

CANTOR COLBURN CLIENT ALERT

Important Changes Coming to Canada's Trademark Law

On June 17, 2019, amendments to the Canada Trademarks Act will take effect, bringing a number of changes that significantly impact trademark protection in Canada. We want to inform our clients and colleagues about the most important of these changes:

Prior use of a mark in Canada will no longer be required to obtain a trademark registration.

While use of a mark will still be required to enforce trademark rights in Canada, use will no longer be a prerequisite for registration. Filing bases (*i.e.* "Use" v. "Proposed Use") will effectively become unnecessary. Trademark applications pending at the Canada Intellectual Property Office ("CIPO") as of the June 17 effective date will not require use to proceed to registration.

Expungement (cancellation) of a trademark registration on the basis of non-use for at least three years will still be available. In addition, expungement proceedings can still be filed anonymously.

Nice Agreement Classification will become mandatory.

As is already the case in most countries, Canada will be adopting the Nice Agreement Classification system. New and pending applications will need to group their goods and services in accordance with the Nice classes. However, classification alone will not be determinative of whether a likelihood of confusion exists between two marks; the analysis will still require a determination of the relatedness of the goods and services at issue.

Concomitant with this change, CIPO will begin calculating application or registration renewal filing fees based on the number of classes covered. Currently, CIPO charges a fixed fee regardless of the number of goods and services covered or how they would be classified.

The CIPO fee for a new application will be CAD330 for the first class, and CAD100 for each class thereafter (equivalent to US\$251 and US\$76 respectively, at the current exchange rate).

Renewal of a trademark registration will cost CAD400 for the first class, with CAD125 for each class thereafter (equivalent to US\$304 and US\$95 respectively, at the current exchange rate).

Trademark registration term will decrease to 10 years.

The term of a Canada trademark registration will become 10 years from the date of registration, reduced from the current 15 years. This change will harmonize Canada's trademark registration term with most other countries around the world, including the United States.

Canada will become a member of the Madrid Protocol.

As of June 17, International Trademark Registrations under the Madrid Protocol may originate from, or be extended to, Canada.

The definition of trademark will be expanded to include non-traditional marks.

Non-traditional marks such as color, smell, shape, and the like, will now be recognized as trademarks under Canada law.

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The concept of “Associated Marks” will be abolished.

Currently, applications/registrations with a common distinctive element and owned by the same entity must be “associated” with each other, which significantly restricts their transferability – all associated marks must be transferred together. This concept will be abolished effective June 17.

Considerations in Advance of June 17

To prepare for the upcoming changes, we offer the following suggestions for your consideration:

1. **Be Vigilant for Trademark Trolls.** Canada’s impending removal of the use requirement, combined with the upcoming increase in fees, has dramatically increased the filing of “troll” (pirate) trademark applications. Reportedly hundreds of trademark applications covering goods and services in every class have been filed. To protect against troll applications, it is important to establish a trademark watch service for Canada covering your important marks in the relevant classes, and to monitor your trademark portfolio for troll cancellation or opposition attacks. As an additional remedy, the new Canada law permits oppositions against troll applications on the ground of “filed in bad faith”.
2. **Conduct Trademark Clearance Searching Before Adopting and Using Your Marks in Canada.** It is increasingly important to clear a proposed mark before adoption and use in Canada, to help ensure that a third party does not have senior rights and to detect possible troll applications.
3. **Renew ALL of Your Canada Trademark Registrations Before June 17.** With the switch to the Nice classification system and to calculating fees based on the number of classes covered, the new law will in many cases result in an increase of the fee to renew a registration. Accordingly, we suggest renewing Canada trademark registrations before June 17. **Note that Canada law currently permits registration renewal at any time, so all Canada trademark registrations can be renewed prior to June 17, regardless of when their current terms are due to expire.** We anticipate that many trademark owners will want to take advantage of this cost-saving opportunity as June 17 approaches. We therefore suggest instructing us or your Canada counsel to renew your registrations as early as possible, so that adequate time is available to (i) prepare and file the registration renewal requests, and (ii) allow for any delays resulting from the heavy volume of renewal requests at CIPO. Once the new law becomes effective, renewals will be permitted only from six months before the registration expiration date until six months after that date.

For Further Information and Assistance

Please do not hesitate to contact your [Cantor Colburn](#) attorney with any questions you may have regarding this alert and your IP in general. George Pelletier is available for further questions at gpelletier@cantorcolburn.com - +1 (860) 286-2929. Please note that each situation has its own unique circumstances and ramifications. This client alert is for informational purposes only and is not legal advice.