

Major Changes Coming to Canadian Trademark Law

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Recent amendments to Canada's trademark laws, which are expected to take effect as soon as late next year, will introduce a number of significant changes for owners of Canadian trademark registrations and applications. Various provisions that will harmonize Canadian trademark laws with those of the United States and many other countries are summarized below.

Most notably, Canada is abandoning the requirement that a mark be used in commerce prior to registration. Currently, an applicant must demonstrate either that the applied-for mark is used in Canada or, alternatively, that the mark is being used in another World Trade Organization (WTO) country; if the latter, the mark also must have been either "made known" in Canada or must be registered in the applicant's country of origin. While the amendments still require an applicant to be using, or proposing to use, the mark in Canada, they will require no sworn statement to that effect. Many mark owners fear that this lower standard will encourage a glut of filings by those who have no intention to use a mark, but who nonetheless seek a registration merely to block a competitor or to extract a payment from the legitimate brand owner.

In addition, Canada is reducing the initial registration term, as well as any renewal terms, from 15 years to 10 years. It is also expected that the current flat fee to file or renew a registration will be replaced by a per-class fee.

Canada also will join the majority of countries, including the United States, that have adopted the Madrid Protocol and the Nice Classification and Identification of Goods and Services. Under these rules and regulations, applicants will be required to describe their goods and services in terms of the broad "International Classes" recognized by most countries. However, Canada will no longer require a "specific" identification of goods or services, suggesting that broader descriptions may be allowable.

Finally, Canada will drop its previous reluctance to register non-traditional trademarks, such as scent, sound, motion, and color. It will now allow registration of any source-identifying "sign" such as "a word, a personal name, a design, a letter, a numeral, a color, a figurative element, a three-dimensional shape, a hologram, a moving image, a mode of packaging goods, a sound, a scent, a taste, a texture and the positioning of a sign."

In view of these changes, Canadian trademark owners may wish to postpone paying renewal fees until they are almost due. Depending on when the new legislation takes effect, a trademark owner who pays early, expecting a 15-year renewal term, may receive a 10-year term only, with no guarantee that the overpayment will be refunded. On the other hand, trademark applicants can take advantage of the transition to the new law by filing now, at the current flat rate, for what may end up as a multi-class registration.