
CHECKLIST AND REFERENCE GUIDE: AVOIDING WASTING ASSETS II – TRADE-MARK AND DOMAIN NAME PROTECTION FOR CHARITIES

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A. INTRODUCTION

1. This checklist is a reference tool that can be utilized when meeting with clients.

B. THE ROLE OF THE LAWYER IN TRADE-MARK MATTERS

1. Charities must ensure that all assets of the charity are properly identified, protected and applied in fulfilment of the charity's purpose.
2. A trade-mark can be one of the most valuable assets of a charity.

C. WHAT IS A TRADE-MARK?

1. The basic nature of a trade-mark.
 - (a) a trade-mark is any mark used for the purpose of distinguishing wares or services manufactured, sold, leased, hired or performed from those of others;
 - (b) a trade-mark represents the goodwill of a charity;
 - (c) trade-marks are recognized and protected at common law but receive additional protection by registration under the *Trade-marks Act*.
2. What do trade-marks consist of?
 - (a) a single word, e.g.,
"Lego"
 - (b) a combination of words, e.g.,
"Miss Clairol"

- (c) a logo or symbol, e.g.,
the big “M” for McDonalds
 - (d) a slogan, e.g.,
“you deserve a break today”
 - (e) a package or container designs, e.g.,
“the Coca-Cola bottle”
 - (f) even a telephone number, e.g.,
“967-1111”
3. Types of trade-marks involving charities.
- (a) corporate name, e.g.,
“ABC Relief Agency of Canada”
 - (b) the portion of a corporate name by which a charity is identified, e.g.,
“ABC Relief Agency” of ABC Relief Agency of Canada
 - (c) a Charity division, e.g.,
“ABC Children's Clubs”, a division of ABC Relief Agency of Canada
 - (d) a logo, e.g.,
The panda for World Wildlife Fund
 - (e) emblems or crests, e.g.,
The cross for the Canadian Red Cross
 - (f) a slogan, e.g.,
“Here's Life”.

D. WHY ARE TRADE-MARK IMPORTANT TO CHARITIES?

1. Trade-marks represent the goodwill of a charity by providing a focal point for
 - (a) donations from regular supports;
 - (b) donations from estate gifts;
 - (c) enhancing the reputation of a charity;
 - (d) building the future expansions of charitable activities; and
 - (e) developing future sponsorship agreements.
2. Trade-marks distinguish one charity from another.
3. Trade-marks have both present and future marketing value in relation to the sale of promotional materials.
4. Trade-marks have licensing value in other countries and/or with local chapters.

5. As a result, a trade-mark is one of the most valuable assets of a charity.
6. Trade-marks are fragile assets that can be lost or seriously eroded through errors.
7. It is essential that trade-marks be used in a proper manner, to enhance and protect their value instead of diminish their value.

E. THE DIFFERENCES BETWEEN TRADE-MARKS AND TRADE NAMES

1. Trade name is the name under which a business is carried on.
 - (a) it is the corporate or business name of an entity as opposed to the trade-mark;
 - (b) a trade name and a trade-mark can be one and the same.
2. An example of a trade name is “The Coca-Cola Company”, whereas “Coke” is a trade-mark.
3. The *Trade-marks Act* does not provide for registration of a trade name unless it is a trade-mark.
4. Instead trade names are registered as:
 - (a) corporate names under either Provincial or Federal incorporating legislation; or
 - (b) business names under applicable Provincial legislation, e.g., *Business Name Act* (Ontario).
5. Registration of a trade name as either a corporate name or a business name is for public information purposes.
6. Registration of a corporate name or business name does not give trade-mark protection.
7. An owner of a trade name still has common law rights to the trade name based upon entitlement to restrain others from “passing off” on the goodwill of a trade name.
 - (a) a trade-mark owner may attack an application for registration or registration of a trade-mark and/or restrain its use under a common law action of “passing off”;
 - (b) an unregistered trade name may be used to expunge a trade-mark if used prior to the registered trade-mark and an expungement application is brought within five years of registration.

F. THE DISTINCTION BETWEEN TRADE-MARKS AND OTHER INTELLECTUAL PROPERTY

1. Copyrights:
 - (a) copyright is the sole right to reproduce an original work of art, music, drama, literature, photographs, manuscripts, computer programs, etc.;
 - (b) you do not need to register a copyright, although it may be advisable to establish an official record;
 - (c) generally a copyright exists for the life of the author and 50 years thereafter;
 - (d) a copyright and a trade-mark may co-exist.

2. Patents:
 - (a) a patent is a statutory protection given to an inventor to make, use and sell to others the invention that he or she has created;
 - (b) an invention is defined as any new and useful art, process, machine, manufacture, or composition of matter, or any new and useful improvement in such;
 - (c) patent protection extends for up to 20 years from the date the application.

3. Industrial Designs:
 - (a) provides an exclusive right to apply an ornamental design to an article of manufacture, such as a shape of a bottle;
 - (b) rights are limited to the ornamental appearance of an article of manufacturer.

4. Trade Secrets:
 - (a) a trade secret is a common law protection arising out of a fiduciary obligation to act in good faith;
 - (b) information that is secret to the owner that can be used in the operation of a business or other enterprise;
 - (c) e.g., the recipe for the coca-cola soft drink is a trade secret.

5. Registered Topography (Micro-Chips):
 - (a) provides exclusive rights to reproduce and manufacture the topography (i.e., three dimensional configuration) of integrated circuits, e.g., computer chips;
 - (b) application must be filed within 2 years of first commercial exploitation of the topography.

G. HOW TRADE-MARKS BECOME WASTING ASSETS FOR CHARITIES

1. Confusion with pre-existing trade-marks or trade names.
2. Failure to restrain unauthorized use of trade-marks resulting in loss of distinctiveness through:
 - (a) similar corporate names;
 - (b) similar charity names;
 - (c) similar logos; and
 - (d) similar domain names on the Internet.
3. Confusion in names involving estate gifts.
4. Failure to properly control licensing of a trade-mark.
5. Abandonment through lack of use.
6. Limitation on trade-mark rights as a result of trade-mark registration by others.
7. Dilution of trade-mark through inconsistent use.
8. Trade-marks are used with wares and services different from those listed in the trade-mark registration.

H. TRADE-MARK PROTECTION AND THE COMMON LAW

1. Common law provides protection to restrain a competitor from passing off its goods or services under the trade-mark of another.
2. The cause of action at common law is called a “passing off” action.
3. Common law protection of a trade-mark does not require that the trade-mark be registered.
4. However, trade-mark rights at common law are more difficult to establish and enforce.

I. THE ADVANTAGES OF TRADE-MARK REGISTRATION

1. Trade-mark registration provides a presumption of a valid trade-mark.
 - (a) establishes legal title to trade-marks similar to the registration of a deed for real property;
 - (b) a court will presume the validity of a registered trade-mark;
 - (c) at common law, the validity of a trade-mark must be established before a court will enforce it.

2. Trade-mark registration is effective throughout Canada.
 - (a) registration is effective even if the trade-mark has only a local geographic exposure;
 - (b) at common law, though, the trade-mark is limited to enforcement in the local area of exposure only.

3. Trade-mark registration permits enforcement across Canada.
 - (a) either in the Federal Court of Canada or Provincial Superior Court;
 - (b) at common law, the owner must initiate a passing off action in Provincial Superior Courts which is more difficult, lengthy, and costly to enforce.

4. Trade-mark registration provides the exclusive right to use the trade-mark with respect to its goods or services.
 - (a) exclusive right to use the trade-mark in association with its goods and services;
 - (b) in effect for fifteen years;
 - (c) is renewable every fifteen years thereafter.

5. Trade-mark registration gives public notice of the trade-mark.
 - (a) will appear in subsequent trade-mark searches;
 - (b) will appear in corporate and business name searches;
 - (c) will deter others from using the trade-mark.

6. A trade-mark registration can become incontestable in some situations.
 - (a) a registered trade-mark cannot be contested after five years based upon a claim of prior usage even if there is an unregistered trade-mark with an earlier date of use;
 - (b) no such similar benefit extends to an unregistered trade-mark at common law.

7. Failure to obtain trade-mark registration may result in a limitation of trade-mark rights.
 - (a) if another party obtains a registered trade-mark, then after 5 years it will become

- incontestable based upon a claim of prior usage unless the owner of the registered trade-mark had knowledge of the unregistered trade-mark;
- (b) this will result in the original trade-mark owner possibly facing a legal challenge to an expansion in usage of its unregistered trade-mark.
8. Trade-mark registration can assist in protecting a domain name on the internet.
- (a) a domain name is harder to challenge if there is a registered trade-mark;
 - (b) the trade-mark registration should be identical to the second level domain name.
9. Trade-mark application in Canada permits “Convention” filing in other “Convention” countries.
- (a) the filing date for a trade-mark application in Canada will permit the same filing date to be used in other “Convention” countries;
 - (b) application must be filed in other countries within 6 months of filing in Canada.
10. Trade-mark registration facilitates obtaining trade-mark registration in other “Convention” countries.
- (a) a trade-mark registration facilitates a charity to apply for a trade-mark registration in other “Convention” countries.
 - (b) generally not available to a charity that has not registered its trade-mark.

J. THE ACQUISITION OF TRADE-MARK RIGHTS

1. A trade-mark registration confirms and enhances existing trade-mark rights.
2. Registration not essential.
- (a) a trade-mark registration is not essential to acquire rights in a trade-mark;
 - (b) an owner of a trade-mark has the right to prevent the subsequent use of a confusing trade-mark by another but only in the geographic area of usage.
3. First use of a trade-mark generally establishes priority.
- (a) first person to use a trade-mark in Canada acquires the right to the trade-mark and is entitled to priority in registration;
 - (b) subject to earlier filing of proposed use of a trade-mark;
 - (c) there is no minimum length of time that a trade-mark must be used;
 - (d) trade-mark use must be continued and not abandoned.

K. BARRIERS TO TRADE-MARK REGISTRABILITY

1. A trade-mark will not be registerable if:
 - (a) it is a word that is “primarily merely” the name or the surname of an individual who is living or has died within the preceding thirty years
 - e.g., “Smith” is not registerable because it is “primarily merely” a surname
 - but “Elder” may be registerable because there is another meaning beyond a surname
 - also can acquire distinctiveness through long term use
 - (b) it is a word that is “clearly descriptive or deceptively misdescriptive of the character or quality of the goods or services, the condition of or the persons employed in the production, or of their place of origin”
 - e.g., “all silk” for silk fabric, or “sweet” for ice cream, are “clearly descriptive”
 - e.g., “all silk” for non-silk fabrics is “deceptively misdescriptive”
 - e.g., “Paris Fashion” indicates the place of origin
 - the exception is where a secondary meaning has developed to overcome the descriptive or misdescriptive nature of the mark
 - (c) it is the name in any language of any of the goods and services in connection with its use
 - e.g., “Shredded Wheat” for cereal products
 - e.g., “Holy Bible” for bibles
 - (d) it is confusing with a previously registered, applied for, or used trade-marks
 - test is:
 - whether the trade-mark looks or sounds alike or suggests a similar idea; and
 - whether they are used to market similar wares or services
 - there only needs to be a likelihood of such confusion
 - the Trade-marks Office will consider:
 - the distinctiveness of the trade-mark and the extent to which it has become known
 - the length of time the trade-marks or trade names have been in use
 - the nature of the wares, services or business
 - the nature of the trade
 - the degree of resemblance between the trade-mark or trade name in appearance, sound, or in the ideas suggested by them
 - (e) it is an Official Mark under Section 9 or 10 of the *Trade-marks Act*
 - Section 9 are marks of public authority, i.e., for which public notice has been given
 - government marks or symbols
 - coats of arms of the Royal Family, Armed Forces and the R.C.M.P

- emblems of the Red Cross, Red Crescent, United Nations
 - universities or public authorities
 - Section 10 prohibits the adoption of a mark which by ordinary and *bona fide* commercial use has become recognized in Canada designating the kind, quality, quantity, or origin of a trade-mark
 - e.g., “Tweed Jackets”
- (f) it is not used to distinguish “wares and services manufactured, sold, leased, hired or performed by [the charity] from those manufactured, sold, leased, hired or performed by others.”

L. THE SELECTION OF TRADE-MARKS FOR CHARITIES

1. Inherently strong marks.
 - (a) the strongest trade-marks are those that have no inherent meaning;
 - (b) e.g., coined words like “Xerox” or “Exxon”;
 - (c) e.g., dictionary words that have no reference to the goods with which they are used in associated with, e.g., “Citizen” for watches.
2. Inherently weak marks.
 - (a) dictionary words that describe a characteristic or quality of goods;
 - (b) e.g., “Super Glue” for glue products;
 - (c) e.g., “Artistic Dancing” for a ballet program;
 - (d) many charities have descriptive names and may need to establish distinctiveness through long term use.
3. Suggestive marks.
 - (a) not “clearly descriptive” but because the marks is suggestive of products are not considered to be inherently strong marks;
 - (b) e.g., “Shake and Bake” for chicken coating.
4. Compound word marks.
 - (a) the combination of a distinctive word with a descriptive word;
 - (b) e.g., “Coca-Cola”, with “Coca” being distinctive and “Cola” being descriptive.

5. Marks that have acquired a secondary meaning.
 - (a) a weak trade-mark can through length of usage become a distinctive trade-mark;
 - (b) e.g., “Fridgedaire” for fridges.

M. THE IMPORTANCE OF CONDUCTING TRADE-MARK SEARCHES

1. When to do a trade-mark search.
 - (a) for existing unregistered trade-marks before proceeding to trade-mark registration;
 - (b) for future trade-marks or logos;
 - (c) for future corporate names or amended corporate names;
 - (d) for future operating names of a charity;
 - (e) for Internet domain names;
 - (f) for charities that are licensing its name.
2. Why conduct a trade-mark search?
 - (a) to determine the strength of an existing unregistered trade-mark;
 - (b) to determine if there are any pre-existing trade-marks that are confusing and should either be avoided or challenged (within 5 years);
 - (c) to determine the extent of future wares and services left open for expansion of trade-mark registration;
 - (d) to avoid trade-mark infringement and potential lawsuits.
3. Types of trade-mark searches.
 - (a) Trade-marks Office for registered trade-marks
 - manual search of Trade-marks Register in the Trade-marks Office
 - computerized search of trade-mark records
 - (b) trade names and common law searches:
 - unregistered trade names are entitled to trade-mark protection and may bar trade-mark registration
 - corporate NUANS searches (newly updated automatic name search)
 - business name searches
 - trade journals
 - yellow pages
 - Internet Domain Name Search
 - Revenue Canada Charities Division list of registered charities

4. The trade-mark registrability opinion.
 - (a) trade-mark opinion should state whether the trade-mark is registrable as a Canadian trade-mark;
 - (b) the opinion should state whether the client is free to adopt the name and use is as a trade-mark in Canada.

5. Expunging competing trade-marks.
 - (a) expungement based upon non-use
 - if they are competing registered trade-marks, Section 45 of the *Trade-marks Act* can be relied upon to require the Registrar of Trade-marks to send notice to the owner of the competing trade-mark to produce evidence that the trade-mark has been used in the last three years
 - failure to produce such evidence will result in expungement.
 - (b) expungement based on earlier use
 - if an unregistered trade-mark was in use prior to the registration of a competing trade-mark, then the owner can apply to have the registered trade-mark expunged
 - can only bring application for expungement based upon earlier use if brought within five years of the date of trade-mark registration.

N. TYPES OF TRADE-MARK APPLICATIONS

1. Ordinary trade-marks.
 - (a) a basic trade-mark application will include a word, a series of words, a picture, a design, or a combination of design, picture and words;
 - (b) used in conjunction with a list of existing or proposed wares and services.

2. Distinguishing guise.
 - (a) a distinguishing guise registration protects the unique shape of an item or its container or a mode of wrapping or packaging of goods;
 - (b) e.g., the shape of a coca-cola bottle;
 - (c) e.g., an audio tape enclosed case in the shape of a book or other product.

3. Certification mark.
 - (a) a certification mark is a mark that the owner licenses to others to use as an indication of having met a defined standard;

- (b) the owner of the certification mark cannot use the certification mark itself;
- (c) ie., the “Good Housekeeping Seal of Approval”, the Canadian Standard Association “CSA” logo, and the Wool Bureau's “Wool” design;
- (d) certification marks were previously used to avoid Registered User Agreements;
- (e) certification marks are less popular now since licensing of trade-marks no longer require Registered User Agreements.

O. THE BASIS FOR OBTAINING ORDINARY TRADE-MARK REGISTRATION

1. Use in Canada.

- (a) trade-mark for wares (goods) can be registered based by use in Canada if it was used:
 - at the time of the transfer of property and possession of the wares; and
 - in the normal course of trade; and
 - if the trade-mark is marked on the wares or on packages
- (b) trade-mark for service can be registered based on use if:
 - it is used and displayed in the performance or advertising of those services
- (c) trade-mark must be used to remain valid
- (d) the priority date for registration is the date of first use
 - if use is recent, then the priority date will be shown as a date, month and year e.g., January 1st, 2004
 - if priority use was many years before then the priority date will be only a month or even a year, e.g., 1943 (presumed to be December 31st, 1943)

2. Proposed use.

- (a) can file a trade-mark application based on proposed use before any use has taken place for either a ware or service;
- (b) this allows the future reservation of a trade-mark for a specific ware or service;
- (c) use must take place subsequent to filing and before the application can issue to registration;
- (d) the priority date is the date of filing not the date of first use.

3. Registration in foreign countries.

- (a) registration abroad permits an application to be filed based upon use and registration in a foreign country without the requirement of any use in Canada;
- (b) If the foreign registration is an international “Convention” country, the applicant will be entitled to priority in Canada as of the date of filing in the other “Convention” country if the application is filed in Canada within 6 months.

4. Making known in Canada.
 - (a) an application can be filed based upon “making known in Canada”;
 - (b) the trade-mark must be used in another international “Convention” country and in association with the wares and services not yet used in Canada;
 - (c) extremely difficult to obtain since must establish “notoriety” of use in Canada;
 - (d) wares must be distributed within Canada; or
 - (e) wares and services must be advertised in:
 - printed publications in Canada; or
 - radio/T.V. broadcasting in Canada

5. Combination application.
 - (a) a trade-mark application is not limited to any one type of application;
 - (b) a single trade-mark application can combine more than one type of trade-mark application.

P. FILING AND PROSECUTING TRADE-MARK APPLICATIONS

8. What does a trade-mark application cover?
 - (a) a separate trade-mark application must be filed for each trade-mark.
 - (b) however, one trade-mark application can cover both wares and services.
 - (c) there is no limit to the number of wares and services that can be included in one application.
9. When to file the trade-mark application.
 - (a) a proposed use application would allow the date of filing to become the priority date instead of the subsequent date of actual usage.
 - (b) if a trade-mark application has been filed in another “Convention” country within six months, the charity can claim the earlier filing date as the filing date for the Canadian trade-mark application.
10. The contents of a trade-mark application.
 - (a) set out the basis of the application; and
 - (b) contain a statement in “ordinary commercial terms” of the wares and services with which the trade-mark has been or will be used.

11. Amendments to a trade-mark application are not permitted after the application is filed with respect to the following:
 - (a) the trade-mark itself if it alters the distinctive character of the trade-mark;
 - (b) the name of the applicant; or
 - (c) the enlargement of the statement of wares and/or services.
12. Examination by the trade-marks office to ensure that:
 - (a) the trade-mark is not confusing with another trade-mark registration or pending application;
 - (b) the trade-mark is described with ordinary commercial terms;
 - (c) the trade-mark is not clearly descriptive or deceptively misdescriptive; and
 - (d) the trade-mark does not require a disclaimer of a word or words.
13. Advertisement in the trade-marks journal gives the public two months to file an opposition to the registration.
14. Allowance of a trade-mark gives the applicant six months to pay the registration fee.
15. After trade-mark registration, the trade-mark registration is renewable every fifteen years.

Q. THE IMPORTANCE OF FOREIGN TRADE-MARK REGISTRATION

1. Each country requires separate trade-mark registration.
2. Member countries to international “Convention” can claim priority date as the filing date of a trade-mark in another “Convention” country.
3. Using priority dates in foreign countries can be important in relation to protecting a trade-mark based on proposed use of a trade-mark.
4. In the United States:
 - (a) trade-mark registrations are done in accordance with a “class” system for each ware or service;
 - (b) each class requires a separate trade-mark registration;
 - (c) due to the proximity of the United States, U.S. trade-mark registration is an important consideration;
 - (d) but need to register in the United States within six (6) months of Canadian filing.

R. SECTION 9 OFFICIAL MARKS

1. What is a Section 9 Official Mark?
 - (a) Section 9(1)(n)(iii) of the *Trade-marks Act* prohibits anyone from using an Official Mark in association with any wares or services in Canada;
 - (b) public notice is given through the filing and advertisement of the Official Mark in the Trade-marks Journal;
 - (c) examples of charities and organizations that have had Section 9 Official Marks published:
 - The Canadian Olympic Association;
 - The Ontario Society for Crippled Children;
 - The Ontario Minor Hockey Association;
 - The Hutterian Bretheran Church;
 - The Alzheimer's Society of Canada;
 - The Canadian Canoe Museum;
 - Canadian Baptist Ministries; and
 - Anne of Green Gables Licensing Authority.

2. The advantages of a Section 9 Official Mark.
 - (a) the test for a Section 9 Mark does not require a comparison of goods or services as is necessary under a test for a registered trade-mark;
 - (b) a Section 9 Mark allows the owner to prohibit anyone else using the mark for any wares or services, although it does not allow for a claim of damages;
 - (c) the cost of a Section 9 Notice is approximately 50% less expensive than a trade-mark application;
 - (d) there are no detailed examinations of a Section 9 Mark other than confirmation that the applicant is a public authority and uses the Mark in Canada, whereas trade-mark application must be prosecuted and objections answered;
 - (e) there are no renewal fees for Section 9 Mark, whereas a trade-mark registration is limited to fifteen years and can be expunged;
 - (f) a Section 9 Mark can be indirectly controlled similar to a license of a registered trade-mark by “consenting” to its use by others.

3. Recent Court Decisions Concerning the Definition of “Public Authority”.
 - (a) public authority is not defined in the *Trade-marks Act*.
 - (b) the trade-mark office traditionally defined a public authority very narrowly.
 - (c) however, case law has now determined, and the Trade-Mark office published a new Practice Notice on October 2nd, 2002, clarifying that:
 - the activities of the body must benefit the public; and
 - there must be a significant degree of government control
 - significant degree of government control no longer requires that the charity have a public duty.
 - significant degree of government control now requires that the charity be subject to government monitoring, i.e., the government must be able to intervene in how the charity conducts its affairs.

4. The future for Section 9 Official Marks.
 - (a) as a result of recent case law and the Practice Notice, it is now more difficult for charities to qualify as a public authority in order to be entitled to Section 9 Official Marks.
 - (b) therefore, charities currently holding Section 9 Official Marks should ensure that they also secure parallel registered trade-marks for those Official Marks.

S. TRADE-MARKS AND INTERNET DOMAIN NAMES

1. What are internet domain names?
 - (a) a domain name is the numeric electronic address used to locate a computer on the internet.
 - (b) there are two parts to a domain name:
 - top level, i.e., generic domains such as .com and .org, or regional domains such as .ca or .us;
 - second level is 26 letters to identify the organization.
2. Conflicts between domain names and trade-marks.
 - (a) there are a limited number of Internet domain names available, e.g., there can only be one “microsoft.com” or “redcross.org”.
 - seven new top level designations have been introduced to reduce competition for names; and
 - ICANN and CIRA have both adopted dispute resolution policies.
 - (b) both ICANN and CIRA’s policies require the complainant contesting the domain name to establish the following three elements:
 - The domain name is identical or confusingly similar to a trade-mark in which the complainant has rights;
 - The domain name owner has no rights or legitimate interests in respect of the domain name; and
 - The domain name has been registered and is being used in bad faith.
3. Securing and protecting domain names.
 - (a) obtain a domain name as soon as possible;
 - (b) obtain as many domain names as possible;

- (c) when obtaining as many domain names as possible, be sure to register with multiple top level domain names;
 - (d) when obtaining as many domain names as possible, be sure to also register multiple second level identifying names with the same top level domain;
 - (e) conduct a trade-mark search for the second level identifying name to determine whether or not there is the potential for trade-mark infringement;
 - (f) apply for trade-mark registration of the exact second level identifying name;
 - (g) since a trade-mark registration in Canada takes eighteen to twenty-four months, consider obtaining a trade-mark registration in “first to file” jurisdiction; and
 - (h) monitor and renew domain names.
4. Contesting existing domain names that the charity has failed to secure.
- (a) through ICANN or CIRA’s dispute resolution policies; or
 - (b) through a trade-mark infringement action in court.
5. Licensing of domain name may be appropriate in certain situations:
- (a) when a charity permits an internet link from its site to the site of another charity.
 - (b) when a Canadian charity is set up on a national basis with chapters and these chapters are able to use geographic divisions of the main domain name, e.g., national charity has *www.athritis.ca*, and the provincial charities have *www.athritis.on.ca*.
 - (c) when a religious denomination across Canada wants to retain control over the use of the denominational domain names by local churches.
 - (d) when a charity expands to other countries and wishes to utilize similar domain names in those countries, such as *www.redcross.us* from the United States.
 - (e) when a charity permits its domain name to be used by business for web links or for advertising the domain name of the business in conjunction with the domain name of the charity.

T. TRADE-MARK LICENSING

1. When is trade-mark licensing relevant?
- (a) when a Canadian charity is setting up local chapters and wishes to maintain the ownership and control of a trade-mark;
 - (b) when a Canadian charity expands to other countries and wishes to maintain ownership and control of its trade-marks;
 - (c) when a charity permits other charities to use its trade-mark as evidence of membership or standards be maintained, e.g., “Canadian Council of Christian Charities”;
 - (d) when a charity permits its trade-mark to be used in conjunction with a fundraising event

- conducted by others on behalf of the charity;
 - (e) when a foreign charity is sponsoring a new charity in Canada and wishes to retain the ownership and control of the trade-mark;
 - (f) when a charity enters into a sponsorship agreement; and
 - (g) when a religious denomination wants to retain control over the use of the denominational name by local churches;
- 2. Licensing requirements prior to June 9th, 1993 – Had to file a Registered User Agreement with CIPO.
- 3. Licensing requirements after June 9th, 1993 – No longer necessary to have a Registered User Agreement.
- 4. Current licensing requirements for trade-marks.
 - (a) there must be a licensing arrangement;
 - (b) the license arrangement should be in writing but not necessarily;
 - (c) license must be granted by the owner of the trade-mark;
 - (d) owner must obtain direct or indirect control of the character, quality and use of the trade-mark in association with wares or services;
 - (e) the *Trade-marks Act* deems the use of a licensee to be use of the owner.
- 5. Use and enforcement of the trade-mark license.
 - (a) marketing
 - important to show that the user is a licensee
 - e.g., “Help The Children” is a Reg[™] of “Help The Children International” used under licence by “Help the Children Canada”
 - (b) enforcement
 - licensee may call on owner to take proceeding to enforce protection of trade-mark
 - licensee can establish evidence of use for a proposed use by licensor
- 6. General licensing considerations.
 - (a) scope of license
 - clarify which trade-marks are being licensed and which are not
 - (b) licensee’s undertaking
 - that the trade-mark being licensed is valid
 - that any goodwill arising from the licensee’s use will inure to the owner
 - (c) quality control
 - owner must set and monitor the standards for the trade-mark
 - (d) controlling “use”

- give public notice of the fact that the trade-mark is a licensed use
- give public notice of the identify of the owner
- (e) assignment and sub-license
 - licensee should be prohibited from assigning, transferring or sub-licensing the trade-mark
 - owner will normally retain the right to assign its rights to other parties
- (f) licensee's standing
 - set out the scope and limits on what right or standing, if any, the licensee will have to commence legal proceedings for enforcing trade-mark rights
- (g) prescribe boundaries for licensed goods or services
 - set out geographic area within which trade-mark can be used
 - set out list of services and goods with which trade-mark can be used
- (h) liability
 - licensor should be liable for the registrability of the trade-mark
 - licensee should be liable for misuse of the trade-mark
 - licensor should maintain liability insurance for actions of the licensee
- (i) confidentiality
 - information obtained as a result of the license agreement is confidential
- (j) royalties
 - what kind of payment will be required
 - how the payment will be calculated
 - when the payment will be calculated; and
 - when the payment will be paid.
- (k) termination of license agreement
 - needs specific termination date for agreement
 - plus right to terminate early in the event of breach of the agreement
- (l) effect of termination of agreement
 - licensee ceases to use the trade-mark
 - licensee returns all items with trade-mark on it
 - licensor and licensee will issue a joint statement

U. PROPER USE OF TRADE-MARKS

1. Ensure continued usage.
 - (a) trade-mark is used on wares if it is displayed on the wares or their packaging.
 - (b) trade-mark is used in connection with services if it is displayed during the performance of the services, or in advertising or promotional materials for the services.

2. Ensure proper marking.
 - (a) prior to trade-mark registration use “*TM*”;
 - (b) after the trade-mark registration use “®”;
 - (c) identify ownership of trade-mark, e.g., “ABC Relief Agency is a Reg TM of ABC Relief Agency of Canada”;
 - (d) use markings every time that a trade-mark is used
 - on letterhead, publications, tapes, videos, advertisements, receipts, and solicitation

3. Ensure identification of license arrangement.
 - (a) license arrangement must be shown on all markings;
 - (b) e.g., ABC Relief Agency ®*;
* a Reg TM of ABC Relief Agency International used under license by ABC Relief Agency of Canada

4. Trade-marks should be distinctive.
 - (a) a trade-mark should be used in a manner to distinguish it from descriptive or generic words;
 - (b) this can be done by using
 - distinctive type
 - bold type
 - capitalization
 - prominent position on letterhead

5. Trade-marks should be used as an adjective, not a noun.
 - (a) always use trade-marks as an adjective even if the trade-mark is a noun
 - e.g., “Band-Aid Bandages”
 - e.g., “Jello Gelatine”

- (b) when trade-marks are used as a noun they will become unenforceable
 - e.g., “Linoleum”, “Zipper”, “Escalator”, or “Cellophane”
- 6. Trade-marks may need to be followed by generic name.
 - (a) when a trade-mark is new or differs substantially from an existing one, it may be necessary to create or choose a suitable generic name to follow trade-mark;
 - (b) a generic name should be highly descriptive, relatively short, and easily pronounceable.
 - (c) e.g., “Copiers” in the phrase “Xerox Copiers”.
- 7. Trade-marks should avoid plural or possessive applications and maintain consistency.
 - (a) never use a trade-mark in the plural form or as a possessive;
 - (b) e.g., “Coca-Cola's great taste”;
 - (c) a trade-mark should be shown in a consistent manner.
- 8. Change of name of trade-mark owner.
 - (a) all change of names of the registered owner must be shown on markings;
 - (b) all change of names of owners of registered trade-marks must be filed with the trade-marks office;
 - (c) failure to do so may result in the loss of trade-mark rights.
- 9. Other wares/services, in addition to those covered by the registration, must also be registered if they are to be used in conjunction with the registered trade-mark.
- 10. Importance of education concerning trade-mark use for:
 - (d) the board of a charity
 - (e) the executive staff of a charity
 - (f) the staff involved in media and publications

V. PROTECTING THE TRADE-MARK

- 1. Ensure parallel registrations of a trade-mark.
 - (a) incorporation with the name of a charity that includes the trade-mark;
 - (b) a trade-mark which is part of a trade name (i.e., business name) needs to be registered under Provincial legislation, e.g., *Business Name Act* of Ontario;
 - (c) a trade-mark needs to be registered under the *Trade-marks Act*;
 - (d) a trade-mark should be accompanying a Section 9 Official Mark;

- (e) registration of trade-marks in foreign jurisdictions should be considered.
2. Monitor infringement by other competing trade-marks.
- (a) regular review of competing trade-marks in the Trade-marks Journal;
 - (b) regular review of trade journals, magazines, and newspapers;
 - (c) review of corporate and business name registrations;
 - (d) review of names in telephone books in major cities;
 - (e) regular review of Internet domain names;
 - (f) periodic review of names of registered charities with Revenue Canada.
3. Be pro-active in stopping infringement of a trade-mark.
- (a) give “polite but firm” first notice of infringement to offending party;
 - (b) if necessary obtain legal counsel to send formal letter of complaint of infringement;
 - (c) as an alternative, suggest establishing a licence agreement;
 - (d) then propose non-binding mediation (“ADR”);
 - (e) if all else fails, then must proceed with litigation to protect the trade-mark or risk losing trade-mark rights.
4. Protect an unregistered trade-mark.
- (a) protection under corporate law
 - confusing corporate names can be forced to change
 - under the *Canada Corporations Act*
 - under Provincial Corporation Legislation
 - under Provincial Business Name Legislation
 - requires a complaint to the applicable government department
 - (b) expunging a competing registered trade-mark
 - Section 45 Notice available to require evidence of use of competing trade-mark within last three years
 - the Act permits expungement of a trade-mark within five years of registration if evidence can be shown of a prior use by an unregistered trade-mark
 - expungement proceedings can be brought at any time where
 - the offending mark was not registerable at the time of its registration; or
 - the trade-mark was not distinctive as of the date of institution of the legal proceedings
 - (c) “passing off” action at common law
 - must prove ownership of the unregistered trade-mark
 - passing off action is limited to local geographic area where a trade-mark has been used
 - passing off action is difficult to prosecute, is lengthy, and is expensive

5. Protection under The *Trade-marks Act* for registered trade-marks.
 - (a) infringement action available;
 - (b) infringement action can be brought in Federal court or in any Provincial court;
 - (c) do not need to establish ownership of trade-mark;
 - (d) is not restricted to immediate geographic area;
 - (e) alternative dispute resolution is a realistic option to an infringement action.
6. Ensure usage of the trade-mark, as a registered trade-mark that is not used for three years is subject to expungement under Section 45.
7. Abandonment under common law.
 - (a) to have a trade-mark abandoned at common law it is necessary to show not only the discontinuance of use but also an intention to abandon;
 - (b) abandonment means the loss of both registered and unregistered trade-mark rights.

W. CONCLUSION

1. Trade-marks are an essential asset of a charity.
2. Trade-marks can be lost if they are not properly protected.
3. A charity needs to be pro-active in protecting its trade-marks or risk losing its trade-mark rights by default.
4. Registration of a corporate name or business name does not by itself give trade-mark protection.
5. Trade-mark rights exist at common law but those rights should be protected by trade-mark registration under the *Trade-Marks Act*.
6. There is enhanced trade-mark protection available for charities that qualify as public authorities under the *Trade-Marks Act* for Official Marks.
7. Separate trade-mark registration must be done in each country in which the charity is operating.
8. It is essential to properly use and license trade-marks.
9. An infringement of a trade-mark by others, even if done unintentionally, must be immediately challenged.
10. The board members and executive staff of a charity need to be informed of the importance of trade-mark rights.
11. In addition to obtaining a trade-mark registration, a charity should secure a domain name as soon as possible using its trade-mark as part of the domain name.

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