Dipping a Toe in Nice Classification

Oct 7, 2015

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The Canadian Intellectual Property Office (CIPO) has just announced that applicants can voluntarily include Nice Classification of goods and services in new applications. The online filing system has also been modified to permit use of a drop-down menu with both suggested goods/services descriptions and Nice classes. At the same time, applicants can continue to use their own preferred goods/services descriptions and are not required to include any Nice Classification. Class fees are not yet in effect, and use of Nice class headings only are not acceptable.

In addition, CIPO has taken the step of assigning Nice classes to all existing applications and registrations without prior notice to the trademark owners. For now, such classification is informal, and applications/registrations display the following notice: *The Classification data is provided for information and searching purposes only. CIPO does not warrant the accuracy of the classes assigned to the trademark. This data has no legal value of any kind.*

Nice Classification will become mandatory with the implementation of amendments to the *Trademarks Act*, passed but not yet formally in place for all amendments. Full implementation of the amendments is expected in late 2016 or early 2017. In addition, the amendments to the *Act* permit CIPO to request applicants and registrants to classify their marks. These recent steps suggest that CIPO wants the Register to reflect Nice Classification as soon as possible.

While CIPO had announced its intent to implement voluntary classification some time ago, and had also indicated that it would be working on classification of marks already on the Register, the recent changes took place with only a week advance notice. A Practice Notice with specific questions and answers has been posted on the CIPO website, but many questions remain, suggesting that for now, trademark owners should proceed with voluntary classification cautiously unless applicants are certain that any classes selected fully cover all goods/services of interest and match classification used in other jurisdictions. Some points for consideration and further clarification include the following:

- If an application is voluntarily classified but CIPO disagrees with the classification, an official letter will be issued. If CIPO continues to disagree with the classification, the application will proceed without any class details being entered. However, upon implementation of the amendments to the *Act,* classification will be required.
- It is not clear how easy it will be to change classification once included in an application. Since Canada has not used classification up to now, applicants have never had to specify the composition of goods (eg. metal statues or wood statues or use language indicating if personal care products are for medical or cosmetic use only). If an applicant refers to “skin care preparations” and chooses Class 3, it could be viewed as an expansion of goods to later ask that Class 5, including medicated skin care preparations, be included as well. Particularly when classification is voluntary and since classification can limit the scope of otherwise general terms, care should be taken before agreeing to any voluntary classification.
- If goods can be classified in multiple classes, for example “ladders”, which could fall into 3 classes, it is not clear that CIPO will “suggest” which class(es) to use, and once classified, it is not clear that new classes can be easily added.
- If a classification in a Canadian application uses home country class details and the home country classification changes following local examination, it is not clear how easy it will be to change the Canadian classes to equate with those in the home country. This is especially important while Canada continues to require specific filing grounds, one of which is “application/registration abroad and use”.
- While the recent Practice Notice indicates that CIPO will not classify applications for an applicant, it is uncertain how CIPO may handle the situation (commonly seen in the United States) where applicants include only one class heading when filing even though it is very likely that the application covers multiple classes. The US Patent and Trademark Office offers suggested classification in its examination reports. While it is likely that CIPO will issue an official letter asking for proper classes to be included, will they suggest the correct classes?

In addition, while the Practice Notice indicates that CIPO will not classify goods and services for applicants, in fact, all marks now on the Register, pending and registered, now have classes that have been selected by CIPO, and are not yet been approved by the applicants/registrants. All applicants/registrants are encouraged to review the assigned classes, and ensure that they accurately

cover the intended goods/services, and especially cover all possible or likely goods/services associated with the marks. However, the assignment of classes without notice poses the following questions:

- What is the procedure for requesting CIPO to change the assigned classes?
- If an applicant/registrant does not make any changes now, but later wishes the goods/services to be reclassified (eg. on renewal, assuming that fees per class will apply on renewal), can the registrant request reclassification at that time?
- If classification is assigned by CIPO, but the owner wishes to add a class (eg. skin care products that are in Class 3, amended to confirm they include medicated skin care goods in Class 5), will this be permitted? Also, if the change is requested after implementation of the amendments to the *Act*, when it is generally understood that fees per class will be applied, will there be a fee for this change?
- Will changing classes, particularly once classification becomes mandatory, be subject to advertisement or other publication to third parties?

CIPO has held several information sessions and plans more in the next few weeks. Hopefully, these questions will be answered at these sessions, or CIPO will provide further answers in additional Practice Notices. However, for now, there seems to be several reasons to proceed carefully with voluntary classification.