
REGISTER TRADE-MARKS NOW BEFORE AMENDMENTS TAKE EFFECT

*By Sepal Bonni and Terrance S. Carter**

A. INTRODUCTION

As reported previously in this *Charity Law Update*, on June 19, 2014, Canada's long-anticipated amendments to the *Trade-marks Act*¹ were passed into law. The Canadian Intellectual Property Office has stated that the proclamation date for the amendments will be determined after the *Trademark Regulations* have been revised, and relevant IT systems have been updated.² Those within the sector are estimating that the amendments may be implemented in mid-to-late 2015.

Charities and not-for-profits should consider the following situations prior to these changes coming into force:

1. Trade-mark squatters, pirates and other third-parties may poach trade-marks

When the changes to the Act are implemented, the amendments will allow for registration of trade-marks without use anywhere in the world. While the amendments will not change Canada's first-to-use

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¹ Bill C-31, *An Act to implement certain provisions of the budget tabled in Parliament on February 11, 2014 and other measures*, 2nd Sess, 41st Parl, 2013-14 (assented to 19 June 2014), SC 2014, c 20 [Bill C-31] provides in Sections 317 to 363 various amendments to the *Trade-marks Act*, R.S.C. 1985, c. T-13, now entitled the *Trade-marks Act*.

² Canadian Intellectual Property Office, "Amendments to the *Trade-marks Act*: Questions and Answers" (2014), online: Government of Canada <<http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03799.html>>.

priority regime, they will eliminate the requirements for claiming a date of first use, or filing a declaration of use prior to obtaining a Canadian trade-mark registration.³ Since use of the mark will no longer be required to obtain registration, unless the trade-mark is opposed, the mark will register once the opposition period is over.⁴ As a result of the elimination of the use requirement prior to obtaining trade-mark registration, many within the sector are predicting that this will open the door for trade-mark squatters, pirates and other third-parties to register currently existing trade-marks and effectively extorting value for them from the unregistered trade-mark owners. In light of this major amendment to the Act, it is recommended that both existing registrations and unregistered trade-marks and brands should be reviewed to determine if there are additional marks being used, or will be used in the future, and to ensure that marks are registered with appropriate goods and services, including any future goods and services. Taking these measures will proactively broaden the scope of protection afforded to the trade-marks prior to the amendments taking effect.

2. Filing fees, per class of goods and services, may be implemented

Currently, Canada does not require classification of goods and services into specific categories. As such, Canadian trade-mark applicants can include an unlimited number of goods and services in trade-mark applications without any additional government fees, regardless of the scope of the goods and services. When the amendments to the Act are implemented, Canada will adopt the Nice Classification⁵ system for goods and services.⁶ Consequently, although any number of goods and services may still be included in applications, the goods and services will have to be categorized into one of 45 classes. In jurisdictions that currently use the Nice Classification, such as the US, additional government fees apply for each classification of goods and services. It therefore follows that although fees have not yet been determined by the Canadian Intellectual Property Office (CIPO), it is likely that filing fees per class of goods and services will be implemented to align Canada with other jurisdictions. As a result of these anticipated fees, it is recommended that trade-mark and brand owners file for marks with a broad “wish-list” of goods and services prior to the amendments being implemented, to avoid an increase in filing fees and to avoid the anticipated fees per class.

³ Bill C-31, *supra* note 1, ss. 339, 345.

⁴ *Ibid*, s. 345.

⁵ World Intellectual Property Organization, Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (as amended on September 28, 1979), online: <http://www.wipo.int/treaties/en/text.jsp?file_id=287532>.

⁶ Bill C-31, *supra* note 1, s. 339.

3. Distinctiveness may be raised during examination of trade-marks

Currently, during the registration process, CIPO examines trade-marks for registrability based on issues such as confusion with other registered marks, descriptiveness of the trade-mark, and other registrability issues. When the amendments to the Act come into force, CIPO will be able to object to a trade-mark application on the basis that it is non-distinctive.⁷ The effect of this amendment will be made apparent over time., however, as it is anticipated that this will lead to more objections being raised during the examination process. Accordingly, it is recommended that trade-mark owners file for non-distinct marks now, in order to avoid objections and costs associated with preparing evidence of distinctiveness later.

4. The trade-mark renewal term will be amended from 15 years to only 10 years

Currently, when a trade-mark is registered, the renewal term is 15 years. When the amendments to the Act are implemented, the renewal term will be reduced to 10 years.⁸ However, any registration certificates issued prior to the amendments being implemented will retain the 15 year renewal term.⁹ Consequently, since trade-mark registrations can be renewed up to one year prior to the renewal deadline, any trade-marks that are up for renewal in the next year should be renewed prior to the amendments taking effect in order to take advantage of the longer renewal period. However, for applications filed now but for which a registration certificate will not issue until after the amendments take effect, the renewal period will be 10 years, but other advantages to filing now referenced in this bulletin will apply to those applications filed before amendments take effect.

5. Additional considerations

Additional amendments to the Act include Canada joining the *Madrid Protocol*¹⁰, an international treaty for the registration of trade-marks which will provide a streamlined approach for Canadian trade-mark owners to obtain registration in multiple jurisdictions, and conversely, for international trade-mark owners to obtain registration in Canada.¹¹

⁷ *Ibid*, ss 342(2).

⁸ *Ibid*, s. 350.

⁹ *Ibid*, s. 359.

¹⁰ World Intellectual Property Organization, Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (as amended on November 12, 2007), TRT/MADRIDP-GP/001, online: <http://www.wipo.int/wipolex/en/wipo_treaties/text.jsp?file_id=283484>.

¹¹ Bill C-31, *supra* note 1, s. 358.

The definition of “trade-mark” will also be expanded to include a sign or a combination of signs, including, for example, three-dimensional shapes, holograms, sounds, modes of packaging, and textures.¹²

B. CONCLUSIONS

The main consideration for registered and unregistered trade-mark owners at this time is to file a broad ranging proposed use application for a “wish list” of goods and services before the anticipated fees per class are implemented and to secure a filing date prior to the amendments to the Act taking effect. Most likely, once the application is allowed, there will be no need to file a declaration of use, and as such, the application will proceed to registration.¹³ Since the cost of registration is substantially less than opposition or cancellation proceedings, consideration should be given to registering marks as soon as possible.

The overall effect of the amendments to the Act will be a more simplified procedure for Canadians and non-Canadians alike for registering trade-marks in Canada. As a result of the anticipated influx of applications, charity and not-for-profit brand owners are encouraged to review their trade-mark portfolios, including registered and un-registered marks, to ensure the adequate protection of their brands prior to the new amendments taking effect. Charities and not-for-profits will need to continue to watch for further information in future *Charity Law Updates*. Until the new amendments are implemented, the current regime will remain in place.