



Client Memorandum

May 28, 2019

Important Changes to Canada's Trademark Law Coming Soon

Canada is set to modernize its trademark regime by amending the Trade-marks Act and acceding to the Madrid Protocol, the Singapore Treaty, and the Nice Agreement on June 17, 2019. These changes will allow those doing business in Canada to streamline their intellectual property protection efforts and will lower the overall cost for those applying for trademark protection across multiple jurisdictions. The downside to these changes will likely include increased costs for those conducting business solely in Canada, and the creation of a market for non-practicing entities. The following summarizes the expected changes and advice on how to navigate some of the outcomes.

Several changes will occur after June 17, 2019

Trademark applicants will benefit from the accession in the following ways:

1. Non-traditional marks ("signs") will be eligible for registration, including shape, sound, smell, taste, texture, hologram, single color, color combinations without delineated contours, 3-D, and moving images. Registration will require proof of distinctiveness.
2. Under the Madrid Protocol, trademark applicants will have the ability to complete a single form to apply for trademark protection in Canada and other member countries.
3. Under the Singapore Treaty, trademark applicants will be provided with more cohesive administrative procedures and formalities across Canada and other member countries.
4. Under the Nice Agreement, trademark applicants will be provided with a consistent goods and services classification system in Canada and across other member countries.

The amendment of the Trade-mark Act will result in the following additional changes to the application and registration process:

1. Use of a mark in Canada is no longer a requirement to obtain a trademark registration, and a Declaration of Use will no longer be required. (Applicants will no longer be required to provide a date of first use and details of use and registration of the mark abroad.)
2. Applications will be filed according to the Nice Classification system, and filing fees will be charged per class.
3. Trademarks will now be examined for inherent distinctiveness.
4. There will no longer be a government registration fee.
5. The term of registration will be shortened to 10 years.

The amendment of the Trade-mark Act will also result in changes to the requirements for assignments and renewals:

1. Unless requested by the Canadian Intellectual Property Office, documentary proof of mergers, assignments, changes of name, or other changes in title will no longer be required.

2. The “associated mark” provisions of the act will be repealed and the “associations” deleted from the register.
3. Registrations renewed after June 17, 2019, will need to be amended to classify the goods and/or services according to the Nice Classification system, and will incur higher fees.

Canada’s upcoming changes will make registration much simpler for those who do business in both Canada and in one or more additional member countries; however, the changes do not come without new concerns.

Avoid making classification mistakes

Unlike most other countries, under Canada’s new regime, if the trademark examining attorney identifies a class that was not specified in the application, but is required to properly classify the list of goods and services included in the application, the applicant must pay an additional fee for each newly identified class; amendment of the goods and/or services will not cause the applicant to avoid additional fees. The application will not proceed unless the “top up” fee is paid.

Beware of non-practicing entities

Trademark non-practicing entities, which were previously not seen in Canada, have recognized that the new regime provides benefits to them as well. With proof of use no longer required for registration, trademark non-practicing entities have been applying for marks in large numbers. With this influx of predatory behavior, we expect to see an increase in contentious proceedings such as oppositions, litigation, and non-use cancellation proceedings.

In this new landscape, business owners should consider some potentially cost-saving and trademark protecting proactive measures.

1. Conduct an IP audit
 - Consider whether to expand goods and services coverage in Canada.
2. Draft carefully
 - Hire qualified counsel to draft the statement of goods and/or services to avoid unforeseen fees.
3. Renew early, renew now
 - Registrations due for renewal after June 17, 2019, can be renewed early. The current government renewal fee will be payable, and in the case of goods and/or services encompassing multiple classifications, there will be no “per class” fees incurred. (This choice may be factor dependent, so we recommend contacting a trademark attorney.)
4. File early!
 - Moving forward, it will be important to file applications in Canada promptly, especially in cases where a trademark has a reputation abroad but not in Canada. In those cases, legitimate trademark owners who do not register their trademarks in Canada risk having a trademark non-practicing entity register it first.
 - Consider filing before the changes go into effect on June 17, 2019 to take advantage of the current lower filing fees. Speak to your trademark attorney for further details.
5. Begin monitoring
 - Monitoring your mark in Canada will allow you to take an offensive approach to protecting your mark, including against non-practicing entities.

If you have any questions regarding the changes in Canadian trademark law, or if you would like to ensure your current or future trademark rights will be protected in Canada moving forward, please contact COJK and we will help you navigate the new system.

This client memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this client memorandum should be directed to an attorney.