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Trademarks & Copyrights

How Will Your Canadian Trademark Portfolio Change in 2019?

Legal Update

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Major amendments to the Canadian Trademarks Act were passed in 2014. On June 17, 2019, implementation of these changes will go into effect. Below are the highlights but this does not encompass all of the modifications:

Pros**Use**

Applications filed after the implementation or any applications still pending after implementation will no longer need to designate proposed use or use in Canada or U.S. (or the home-country registration) to obtain registration. That said, the Trademarks Act will still require “prior use” as a basis for opposition and cancellation actions. (Non-use in Canada after the third anniversary of registration may result in cancellation by a third party.)

Fees

Registration fees will be eliminated for new applications. (Any application still pending at the implementation date will still need to pay the registration fee.)

Madrid Protocol

Once the new law is enacted, you may designate Canada when filing a Madrid – International application. If you have a strong mark, this will typically deliver a cost saving since we can file directly. Of course, if the mark is refused or opposed, we would then need to seek the assistance of foreign counsel.

Customs

Request for Customs Assistance (RFA) regime created to address trademarked counterfeits at the border. Only owners of **registered** trademarks may apply.

Cons

Nice classification(i.e., International classes 1- 45)

Currently, classification is voluntary. Once the new law is enacted, nice classification will be required. If you have a pending application(s), you may consider classifying your portfolio now to avoid administrative delays and costs associated with re-classification as well as examination delays of a pending application.

Fees

Filing fees will increase due to the implementation of the nice classification system on a per-class basis vs. a single fee for all goods and services. Further, the per-class fee will also apply to renewals. Since there is no restriction on when you can renew marks, if your mark will be re-classified into multiple classes, you may wish to renew **before** February 2019.

Examination

The Examiners may lean towards a more complex examination for distinctiveness.

Suggestive Marks/Use

Currently, you may rely on use in the U.S. for a “suggestive” mark when filing a corresponding mark in Canada. After implementation, you will need to provide evidence of use in each Canadian province along with an affidavit.

Terms

The renewal term will change from 15 years to 10 years.

Trolls

Due to the elimination of the use requirement and current fee structure, trolls are filing Canadian trademark applications for all goods and services for well-known marks, coined words and personal names.

While the Canadian Government is proposing further amendments to its Trademarks Act to deter squatters, trademark owners should audit their Canadian trademark portfolio and consider (i) defensive filings covering additional goods and services of interest or gaps; (ii) early re-classifications and renewals; (iii) implementing a watch service in Canada; and (iv) developing a protocol for retaining records in case of future “use” issues.