

Canada's New Trademark Regime – Impact on Renewals, Allowance and Classification

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The Canadian government has proposed sweeping changes to the *Trade-marks Act* that will impact current and new applications and registrations. The most important, as noted in our earlier communications, deletes use as a requirement for registration. However, there are a number of important transition provisions that trademark owners should consider.

Renewal

The renewal term will be reduced from 15 years to 10 years, to comply with international trademark treaties. The TMO now permits renewal to take place up to one year before the expiry of the registration term. For any registration now capable of being renewed, renewal should be done as soon as possible to take advantage of the longer renewal term. It is likely that registrants who renew now will be required to later classify the goods and services in any registration using the Nice Classification of goods and services. However, it is not expected that there will be fees for such classification post-renewal.

Allowance

Applicants will no longer be required to either use their trademark in Canada for specific goods and/or services, or have a home country registration and use on named goods and/or services before registration. Instead, any applicant with use, or who proposes to use a mark, may register the mark. Unless the application is opposed, the mark will register for the entire list of goods and/or services, and a declaration of use will not be required.

The government has explained this change as merely doing away with a “form” - referring to the declaration of use - that applies to applicants who have filed based on proposed use in Canada. However, the declaration of use is not merely an exercise in bureaucracy. It, along with the filing grounds of use in Canada and use/registration abroad, are part of the mechanism of ensuring that registration of a mark in Canada reflects real rights, and not merely an intention to use a mark at some unknown time in the future. Just as the filing of a false statement of use in the United States can have serious repercussions, filing a materially false declaration of use is a basis to invalidate a Canadian registration. While supported by the government as necessary to reduce the “paper burden” on businesses, many argue that the long term cost of the changes to businesses, the Canadian Intellectual Property Office and the Federal Court will be much greater than any administrative efficiencies caused by eliminating declarations of use.

A **transition provision** in the Bill calls for any application that is allowed at the date of the coming into force of the amendments to be permitted to register for all goods and services upon payment of a registration fee. No declaration of use will be required. There are currently about 40,000 allowed applications in Canada pending until a declaration of use of all or part of the goods and services is filed. While not all these applicants may still wish to register their marks, it is likely that many thousands of applicants will wish to do so, and will not be required to limit the goods and services in their applications in any way. It is hard to imagine the impact of registration of so many marks in just one year – this is almost as many applications as are filed in one year. However, it is probably a harbinger of what is to come – many registrations with no use in Canada, at all. For applicants with marks in process now, or who are thinking about filing before the coming into force of the amendments, take care to ensure that there is an intent to use the mark in Canada (the current requirement), since otherwise, the application could be successfully opposed.

Classification of Goods and Services

Another change will see goods and services in all applications and eventually all registrations classified using the Nice classification system. The amendments contemplate applications being classified, in order, with descriptions in ordinary commercial terms, but not as specifically as is now the case. The TMO may require changes to any classification provided by the applicant, and may require existing registrations to be classified, including at renewal. Classification fees are not yet set – there is some talk of using the “3 for the price of 1” Community Trade Mark system, but that has not yet been confirmed, and the proposed fee structure will be subject to

public consultation before it comes into force. Applications that have not yet been advertised for opposition when the amendments come into place will be required to be classified, meaning that there will be some delay for those applicants while classification takes place. As more details about classification and the degree of specificity required become available, we will advise you.

Ongoing debate

Many business and trademark owner groups, legal professionals and their associations, academics, and other legal experts continue to raise concerns about the proposed changes, mostly relating to the issue of use.

If you have any questions regarding the Bill, please do not hesitate to contact any of the following:



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