AVOIDING WASTING ASSETS II – TRADE-MARK AND DOMAIN NAME PROTECTION FOR CHARITIES

(Power Point Presentation)

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A. Introduction

- Trade-mark issues have taken on a greater significance for charities
- Lawyers who advise charitable clients should be familiar with trade-mark issues
- All references to “charity” in this presentation refers to non-profit organizations as well as charities

B. The Role of the Lawyer in Trademark Matters

- A trade-mark can be one of the most valuable assets of a charity
- Charities must ensure that all assets of the charity are properly identified, protected and applied in fulfilment of the charity’s purpose
C. What is a Trade-Mark?

- The basic nature of a trade-mark
- What do trade-marks consist of?
- Types of trade-marks involving charities
  - The corporate name of a charity
  - The operating name of a charity
  - The logo of a charity
  - The emblem or crest of a charity
  - The slogan of a charity

D. Why Are Trade-Marks Important to Charities?

- Trade-marks represent the goodwill of a charity by providing a focal point for donations and reputation
- Trade-marks distinguish one charity from another
- Trade-marks have both present and future marketing value in relation to the sale of promotional materials
- Trade-marks have licensing value in other countries and/or with local chapters
• As a result, a trade-mark is one of the most valuable assets of a charity
• Trade-Marks are fragile assets that can be lost or seriously eroded through errors of commission and/or omission
• 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
• Trade name is the name under which a business is carried on
• The Trade-marks Act does not provide for registration of a trade name unless it is a trade-mark
• Registration of a trade name as either a corporate name or a business name is for public information purposes
• 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
F. The Distinction Between Trade-Marks and Other Intellectual Property

- Copyrights
- Patents
- Industrial designs
- Trade secrets
- Registered topography (micro-chips)

G. How Trade-Marks Become Wasting Assets for Charities

- Confusion with pre-existing trade-marks or trade names
- Failure to restrain unauthorized use of trade-marks resulting in loss of distinctiveness
- Confusion in names involving estate gifts
• Failure to properly control licensing of a trade-mark
• Abandonment through lack of use
• Limitation on trade-mark rights as a result of not objecting to trade-mark registration by others
• Dilution of trade-mark through inconsistent use
• 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
• Common law provides protection to restrain a competitor from passing off its goods or services under the trade-mark of another
• The cause of action at common law is called a “passing off” action
• Common law protection of a trade-mark does not require that the trade-mark be registered
• However, trade-mark rights at common law are more difficult to establish and enforce
I. The Advantages of Trade-Mark Registration

- Trade-mark registration provides a presumption of a valid trade-mark
- Trade-mark registration is effective throughout Canada
- Trade-mark registration permits enforcement across Canada
- Trade-mark registration provides the exclusive right to use the trade-mark with respect to its goods or services
- Trade-mark registration gives public notice of the trade-mark

• A trade-mark registration can become incontestable in some situations
• Failure to obtain trade-mark registration may result in a limitation of trade-mark rights
• Trade-mark registration can assist in protecting a domain name on the internet
• Trade-mark application in Canada permits convention filing in other convention countries
• Trade-mark registration facilitates obtaining trade-mark registration in other convention countries
J. The Acquisition of Trade-Mark Rights
- A trade-mark registration confirms and enhances existing trade-mark rights
- Registration not essential
  - A trade-mark registration is not essential to acquire rights in a trade-mark
  - 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
- First use of a trade-mark generally establishes priority

K. Barriers to Trade-Mark Registrability
- “Primarily merely” the name of an individual who is living or has died within the proceeding thirty years
- Clearly descriptive or deceptively misdescriptive
- Confusing with other trade-marks
- An official mark under Section 9 or 10 of the Trade-marks Act
- Must relate to services and/or wares provided by the charity
L. The Selection of Trade-Marks for Charities

- Inherently strong marks
- Inherently weak marks
- Suggestive marks
- Compound work marks
- Marks that have acquired a secondary meaning

M. The Important of Conducting Trade-Mark Searches

- When to do a trade-mark search
- Why conduct a trade-mark search?
- Types of trade-mark searches
- The trade-mark registrability opinion
- Expunging competing trade-marks
N. Types of Trade-Mark Applications

- Ordinary trade-marks
- Distinguishing guise
- Certification mark

O. The Basis For Obtaining Ordinary Trade-Mark Registration

- Use in Canada
- Proposed use
- Registration in foreign countries
- Making known in Canada
- Combination application
P. Filing and Prosecuting Trade-Mark Applications

- What does a trade-mark application cover?
- When to file the trade-mark application
- The contents of a trade-mark application
- Amendments to a trade-mark application
- Examination by the trade-marks office
- Advertisement in the trade marks journal
- Allowance of a trade-mark
- After trade-mark registration

Q. The Importance of Foreign Trade-Mark Registration

- Each country requires separate trade-mark registration
- In the United States, there is a class system requiring separate registration in each class
- In the European Union, a single registration can be filed for all member countries
- Member countries to international conventions can claim priority date as the filing date of a trade-mark in another convention country
R. Section 9 Official Marks

- What is a Section 9 Official Mark?
- The advantages of a Section 9 Official Mark
- Recent court decisions concerning the definition of public authority
  - Must be for the benefit of the public
  - Must have a significant degree of government control

- The future for Section 9 Official Marks
  - It is now more difficult for charities to qualify as public authorities
  - Charities with existing section 9 Official Marks should secure parallel trade-mark registrations
S. Trade-Marks and Internet Domain Names

- What are internet domain names?
- Conflicts between domain names and trade-marks
- Securing and protecting domain names
- Contesting existing domain names that the charity has failed to secure
- Licensing of domain name may be appropriate in certain situations

T. Trade-Mark Licensing

- When is trade-mark licensing relevant?
- Licensing requirements prior to June 9, 1993 – had to file a registered user agreement with CIPO
- Licensing requirements after June 9, 1993 – no longer necessary to have a registered user agreement
- Current licensing requirements for trade-marks
- Use and enforcement of the trade-mark license
- General licensing considerations
U. Proper Use of Trade-Marks

- Ensure continued usage
- Ensure proper marking
- Ensure identification of license arrangement
- Trade-marks should be distinctive
- Trade-marks should be used as an adjective, not a noun

• Trade-marks may need to be followed by generic name
• Trade-marks should avoid plural or possessive applications and maintain consistency
• Essential to file and show change of name of trade-mark owner
• Other wares/services may require extension of the trade-mark registration
• Importance of education concerning trade-mark use with the staff and board of a charity
V. Protecting the Trade-Mark

- Ensure parallel registrations of the trade-marks, trade names and corporate names
- Monitor infringement by other competing trade-marks
- Be pro-active in stopping infringement of a trade-mark

- Protect an unregistered trade-mark
  - Protection under corporate law
  - Expunging a competing registered trade-mark
  - “Passing off” action at common law
- Protection under the Trade-marks Act for registered trade-marks
- Ensure usage of the trade-mark
- Abandonment under common law
W. Conclusion

• Trade-marks are an essential asset of a charity

• Trade-marks can be lost if they are not properly protected

• A charity needs to be pro-active in protecting its trade-marks or risk losing its trade-mark rights by default

• Registration of a corporate name or business name does not by itself give trade-mark protection

• Trade-mark rights exist at common law but those rights should be protected by trade-mark registration under the Trade-marks Act

• There is enhanced trade-mark protection available for those charities that qualify as public authorities under the Trade-marks Act for Official Marks

• Separate trade-mark registration must be done in each country in which the charity is operating
• It is essential to properly use and license trade-marks

• An infringement of a trade-mark by others, even if done unintentionally, must be immediately challenged

• The board members and executive staff of a charity need to be informed of the importance of trade-mark rights

• 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