2024 Great Canadian Trademark Survival Guide

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2024 Great Canadian Trademark Survival Guide While Canada has been long known for its maple syrup, a strong hockey tradition and beautiful landscapes, it is also becoming increasingly known for the harsh climate that prevails at its trademark office. This is particularly true since the trademark reform of 2019. The very large contingent of applicants using the Madrid Protocol to secure trademark registrations in Canada is now facing first hand the freezing headwinds of Canadian trademarks practice. But yes, there is hope in this icy landscape. We are pleased to offer this insider's survival guide to common challenges faced by applicants in Canada and how best to deal with them. Without further ado, and with a cup of maple cider in hand, here are fifteen points to warm the souls of the brands we cherish:

1. Canadians are Friendly, but Meticulous : The most common danger that lurks in the forest of Canadian trademark practice is not crossing paths with grizzly bears or a pack of wolves. It is rather the high level of specificity required for recitations of goods and services. Unless your goods or services are very standard, chances are you will receive an objection from our friendly folks at CIPO - and in many cases, a great number of them! A high level of detail is required (even higher than in the USA), and this explains much of the backlog in Canada. Somewhat more leeway is given when describing services, but technology companies will likely find it difficult on both fronts. Since Examiners use CIPO's preapproved list of goods and services as a benchmark, it is possible to get a good sense of what works by looking at the list of preapproved terms, found at this *link*.



- 2. Racing for Examination : It takes a steady mind and some nimble strategizing to corral applications before the trademark office. Some Canadian applications are currently taking 4-5 years to be examined. While our trademarks office hired 100 new examiners last year, it may take time to absorb the backlog. The fastest track to secure a registration (sometimes within slightly over a year) is by using only preapproved terms in an application. The second fastest is to file in Canada using the Madrid Protocol. It is possible to move a pending application to a faster track by amending it to only preapproved goods and services after filing. It is also possible to request additions to the list of pre-approved terms in the goods and services manual if no suitable entries can be found.
- **3. Grand Prix Speeds :** Canada hosts a Formula 1 Grand Prix once a year in Montreal. This undoubtedly inspired our trademarks office to allow expedited examination. Because of this, Canada has among the shortest and longest examination times in the world. If your mark is being infringed, examination can take place within 10 days. A sworn declaration is required to support this, but no additional official fees need be paid. It can also work the other way, if you are being attacked by a polar bear of an opponent you can also request that your application be expedited.

4. The Specter of Descriptive Marks : Contrary to the ghost of the famous Group of Seven naturalist painter Tom Thomson, which can only be seen in the shimmering waters of Algonquin Park in Ontario, the spirit of descriptiveness constantly haunts the Canadian trademark landscape. Since 2019, lack of inherent distinctiveness is frequently invoked to bar registration. Tag lines are particularly vulnerable. Adding a design is generally not an option to overcome the objection, unless the design is dominant. A solid legal argument can more often than not ward off this spectral menace. If not, distinctiveness must be shown for each province or territory at the Canadian filing date, which can be challenging and expensive. The resulting trademark registration will be limited to those provinces and/or territories for which satisfactory evidence has been provided. Where a mark is somewhat descriptive, applicants should consider a backup filing later in time when substantial market penetration has occurred.



- 5. Surnames : Up The Creek Without a Paddle? Canada is well known for long canoe treks, but getting a surname or name registered in this country can be just as challenging swarms of black flies included! A few years ago the Registrar of Trademarks removed the minimum threshold of Canadians having the same surname before issuing an objection. The names or surnames of well-known designers, artists, musicians, creatives, etc. are being refused regularly even if they bear very uncommon names. Only those that have surnames that correspond to a dictionary word are having an easier time of it. Adding a distinctive word can help, but often this is not a practical solution. If the surname can also be said to also be a given name, this may be helpful to have the objection withdrawn. If all else fails, the same province by province, territory by territory approach must be undertaken to establish acquired secondary meaning. One or more marketing campaigns featuring the mark prior to filing in Canada should be seriously considered to facilitate obtaining broader geographical
 - 6. Consents, Eh?: In many countries trademark offices will accept consents at face value to withdraw an objection based on confusion. Not in Canada! Our trademarks office puts a lot of weight on protecting the public interest to avoid flooding the market with confusing marks. Unless a fairly long period of coexistence is shown in the Canadian marketplace, consents may have practically no weight. Worldwide settlements and coexistence agreements should be complemented by having one party or the other amend its goods or services as necessary to reduce any perceived risk of confusion.

protection.



- 7. Language: Voulez-Vous Parler avec moi? We are nearing a major change for trademarks used in the Province of Quebec. Come June 1, 2025 a trademark in a language other than French will need to be translated into French in all public signage in that Province. A pending application will suffice for product packaging, but it will no longer be possible to register a product facing to avoid translating descriptive words. Moreover, a trademark in a language other than French, even if registered, used in public signage visible from outside a building will need the addition of dominant descriptive words in French. La vie est belle in French! Certain brand owners are thinking of making their logo more prominent to avoid destroying their brand equity.
- 8. It's Official : From the bright red uniforms of the RCMP to our elegant federal Parliament, we do love our traditions. Official marks are one of them. They protect public authorities against appropriation of their marks with respect to all possible goods and services. Most public authorities will grant consents, so do reach out to them. Some will charge a fee. A new administrative proceeding should become available in the latter half of 2024 to challenge official marks that have been granted to entities that are not proper public authorities or where a public authority has ceased to exist.

- 9. Managing the Forest of Trademarks : The Canadian register is becoming a dense forest. There is a lot of dead wood, as contrary to US practice no statements of use are automatically required. The good news is that administrative cancellation proceedings for non-use are easy to initiate and be can anonymous. Think of using this process if marks are cited against your application. Beware of the fact that there is no grace period for initiating a proceeding after putting someone on notice of their lack of use. Administrative cancellation proceedings are getting faster every year.
- 10. Striking Gold Without A Registration : Common law trademark riahts are recognized in Canada. You can both make it big and enforce your rights without bothering with a registration. Our adventurous entrepreneurs just love it! Mere reputation in certain regions, even if there are no sales, can give rise to trademark rights. These rights can disappear just as quickly as the Yukon gold rush if a junior user secures a registration. After the 5th anniversary of the registration, a registration becomes incontestable on the basis of prior use - except if knowledge of the prior rights can be shown. So beware of fool's gold!
- 11. Licensing Troubles : Trademark licensing is a tricky art in Canada, much like winning at the Calgary Stampede. It's all in the control. For trademarks, it is critical to demonstrate control over the quality and character of the goods and services. Such control can be stated in the license agreement or implemented in practice, but if control is inadequate, the result could be invalidity of the registration. This principle applies just as much to licenses governed by foreign law, and also within corporate groups. Do therefore practice your lasso technique, and don't forget to cover all bases to be able to show control in your licenses.
- 12. Our National Penalty Box : Bad Faith. Hockey is a robust sport, so is Canadian trademarks law and there are also penalties for being too aggressive. Unleashed in Canadian law in 2019, bad faith has made its way through opposition proceedings and we are seeing conflicting approaches. It is a fantastic ground for opponents, but they need to learn to work the corners of the ice rinks! Care must be given to building a convincing evidentiary record as many cases have failed on the basis of vague fact patterns without much bite. Mere knowledge of a foreign or local mark will generally not be sufficient.



- 13. The Great Canadian Shield : The Canadian shield is part of our geography: it is a rocky feature of a large part of our landscape. We have the equivalent in our trademark practice. A party holding a registration is immune from monetary awards from the day the registration issues to the day it is cancelled by the Federal Court. Trademark watches are therefore important. There are some cracks in this shield: if you can show bad faith, fraud or willful misrepresentation by the owner of the registration, monetary awards become available. Pre-litigation investigations can be very helpful in this respect.
- 14. Intentions Count : Canadians mind their manners and expect others to do so. Contrary to most countries in the world, having an intention to use the mark with all goods and services is a must. Using class headings to apply for registration is generally not an appropriate approach. It may be best to pare down these kinds of broad applications. Lack of intent to use is routinely invoked in oppositions. While it is more difficult to challenge an application on the basis of lack of intent to use than it is in the United States, this may change due to the fact that use is no longer mandatory to secure a registration.
- **15. Battling it Out in Oppositions :** Canada is a peaceful nation, but it has a vibrant tradition in the field of oppositions. There are proportionally a great many of them! This national sport is very evidence- and fact-driven, as decision-makers will want to appreciate the finer details of the conduct and use by both parties. Investing in evidence is often a key to success. Discovery is not available, but witnesses can all be crossexamined. While Canadian oppositions are getting faster, it generally takes a minimum of 3 years to obtain a decision.

We hope these comments will be helpful to you. If there are any other topics you may have faced and think we should add to this survival guide, please write to us and we will be happy to update our text.

You will find below links to other articles and online resources concerning Canadian trademarks practice that may be of interest to you :

Opposition and Cancellation Proceedings Shifting Into Higher Gear in Canada

<u>Trademark Licensing in Canada: Pitfalls for the</u> <u>Unwary</u>

Charter of the French Language: New Draft Regulation respecting the language of commerce and business

Compliance Alert: Time to File Trademark Applications in Order to Comply with Charter of the French Language

Warp Speed Trademark Examination in Canada: Believe It or Not, It Exists

Federal Court Invalidates IQ Trademark for Lack of Distinctiveness: Lessons for Trademark Owners and Trademark Challengers

<u>Registering Trademarks in Canada | Madrid</u> <u>Protocol Filings (fasken.com)</u>

Frequently Asked Questions (FAQ) About Trademark Oppositions in Canada

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