

# Goodmans<sup>LLP</sup> Update

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## The Countdown is on! Changes to Canadian Trademark Law Coming June 2019

Significant changes are underway to Canadian trademark law and practice this year with an overhaul to legislation taking effect on June 17, 2019. Canada will accede to the Madrid Protocol, Nice Classification and Singapore Treaty, and there will be significant amendments to its Trademarks Act. These changes will impact filing, prosecution and maintenance, as well as trademark enforcement. Brand owners are advised to review their trademark portfolios and protection strategy in Canada in light of these developments. In particular, there might be significant cost savings to filing or renewing marks before the changes come into force.

### Changes to Trademark Applications, Filings and Renewals

- Filing grounds will be eliminated. It will no longer be necessary to indicate if an application is being filed on proposed use, use in Canada or use and registration abroad.
- Use as a requirement for registration will be eliminated. In addition, it will no longer be necessary to file a Declaration of Use for applications filed based on proposed use in Canada - a significant change since use has been an underpinning of Canadian trademark law. However, there will be a new requirement to demonstrate use in the first three years after registration to enforce the resulting registration in the event of infringement.
- Nice Classification will be required, accompanied by increased filing fees based on the number of classes covered - gone will be the days of a single filing fee for as many goods and services as an applicant would like to cover.
- Registration fees will be eliminated.
- The scope of protectable marks will be expanded considerably, including a broadening of acceptable non-traditional trademarks.
- Examination for distinctiveness will be introduced.
- Corrections and assignment records will be simplified.
- “Associated marks” will be eliminated such that the requirement to record changes against all “associated” trademarks will be eliminated.
- Division of applications and merger of registrations are being introduced.
- A new informal procedure is being introduced whereby third parties can submit information about prior registered marks or prior applications to the Registrar which could impact on registration of an application in the case of confusion, non-entitlement or where a registered mark appears in the specification of goods/services.
- The renewal term for trademark protection will be shortened from 15 to 10 years.

### Changes to Oppositions and Summary Expungement Proceedings

- Changes will impact on proceedings before the Opposition Board and appeals to Federal Court.
- Changes range from procedural and technical to substantive.
- Changes to grounds of opposition and bad faith will be added as a new ground of opposition and registration invalidation.
- Increased powers for the Opposition Board giving the Registrar authority to award costs and to issue confidentiality orders concerning evidence filed. (These require regulations and there is no firm date for implementation as yet).

- Case management of proceedings will be introduced. (Also requires regulations and there is no firm date for implementation as yet)
- The automatic right to file evidence on appeal to the Federal Court and the requirement for leave to file evidence on an appeal of a Registrar's decision will be removed.

## Preparing for the Changes

To prepare for these changes, brand owners should conduct an audit to determine:

- What marks they are using in Canada.
- What goods and/or services are marks being used with.
- Are all the marks currently in use in Canada the subject of an application or registration.
- Are all the goods and/or services with which each mark is used or contemplated covered by current applications or registrations.
- For foreign brand owners, how do the Canadian marks and associated goods and/or services of record compare to what is registered in the home country.

Potential action items to consider before the new law comes into effect include the following:

- **File Early:** The removal of the requirement that marks be used before registration in the new legislation has increased trademark trolling. Protect brands by filing early.
- **File Applications for New Marks:** The adoption of Nice Classification of goods and services will bring per-class fees resulting in higher filing costs. Therefore, consider filing new applications in Canada as soon as possible for new marks to save on government fees and secure rights against third parties. The current filing fee of \$250 CAD regardless of the number of classes of goods/services covered will increase after June 17 to \$330 CAD for one class plus \$100 for each additional class.
- **Fill in Gaps:** To protect marks of interest, consider whether current coverage in existing applications and registrations properly reflects all the marks of interest, covers all goods and services of interest, and covers the current presentation of the marks. Fill in gaps by filing new applications to cover all important marks and goods and services. Brand owners may also wish to consider defensive filings.
- **Extend Coverage:** Since it will no longer be necessary to have use before registration and proposed use applications will proceed to registration without the need to file Declarations of Use, consider filing to extend coverage to goods and services which might be used in future. This is of particular interest to brand owners who file in several classes given the government fee savings.
- **Renew Early:** Existing registrations can be renewed at any time during their pendency (this too will change come June). The term for which a trademark is registered or renewed will be reduced from 15 years to 10 years. If the effective date of renewal for a registration is after June 17, the period will be 10 years. Renewing before June 17, is desirable since the current renewal fee is \$350 CAD regardless of the number of classes. After June 17, there will be an increased fee of \$400 CAD for one class, plus \$125 for each additional class. Renewing early will therefore be less expensive, especially for brand owners who have registrations covering more than one class.

Please contact any member of our [Intellectual Property Group](#) for further information.

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