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TRADEMARKS VERSUS TRADENAMES

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Why Incorporation or Registering a Business Name May Not Be Enough

Provincial and federal legislation provides for the registration of company and business names for a variety of purposes, for example as a name one can refer to, and to identify a legal entity that amongst other functions, can pay taxes, can sue and be sued.

A company or business name registration may prevent others from registering the exact company name in the same Province but it does not prevent others from using or registering a similar name in that same Province, or the same or a similar name as a company name in another Province/Territory.

This means even if a Provincial or Federal corporate authority accepts your name, there could be a competitor operating a business under a similar name in the same industry. If this is the case and another person has already incorporated a company, registered a business name or obtained a registration for a trademark consisting of similar words, you may be open to liability.

Vis-versa, taking action against a later-comer may be difficult and will depend on a few factors, such as:

- Who first used the name;
- The extent of reputation and goodwill that can be established through evidence; and
- The geographic scope of such reputation/goodwill.

Imagine this scenario: You've registered a business name in British Columbia for selling widgets and your business is doing really well. You are ready to expand into Alberta and Saskatchewan. When you attempt to register your business name in these Provinces you find out that another person already registered the same name in Alberta and is selling very similar widgets. You unfortunately have not sold or advertised your widgets in Alberta so you cannot establish evidence that you have acquired goodwill or a reputation outside of British Columbia. You now face the real possibility of not being able to use the name in Alberta and you are boxed in. Maybe even worse, you may need to tolerate the Alberta company selling similar widgets in association with the same name, even if you feel their widgets are of substandard quality and could harm the goodwill you have built.





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Trademarks Provide Real Advantage

In Canada, some limited rights in a trademark arise when the mark is used in association with the sale of goods or performance of services. These limited rights are referred to as “common law” rights which may be difficult to enforce, especially if the use is limited to a geographic area.

Registering a trademark with the Canadian Intellectual Property Office (‘CIPO’) provides a number of significant advantages. The most obvious is it grants the owner nationwide priority, meaning that the Registrant can preclude other traders from using the same or a confusingly similar mark anywhere in Canada.

For Example: You have been granted Federal registration of a trademark for use in association with “widgets”. You learn that a competitor in Ontario is importing very similar looking widgets from Europe and is selling them in Canada under a confusingly similar mark to that of your registered trademark. Not only do you have Federal registration rights throughout all of Canada to enjoin the Ontario company from selling these widgets in Canada, you could also sue them for trademark infringement.

Regardless if you are choosing a new business name or already are operating under a name, we recommend that you contact one of our firm’s Registered Trademark Agents to conduct background research to determine whether there are any confusingly similar names or trademarks of record in Canada. We can protect your name by registering it as a trademark with the Canadian Intellectual Property Office (‘CIPO’). The registration of your name as a trademark will provide you with the exclusive right to use the name throughout Canada.

To learn more, contact the author of this article, Registered Trademark Agent, Karin Binder.



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