- **Keep in mind:**
 - Neither the assignment of classes in corresponding foreign cases nor the informal CIPO classification will be binding or determinative.
 - The s.30(a) obligation to describe goods and services in ordinary commercial terms remains.

Adoption of Nice Classification

Post June 17th

- **We recommend:**
- **Group and classify pending cases now;**
- **Leave sufficient time to complete the grouping and classification process prior to renewal (particularly in respect of applications with long and complicated specifications)**
- **Consider using the list of pre-approved goods and Services in the Goods and Services Manual.**

Use as a Prerequisite to Registration

Prior to June 17th

- **Application had to designate one (or more) of three filing bases:**
 - **use or making known in Canada**
 - **proposed use (intent-to-use)**
 - **foreign use and registration**
- **Use (somewhere) was a prerequisite to registration.**
 - **Filing on the basis of use in Canada : the date(s) of first use must be identified at the time of filing.**
 - **Filing on the basis of proposed use : Declaration of Use must be filed at the Allowance stage**
 - **Filing on the basis of foreign use and registration : details must be given as to the foreign use**

Use as a Prerequisite to Registration

Post June 17th

- **The Amended Act does away with existing filing bases and replaces them with a single basis of filing, namely a statement that the Applicant is using or proposes to use the trademark and is entitled to use the trademark in Canada.**
 - No requirement to provide use information at the time of filing
- **The requirement to file a Declaration of Use at the allowance stage is eliminated.**
- **While a streamlined and easier registration process is beneficial, eliminating use as a prerequisite to registration is controversial as it opens the door to speculative and abusive registrations.**
- **Concern has also been expressed that failure to collect, record and publish information regarding dates of first use will make it more difficult and expensive to search and clear marks and to determine whether to oppose**

Use as a Prerequisite to Registration

Post June 17th

- **The concept of use is not abolished from Canadian trademark law.**
 - Entitlement to registration is still be based on first use.
 - Registrations will still be able to be challenged and cancelled for non-use.
 - Until third anniversary of registration, actions for infringement will require proof of use of the registered mark in Canada (or acceptable excuse for non-use).
 - Registrar-initiated challenges to use
- **What remains the same:**
 - No requirement to provide specimens of use under Canadian law.
 - no equivalent requirement to s.8 and 15

Use as a Prerequisite to Registration

Post June 17th

- **Combined with accession to the Madrid Protocol, we expect that elimination of use as a prerequisite to registration will result in a modest to reasonable increase in filings in the CIPO (both legitimate and illegitimate).**
- **As a result it will likely become somewhat more difficult to search, clear and register in Canada.**

Examination for Distinctiveness

Prior to June 17th

- **Trademarks were not examined for distinctiveness or lack thereof *per se***
 - Exception: distinguishing guises
- **The question of distinctiveness underlay a number of the statutory prohibitions against registration,**
 - is mark non-distinctive for being primality merely a surname [s.12(1)(a)?]
 - is the mark non-distinctive for being clearly descriptive or deceptively misdescriptive of the character/ quality / origin of the goods and services claimed [s.12(1)(b)?]
- **Two acquired distinctiveness “saving provisions”: s.12(2) and s.14**
 - s.12(2) : the mark is distinctive throughout Canada by virtue of extended and extensive use
 - s.14 : the mark is registered outside of Canada and is not without distinctive character in Canada (lower threshold)

Examination for Distinctiveness

Post June 17th

- **Amended Act broadens scope of examination for distinctiveness at the examination stage.**
 - s.37(1)(d) – Registrar may refuse registration of trademark if not distinctive
 - s.32 (1)(b) - Registrar may request evidence that mark is distinctive as of date of filing if Registrar is of the view that the mark is not inherently distinctive
- **Amendments substantially expand the circumstances in which the Registrar may require an applicant to provide evidence showing that an applied for mark is distinctive, including in circumstances where in the Registrar’s preliminary view the applied-for mark is inherently non-distinctive.**
- **Amendments to Examination Manual are a departure from past practice and raise the prospect that marks which were previously registrable may no longer be registrable without the filing of evidence of distinctiveness.**

Examination for Distinctiveness

Post June 17th

- **Amendment to Examination Manual sets out principles, process and examples**
- **General principles**
 - Examiner will consider mark in association with applied for goods and services without taking use into consideration
 - If, after review (including online research) the Examiner determines that a mark directs a consumer to multiple sources or is used by others in the trade, he/she may issue an objection
 - Should applicant be able to monopolize the mark as a trademark?

Examination for Distinctiveness

Post June 17th

- **Marks that may now attract objections**
 - Geographic names (whether or not location is associated with goods or services)
 - One and two letter / number marks
 - Generic designs
 - Laudatory words and phrases
 - Phone numbers and URLs
 - Prior “fixes”: titles added to surnames (Mr., Dr.); business name modifiers (Ltd., Corp., LLC)
 - Combinations of unregistrable or non-distinctive elements
- **Marks that are combinations of unregistrable or inherently non-distinctive elements will be considered to be inherently non-distinctive**

Examination for Distinctiveness

- Unclear as to what resources the Registrar will look at to make his assessment and what type and level of evidence will be required to establish that applied-for mark is indeed distinctive as of the time of filing in Canada.
- Not a ban, but requires evidence of distinctiveness as of date of filing.
- Problematic because the threshold is high and preparing evidence of distinctiveness will add cost and time to the registration process.
- The transition provisions provide that any application which was not advertised as of June 17th will be open to being re-examined (including for distinctiveness).

Notification of Third Party Rights

Prior to June 17th

- “Letters of Protest”
- Was no mechanism or procedure in Canada for third parties to communicate with the Office in respect of applications filed by others (apart from Opposition process).
- Office ignored any correspondence relating to an application that is not from applicant or its agent

Notification of Third Party Rights

Post June 17th

- Interested parties are now entitled to direct the Registrar's attention to specific facts relating to the registrability of an application (Notification of Third Party Rights).
- Submission is by way of specified form sent to Deputy Director who will forward to the examiner.
- Can be filed at any time before registration.
- Grounds are limited to confusion with existing registration or pending application and that a registered mark is included in description of goods and services
- Registrar will not consider issues relating to prior use of unregistered or common law marks, claims of adverse ownership, lack of inherent distinctiveness or failure of the application to comply with formalities.
- Intended to be a bare bones process; cannot file argument or evidence.

Notification of Third Party rights

Post June 17th

- Office will accept Notification and make a notification in the database that a notification has been put on file.
- No further communication will occur (including any further correspondence as to whether any action has or will be taken).
 - Office will not notify the sender that letter has been received.
 - Office will not notify the applicant will be advised that a Notification has been paced on file.
- Does not create and *inter partes* proceeding nor is it intended to replace or delay the formal opposition process.
- Useful and less costly mechanism to try to derail the registration of problematic marks outside of the formal opposition process.

Term and Renewal

Prior to June 17th

- **Initial Term - 15 years**
- **Renewal**
 - **15 years**
 - **No s. 8 / 15 requirement**
- **Renewal requirements**
 - **No statement of use or specimens required ; no audits**
 - **Renewal could be effected at any time**
- **Renewal Fee – C\$350 [US\$ 265]**
 - **No per class fees**

Term and Renewal

Post June 17th

- **Amended Act provides that registrations granted after June 17th will be granted for 10 year terms.**
- **Renewal may only occur within six months prior and subsequent to the renewal date.**
- **Goods and services must be grouped and classified in accordance with Nice as a condition of renewal.**
- **Registrant must pay per class renewal fees (C\$400 [US\$ 300] for first class and C\$125 [US\$ 95] for each class thereafter)**
- **Amended Act does not introduce proof or statement of use at renewal or during the term.**

For further information

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