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PREVENTATIVE TRADEMARK MEDICINE IN 2018 FOR CHANGES TO THE CANADIAN TRADEMARKS ACT

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Bill C-31 received Royal Assent in 2014 and is expected to come into force sometime in the first half of 2019 upon completion of the Rules and Regulations by the Canadian Intellectual Property Office ('CIPO'). This will result in the most substantial changes to the Canadian *Trademarks Act* ever seen. An early audit of your Canadian trademark portfolio in 2018 with a view to the changes on the horizon expected in 2019 can prove to be cost effective and provide opportunities for broader rights not previously available.

FILE EARLY:

Canada will join the Singapore Treaty and Nice Agreement and our trademark system will adopt the Nice International classification system. Goods and services will still need to be described in "ordinary commercial terms". Government filing fees for new applications are however expected to increase dramatically with the Nice classification system. Currently there is only one government fee regardless of the number of classes of goods/services recited in an application. With the adoption of the International classification system, there will be a government fee payable for each class of goods/services. Filing applications now for marks which may be in use or scheduled for use but not applied for is recommended to take advantage of the lower government fees.

RENEW EARLY:

(i) The renewal period will be reduced from 15 years to 10 years. All registrations which are made prior to the implementation of the new Rules and Regulations will be valid for the old 15 year term. Renewals are valid when made one year in advance of the renewal date. Review existing registrations that are within one year of the renewal term and renew early to take advantage of the extra 5 years.

(ii) Renewal fees under the new Rules and Regulations are expected to increase and additional fees will be required for each Nice class of goods/services.

(iii) Renewals made prior to the implementation of the new Rules and Regulations are not required to classify goods/services although it is recommended.



REVIEW TRADEMARKS WHICH OTHERWISE WERE NOT REGISTRABLE:

Trademarks will be expanded to include non-traditional marks, such as a colour or combination of colours, 3D shapes, holograms, moving images, sound, scent, taste, texture, etc. some of which may not have previously been registrable. Filing new applications in mid-2018 should put those applications in position for examination under the new rules and regulations as examination is currently 10+ months from filing.

REMOVAL OF “USE” REQUIREMENT PRIOR TO REGISTRATION:

Next to the implementation of the Nice Classification System, the most significant change expected is the removal of the “use” requirement in Canada prior to registration. Currently an application will not issue to a registration until the applicant confirms by statutory declaration that the mark has been put to use on all the goods/services recited in an application. With the new changes coming in 2019, that requirement will be eliminated.

REVIEW PENDING APPLICATIONS AWAITING USE FOR REGISTRATION

Take an account of all pending applications which are currently awaiting use. It may be prudent to request the available extensions of time so that those goods/services not in use have an opportunity to be included in the registration under the proposed new rules where use will no longer be a requirement. It is noted that stating a date of first use in an application, claiming registration and use abroad, and the filing of a Declaration of Use prior to registration will no longer be required, although they may be optional.

TAKE STEPS TO AVOID SQUATERS AND TRADEMARK TROLLS:

Audit all marks in use but no applications or registrations filed. With the removal of the “use” requirement prior to registration there is an increased concern for “squatters” to undertake mass filings, it appears that this may have already started in Canada. It is important to take an inventory of all marks and ensure applications are underway to prevent trademark “trolls” from achieving early registration rights. Registration rights recovery against third parties is considerably onerous and significantly more costly than early filing for registration protection.

SAFE KEEPING OF MATERIALS DEMONSTRATING USE OF MARKS

Although evidence of earlier use has always been important, with the expected removal of the “use” requirement prior to registration it is more important than ever. If a third party should ever challenge a date of first use and/or registration of a trademark, or if you wish to challenge a third party’s use and/or



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registration of an identical or similar trademark, it would be necessary for you to show: (1) how your trademark has been used, (2) the dates in which the mark was first used and (2) the extent in which the mark has been used. Examples of items to consider for safekeeping which will prove to be very valuable if a dispute arises with a trademark "squatter" in the future are:

- dated photographs (or an actual samples) of products displaying the trademark;
- photographs (or an actual samples) of packaging displaying the trademark;
- copies of invoices displaying the trademark;
- sampling of customer invoices from year to year;
- mailing labels displaying the trademark which accompanying the product;
- photographs (or an actual sample) of promotion items displaying the trademark;
- order forms, catalogues, price lists, labels, tags, etc.;
- promotional inserts, brochures, pamphlets, etc.;
- photographs of signage, shelf talkers, etc.;
- business cards, letterhead, envelopes, etc.;
- advertisements, circulations, news releases, publications, magazines/newspaper articles, etc.;
- evidence of trademark use at trade shows; and
- original screen prints of the trademark first displayed on websites

If you have any questions, please contact Trisha A. Doré at tdore@rbs.ca.



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