


 <p>BARRISTERS SOLICITORS TRADEMARK AGENTS</p>	<p>The Annual <b>Church &amp; Charity Law™ Webinar</b> Continues Virtually November 4, 2021</p>
<p><b>New Developments in Brand Identity &amp; Protection for Churches and Charities</b></p> <p>By Sepal Bonni, B.Sc., M.Sc., J.D., Trademark Agent sbonni@carters.ca 1-877-942-0001</p> <p>© 2021 Carters Professional Corporation</p>	
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<p><b>A. BRANDING</b></p> <p><b>1. What is Brand Identity?</b></p> <ul style="list-style-type: none"><li>• The elements that are created by your church or charity portray your image and identity to the public</li><li>• The visual elements that identify and distinguish your organization from others</li><li>• The image and reputation of your organization as it is perceived by the public</li><li>• It is what an individual first thinks of when he or she sees the organization's name and logos</li></ul>	
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## 2. Why is a Successful Brand Important?

- Motivates donors, the public, volunteers, employees and members to increase their commitment to the church or charity
  - People prefer working, volunteering, and giving to well-known brands
- Distinguishes one organization from another and helps to eliminate confusion
- Creates equity and brand value, which can lead to the possibility of licensing opportunities
- For a church or charity that does not sell products or services, your brand is your lifeline

## 3. A Reminder - What is a Trademark?

- Canadian and international laws recognize certain aspects of brands as protectable forms of *intellectual property*
- A trademark is any mark used for the purpose of distinguishing goods and services from others
- Names, logos, or slogans are part of your organization's brand known as *trademarks*
- Trademarks legally protect your brand and grant your organization exclusive rights to their use in the public
- Trademarks can consist of:
  - A single word - **OXFAM**
  - A combination of words – **WORLD VISION**
  - A logo - 
  - A slogan - **BE THE CHANGE**
  - A sound - **MGM's "lion roaring" sound**

## 4. What are the Functions of a Trademark?

- Indicates the source or origin of goods and services
- Serves as a shortcut in judging the quality of services, the credibility of information, and the reputation of the organization – it is the organization's way of saying “you can trust us” to the public
- Creates goodwill and brand awareness
- It captures the public’s attention and helps to get an organization’s message heard
- Distinguishes one organization from another and helps to eliminate public confusion

## 5. How to Obtain Trademark Protection?

- Trademark rights can be obtained:
  - Through **registration** under Canada’s *Trademarks Act*
    - Several advantages to registration – discussed in more detail below
  - Through legitimate **use**
    - Unregistered trademark rights are governed by the common law in Canada (known as common law rights)
    - This protection arises automatically from actual legitimate use of the mark in association with goods and services
    - Generally, ownership of a mark goes to the first-to-use the mark

## 6. Advantages of Trademark Registration

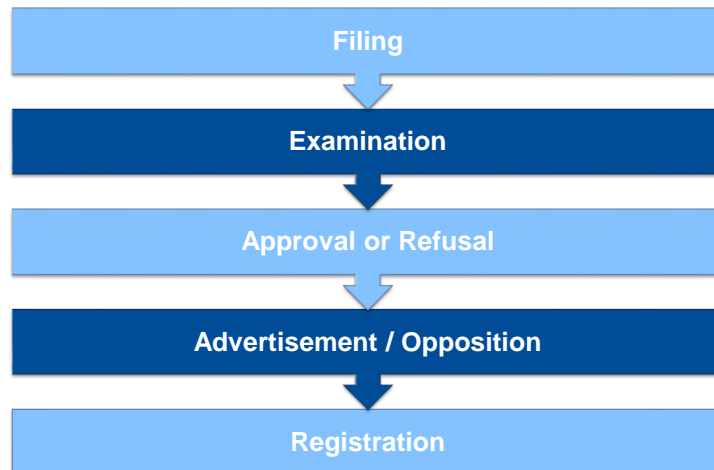
- Although a trademark does not need to be registered to be protectable, registration of a trademark provides significant benefits for the trademark owner
- Generally speaking, trademark registrations reward owners by increasing the value of their brand and by providing stronger enforcement rights through the *Trademarks Act* which better enables their brand and organization to grow
- Therefore, the purpose of trademark law is twofold:
  - To help the public distinguish between the goods and services of one owner from those of others and therefore to prevent public confusion and unfair competition; and
  - To protect the owner's investment and reputation

- There are several advantages to registering a trademark, including:
  - A presumption of ownership and validity
  - Exclusive rights to use the trademark in association with the registered goods and services
  - A registration is a public, searchable claim to rights in a trademark which may deter third parties from filing and using a similar trademark
  - ® alerts others to your registration
  - 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
- Failure to register can result in costly and lengthy court battle
- A registered trademark has equity - it becomes an asset of the trademark owner and can be sold or licensed
- 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

## B. TRADEMARK REGISTRATION

### 1. Trademark Registration Process



## 2. Biggest Obstacles in Trademark Registration

- Are you entitled to use the mark? Will anyone oppose the application based on prior use?
- Is there a confusingly similar prior registered trademark?
- Is the trademark clearly descriptive?
- Is the trademark **distinctive**?
  - This is currently the biggest challenge and the focus of the remainder of this seminar

## C. NEW EXAMINATION CRITERION – DISTINCTIVENESS

### 1. What is Distinctiveness?

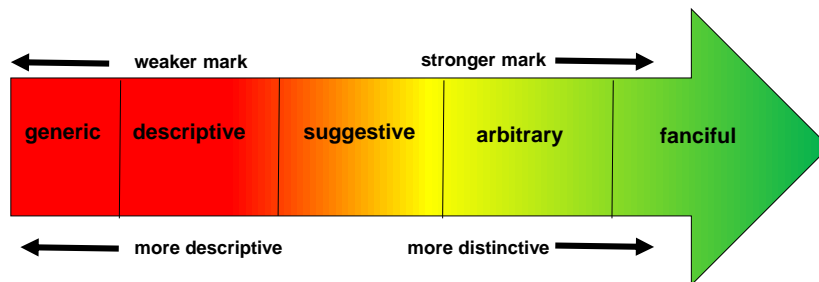
- Distinctiveness is the essence and cardinal requirement of a trademark - to distinguish the origin of the trademarked goods and services back to one single source
- Section 2 of the *Trademarks Act* states that a “distinctive” mark is a mark that **actually distinguishes** – or is **adapted to distinguish** – the goods or services in association with which it is used from goods and services of others
- In many jurisdictions, a trademark’s distinctiveness has long been assessed during the examination process – however, this wasn’t the case in Canada until June 2019

## 2. Distinctiveness in Examination

- Applications are being examined for distinctiveness and the Registrar will raise an objection if a trademark is “not inherently distinctive”
- The Trademark Examination Manual does not have clear direction on the question of distinctiveness, but states:
 

*Trademarks possess some inherent distinctiveness when nothing about them refers the consumer to a multitude of sources when assessed in relation to the associated goods or services. Where a trademark may refer to many sources, it is considered to have no inherent distinctiveness.*
- In other words, the trademark must refer a consumer to one particular source
- This new standard of review has profoundly changed trademark law
- It has now been applied for many months and has given rise to many objections making it difficult for applicants – and their agents!

## 3. Spectrum of Distinctiveness



## 4. How does the Trademarks Office Assess Distinctiveness?

- The Trademarks Office considers the following questions:
  - Does the trademark tell the public what the goods or services are, or describe them or a property which is commonly associated with them?
    - If yes, the trademark should remain free for use by third parties to describe their goods or services and is therefore not registrable
  - Does research show that third parties are using the same trademark in association with similar goods and services?
    - If yes, the trademark is likely to have **no inherent distinctiveness** as the public would not respond to the trademark as identifying only one source
    - If no, the trademark *may* possess some inherent distinctiveness
      - While the fact that other members of the public are not currently using the same trademark is not determinative, it is one of the factors considered in assessing distinctiveness
  - The ultimate question is whether other parties should be free to use that same trademark in association with their goods and services

## 5. Examples of Not Inherently Distinctive Trademarks

The Examination Manual includes a list of marks that are generally considered to **lack** distinctiveness:

- Geographical names
- Generic designs (grapes for wine)
- Names of colours (YELLOW with tennis balls)
- One or two letter or number marks
- English/French descriptive words (TASTY FRITES for fries)
- Names, honorifics, or multiple surnames
- Laudatory words and phrases (ULTIMATE, AUTHENTIC, ORIGINAL, QUALITY)
- Provides generic information (CONTENTS ARE HOT)
- A combination of unregistrable elements (BEST CARROTS)
- Trademarks that are clearly descriptive of the goods/services or primarily a surname



## 6. Responding to Not Inherently Distinctive Objections

- **The best solution** → Do not get an objection!
  - When selecting new trademarks, consider the “not inherently distinctive” criterion and ensure trademarks are distinctive to avoid this objection
  - To help increase the distinctiveness of a pre-existing trademark that may be considered “not inherently distinctive”, additional words could be added to the mark, and/or, a design element could be included with the words, together with a unique font
    - Since design marks are *generally* more distinctive than word marks, they may be easier to register and also to enforce against third parties, provided that the design component is *the prominent feature of the mark*

## 7. Examples of Trademarks that Have Some Inherent Distinctiveness



In association with legal services



In association with dentistry services



In association with home security and home automation services



In association with automotive services



In association with lances

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- However, where a trademark application receives a “not inherently distinctive” objection, legal arguments can be submitted to demonstrate that the mark has at least some inherent distinctiveness
- Another option is to submit evidence that the mark has **acquired distinctiveness** - a trademark that is not inherently distinctive can acquire distinctiveness through continuous and constant use
  - To establish this acquired inherent distinctiveness, it must be demonstrated that the trademark became known to the public as coming from a specific source

## D. KEY TAKEAWAYS

- Churches and charities should be proactive in protecting their trademarks with a trademark registration
- When filing for a trademark registration, the new “not inherently distinctive” needs to be taken into account
- Those marks with a higher degree of inherent distinctiveness will not only avoid problems in prosecution, but also likely be afforded a greater scope of protection in the long term

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