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## ESSENTIAL ELEMENTS OF AN EFFECTIVE BRAND STRATEGY

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## Essential Elements of an Effective Brand Strategy

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### A. YOUR ASSOCIATION'S BRAND

#### 1. What is a Brand?

- A brand is one of your association's most important assets
- It is what an individual first thinks of when he or she sees the association's name
- It is indicative of a consistent level of quality of products or services offered by the association
- A brand can be a name, logo, tagline or slogan associated with a product or service



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## 2. Why Does a Successful Brand Matter for an Association?

- Successful brands are important to associations because over time, a brand comes to stand not only for the actual goods and services the association offers, but also for the association's overall reputation
- Among the most economically efficient communication tool ever developed, for associations, members, employees, volunteers, the public and alike



- The business purposes of branding are equally applicable to non-profit and charitable associations
  - Identifies the association as a provider of goods/services
  - Captures the public's attention
  - Serves as a shortcut in judging the quality of services, the caliber of programs, and the credibility of information
  - Helps to get the association's message heard
  - Distinguishes one association from another
  - Increases goodwill and trust with the public
  - Creates equity and brand value, which can lead to lucrative licensing opportunities
  - Encourages increased membership and volunteer participation

- Attracts sponsors
- Can create enhanced sales of products and services
- Helps to build and maintain strong relationships with partners
- Motivates volunteers, employees, and the public to increase their commitment
  - People prefer working for well-known organizations and for well-regarded brands



### 3. What Happens to a Poorly Managed Brand?

- Public lacks awareness or interest in the association
- Slower growth for the association
- Public finds it difficult to contact the association
- Unable to police imposters and imitators
- Can lose out on valuable IP assets
  - Domain names
  - Trademarks
- Can lose existing IP - including name of association



## 4. How to Protect Your Association's Brand?

- For most associations, your brand begins with the association's name
- Your brand is communicated to the public with every experience or contact a person has with your organization
- A visual brand identity such as a name, logo or slogan communicates the essence of your brand
- The most important way you can enhance your brand is by legally protecting it with a registered trademark
  - Canadian and international laws recognize certain aspects of brands as protectable forms of *intellectual property*

## 5. What is a Trademark?

- A trademark is any mark used for the purpose of distinguishing goods (products) and services from others in the marketplace
- Trademarks can consist of:
  - A single word
  - A combination of words
  - A logo or symbol
  - A slogan
  - A sound



## 6. Trademarks of Associations

- Trademarks are not only for businesses
- Trademarks are also used by associations
- For example
  - Corporate names: **Canadian Mental Health Association**



- Logos:
- Acronym: **CMHA**
- Slogans: **Mental Health for All**

## 7. The Legal Impact of Trademarks

- An association's brand is subject to trademark law
- Therefore, an association, like any other business that has trademarks, has legal rights which enable it to prevent others from using infringing trademarks
- Accordingly, an association that is using a trademark is also subject to the legal rights of other organizations which would allow them to prevent the association from using an infringing trademark

## 8. Infringement and Confusion

- Trademarks must distinguish the goods and services of an organization from those of others
- The key question to determine if there is a possible infringement is whether a trademark is causing or is likely to cause confusion with an existing trademark
- A trademark causes confusion with another trademark if a consumer who sees both trademarks would infer that the source of the goods or services associated with those trademarks is the same



## 9. How To Avoid Infringement And Confusion?

- Legally protect your trademark with registration
- Choose a unique trademark
  - The more distinctive the trademark, the greater its level of protection
  - Ensure the trademark and branding is available
    - Do this through trademark searches (discussed later)
    - A trademark is not available if it is confusingly similar or clearly descriptive of the goods and services



## B. PROTECTING YOUR ASSOCIATION'S BRAND – OVERVIEW

- How can an association protect and enhance its brand and trademarks?
  - **Search** the trademarks for confusingly similar trademarks
  - **Register** the trademarks with the Canadian Intellectual Property Office
  - **Control** the use of the trademarks
- Each aspect will be discussed in more detail



## C. PROTECTING YOUR ASSOCIATION'S BRAND – COMPREHENSIVE SEARCH

### 1. The Purpose and Importance of a Search

- Search for registered and unregistered previously used trademarks or other possible obstacles to the use or registration of your association's trademark
- Discover possible infringement of your association's trademark by another organization
- Determine the availability of the trademark and discover whether there are users of marks similar to or confusing with yours who have prior rights





## D. PROTECTING YOUR ASSOCIATION'S BRAND – REGISTER TRADEMARKS

### 1. First Users and Common Law Rights

- Trademark rights are accrued through use
- The first user of a trademark is the party entitled to use and to register the trademark
- When you use a mark in public you accrue *common law* or unregistered trademark rights, even in the absence of registration
- The law provides protection to stop a competitor from “passing off” its goods and services associated with a trademark for those of another

- Common law protection of a trademark does not require that the trademark be registered, but trademark rights at common law are far more difficult to enforce and remedies are limited
- A cause of action that protects unregistered trademark owners against counterfeiters is “passing off”
- To prove “passing off” the plaintiff must show:
  - Existence of goodwill
  - Deception / Misrepresentation
  - Damages



## 2. Registered vs. Common Law Protection

- Registration is the confirmation of common law rights acquired through use
- Sometimes referred to as “perfecting” rights or the “crystallization” of rights
- Registration provides for enhanced trademark rights and remedies



## 3. If Common Law Rights Exist, Why Register?

- Although there are no up-front costs associated with “owning” a common law trademark, costs associated with enforcing an unregistered trademark far outweigh costs associated with registering a trademark
- The scope of protection for common law or unregistered marks is restricted to the geographic area of use whereas a registration is effective throughout Canada
- There are several other advantages to registration



## 4. The Advantages of Trademark Registration

- Provides a presumption of validity and ownership
- Provides the exclusive right to use the trademark with respect to its goods or services throughout Canada
- Gives public notice of the trademark
  - Another organization that later adopts a confusingly similar mark cannot claim ignorance
  - ® alerts others to your registration
  - Search reports reveal the mark



- The Trademarks Office's examination of third-party trademark applications provides some degree of "automatic policing" of the Register
- This means that a trademark registrant can potentially reduce costs and resources associated with monitoring the trademarks of others
- Further, a registration is a public, searchable claim to rights in a trademark which may deter third-parties for filing and using a similar trademark
- A registered trademark has equity - it becomes an asset of the trademark owner and can be sold or licensed



- With an unregistered trademark, owner must show extensive use, reputation, and goodwill in the mark to rely on these rights - there is no presumption of ownership
- The registration is effective throughout Canada
- Suing for trademark infringement, which can be done only on the basis of a registered trademark, is generally easier (and less costly) than suing for passing off of unregistered trademark rights
- Registration of a corporate name or business name does not itself give trademark protection
- Therefore, **register** your key trademarks including, corporate names, business names, and logos if used as trademarks

## E. PROTECTING YOUR ASSOCIATION'S BRAND – CONTROLLING TRADEMARK USE

### 1. Use it or Lose It

- Failure to use a trademark is grounds for invalidating registration and loss of common law rights
- The *Trademarks Act* has specific definitions for “use” of a trademark in association with goods or services
- After its third anniversary, a registration may be vulnerable to cancellation if it is not in “use” in Canada with all of the goods and services covered by the registration

## 2. Ensure Continued and Consistent Use of Trademarks

- Trademarks may become vulnerable to cancellation if not consistently used
- Alterations of a word mark that are *not* permitted include using revised spellings, abbreviations or including additional words around the trademark
- Alternations of a design mark that are *not* permitted include any change to the design
- Implement brand standards to ensure consistent use of trademarks



## 3. Avoid Making Trademarks Generic

- Distinguish marks from surrounding text (CAPITAL LETTERS, Initial Capitalization and/or using a <sup>TM</sup> or ® symbol)
- Trademarks can also be distinguished from surrounding text using bold or italic fonts or a stylized form
- Always use a trademark as a proper adjective modifying a noun and not a noun



## 4. Ensure License Agreements are in Place

- License must be granted to third parties using the mark that shows control over use of the mark
  - Written license agreements are recommended
  - License must be granted by the trademark owner
  - Especially important when allowing others to use a mark in conjunction with an event or when entering a sponsorship arrangement
  - Use of your association's trademark by an unlicensed non-owner can inadvertently weaken the distinctiveness of your association's valuable brand



## 5. Monitor Infringement

- A trademark owner must take active steps against infringers to enforce its mark
- Infringement occurs when the trademark or a confusingly similar trademark is used by someone other than the registered owner or an authorized licensee
- In order to prevent loss of distinctiveness and therefore the loss of trademark rights, appropriate steps must be taken to protect and to enforce trademark rights
- Periodically monitor the Internet and other available sources for infringement of the trademark
- Send cease and desist letters drafted by legal counsel to infringers
- Failing to take active steps to enforce trademarks can lead to a loss of trademark rights

## F. PROTECTING YOUR ASSOCIATION'S BRAND – OTHER CONSIDERATIONS

### 1. Take a Portfolio Management Approach

- Ensure parallel registrations are also secured
  - Corporate name
  - Operating names
  - Domain names
  - Official marks and registered trademarks
  - Copyright



### 2. Consider Copyright

- Ensure the association owns copyright in design marks
- Work created by volunteers and contractors (e.g., web designers, logo designers) does not automatically vest in the association
- Copyright must be assigned to the association by anyone who is not an employee and moral rights should be waived
- Although generally speaking the association will own the work of employees, it is best to clarify IP ownership issues in contracts
- Moral rights must be waived by employees



### 3. International Considerations

- Trademarks are governed independently by every country
- Registration in Canada only protects the mark in Canada
- Co-ordinate launch of a new brand in order to maintain control at early stages
- 6-month priority period allows you to claim filing date of first trademark application for subsequent foreign applications



### 4. Trademarks and Domain Names

- Trademark registration can also assist in protecting a domain name on the internet from cyber squatting
- But domain names are registered on a first-come first-served basis, and many parties may have a legitimate interest in the same domain name
- Trademark will not always trump an infringing domain name registration
- Be proactive and register domain names as early as possible





## 5. Social Media and your Association's Brand

- With social media, branding reaches a large audience around the world in an instant
- Failing to register trademarks prior to using them online can lead to third parties poaching and registering marks prior to the owner
- Registration of a corporate or business name does not by itself grant trademark protection
- Once registered, ensure marks are properly used on social media - e.g., train staff on proper usage, proper markings, and consistent usage



- Monitor social media sites for postings by employees and third parties that may infringe trademarks of others
- Hashtags (#YourAssociation) may need to be protected as registered trademarks
- Concerns about hashtags include possible hashtag hijacking and/or damage to the brand or reputation of the association
- Popular hashtags for an association's name or major campaign can be protected as registered trademarks



## 6. Fundraising Campaigns

- Third-party, crowdfunding, sponsorship, or other fundraising campaigns bring about several legal issues
- One key issue that has to be dealt with is use of trademarks
- If the association embarks on a campaign, there must be agreements in place which include trademark use
- If the association's trademarks are used in conjunction with a third-party brand, the association could be seen as endorsing and/or being responsible for the event as if it was its own, which brings about a host of legal issues

- *Trademarks Act* prescribes that there must be care and control over the nature and quality of the goods and services, but does not prescribe how the owner must exercise care and control
- But, with control exercised by the trademark owner, is there a risk that the trademark owner may be held liable for the acts or omissions of a licensee?
  - Case law in Canada is not clear
  - However, there is a risk that an owner can be liable
  - Given that there is a risk that an owner can be liable, written agreements must be carefully reviewed by legal counsel

## 7. Minimize Trademark Owner Liability

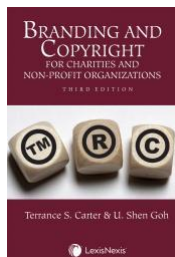
- To minimize liability, trademark owners should ensure robust license agreements are in place with third parties that provide:
  - Representations/warranties by licensee
  - Inspection and audit obligations
  - Indemnification provisions
  - Obligation to maintain comprehensive insurance coverage by both the insurers of the third party carrying on the fundraising campaign, as well as insurers of the association itself, including its directors and officers

## G. CONCLUSIONS

- Trademarks and brands resonate with the public
- They help to reduce marketplace confusion and help to distinguish products and services
- They are economically efficient communication tools and transcend language and borders
- They are a piece of property that can be bought, sold or licensed
- In order to protect your association's brand, search, register, and control the brand



## Resource



- **Branding & Copyright for Charities & Non-Profit Organizations, 3rd Edition**  
Co-Authored by Terrance S. Carter & U. Shen Goh, LexisNexis  
Butterworths, September 2019.
- Click [here](#) to order.



**Sepal Bonni**, B.Sc., M.Sc., J.D., Trademark Agent - Sepal Bonni is a registered trademark agent and practices in all aspects of brand protection. Her trademark practice includes domestic and foreign trademark prosecution, providing registrability opinions, assisting clients with the acquisition, management, protection, and enforcement of their domestic and international trademark portfolios, and representing clients in infringement, opposition, expungement, and domain name dispute proceedings. She also assists clients with trademark licensing, sponsorship, and co-branding agreements. Sepal also advises clients on copyright and technology law related issues.



**Terrance S. Carter**, B.A., LL.B., TEP, Trademark Agent – Managing Partner of Carters, Mr. Carter practices in the area of charity and not-for-profit law, and is counsel to Fasken on charitable matters. Mr. Carter is a co-author of *Corporate and Practice Manual for Charitable and Not-for-Profit Corporations* (Thomson Reuters), a co-editor of *Charities Legislation and Commentary* (LexisNexis, 2022), and co-author of *Branding and Copyright for Charities and Non-Profit Organizations* (2019 LexisNexis). He is recognized as a leading expert by *Lexpert, The Best Lawyers in Canada* and *Chambers and Partners*. Mr. Carter is a former member of CRA Advisory Committee on the Charitable Sector, and is a Past Chair of the Canadian Bar Association and Ontario Bar Association Charities and Not-for-Profit Law Sections.

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