

On June 17, 2019, significant amendments to Canada's Trademarks Act will come into force. The changes are part of Canada's accession to three international trademark treaties: Madrid Protocol, Singapore and Nice Agreement.

We highlight the significant changes below.

### ***Elimination of Filing Bases and Use Requirement before Registration***

Applicants will no longer be required to provide a basis for applying for a mark (i.e. actual use or proposed use in Canada or use and registration abroad). Furthermore, the applicant will no longer be required to have used the mark anywhere in order to gain registration of its mark. While use is no longer a requirement for registration, use is still the basis upon which rights are determined between conflicting parties. For example, third parties may oppose an application or attack a registration on the basis of their prior use. That being said, eliminating use before registration will lead to an increased number of trademark squatters and trolls, who apply to register trademarks in Canada with no real intention of using them. We have already seen this occur.

Brand owners may want to review their trademark portfolio. They should consider expanding the goods and services in registrations and applying to register new marks now. Furthermore, where applications are allowed but there is no current use, owners may want to extend the deadline to file the declaration of use where possible beyond June 17. Thereafter, the applications can automatically proceed to registration without filing declarations of use.

### ***Implementation of Nice Classification***

Applicants will have to group their goods and services in accordance with the Nice Classification system. Final determination on classification lies with the Registrar. The requirement to define goods and services in "ordinary commercial terms" will still remain.

The Registrar will also ask existing registrants to classify their goods and services. Failure to do so can result in expungement of their registration or refusal to grant renewal.

Implementation of the Nice Classification system will bring with it a class-based filing or renewal fee system, similar to the US. This is another reason to file before June 17.

### ***New Types of Trademarks***

Applicants will be able to register a wider range of non-traditional marks such as textures, tastes, scents and single colours provided that they can show that these marks are distinctive at the date of filing.

### ***New Ground of Examination***

Examiners will be able to object to applications on a new ground of examination, that the mark is not "inherently distinctive". Applicants may overcome this objection by filing evidence that the mark is distinctive.

### ***Evidence of Distinctiveness***

There are currently two ways of proving distinctiveness. One is to file evidence to show that the mark has become distinctive throughout Canada. The other is to file evidence to show that the mark is not without distinctive character in Canada in view of the applicant's registration in its country of origin and its use of the mark in another country. Theoretically, this latter option has permitted foreign applicants to establish acquired distinctiveness without having use of the mark in Canada. After June 17, this option is no longer available. There will be a single test for proving distinctiveness for both domestic and foreign applicants.

### ***Certification Marks***

Currently, it is not possible to apply for a certification mark which is not already in use. After June 17, applicants will be able to apply for a certification mark whether or not it has been used in Canada.

### ***Divisional Applications Permitted***

Applicants will be permitted to divide trademark applications. Dividing applications may be used in certain situations. For example, an applicant may divide an application where it receives a citation for only some of the goods or services in its application.

### ***Elimination of the Associated Marks Provision***

Under the current system, confusing trademarks are registrable if the applicant is the owner of all such trademarks. These trademarks are then “associated” and cannot be assigned to another person unless all associated marks are also assigned to that same person. The amendments will remove the provision requiring the association of marks. However, the Act still requires confusing marks to be held by the same applicant. After registration, a registrant may find it possible to split ownership of confusing marks and assign them to different entities. We continue to recommend against this practice. Canadian trademark law is premised on the basis that a trademark functions as a single source indicator. If confusing marks are owned by multiple parties, the mark will no longer be distinctive of one source. Thus, although the provision dealing with “associated” marks may disappear from the Act, brand owners should not forget the importance of, and rationale for, the common ownership rule.

### ***Term of Registration and Renewal Reduced***

The term of registration or renewal will be reduced from 15 years to 10 years. Registrations issued before June 17 will have a 15-year term until their next renewal date. Any current registration due for renewal after June 17 will have a 10 year renewal term, whether it is renewed before or after June 17. However, registrants may want to renew their registrations before June 17 in any event, in order to take advantage of the current renewal fee (not based on fee-per-class) and to avoid having to classify their goods and services at renewal.

### ***Partial Non-Use Cancellation Permitted***

Under the current system, it is not possible for third parties to request cancellation of only certain registered goods or services based on non-use. A cancellation notice is issued for the entire registration. The amendments allow requesting parties to limit their non-use cancellation proceedings to specific goods and services which are of interest to them.

### ***Madrid Protocol***

On June 17, 2019 Canada will join the Madrid Protocol system. The Madrid Protocol system is a centralized international trademark filing system. It allows applicants in member countries to seek protection of their trademark in multiple countries through a single international application. Canadian applicants who have a Canadian application or registration will be able to file an international application and designate other Madrid Protocol countries to which they want to extend protection for their mark. Similarly, applicants in other Madrid Protocol countries will be able to designate Canada as a country to which they can extend the protection for their mark.

If you have further questions, please contact a member of our trademark group:



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