



The Many Benefits to Registering a Trademark

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In Canada, trademark rights can be acquired through use. Therefore, the question often arises, “What is the value of a trademark registration?”

In fact, there can be significant value in owning a valid trademark registration. Here is a list of ten clear benefits to registering a trademark:

1. The Trade-marks Act grants registered trademark owners exclusive statutory rights for the registered goods and services throughout Canada versus rights restricted to a particular geographical region in which reputation in the mark can be shown.
2. Suing for trademark infringement, which can be done only on the basis of a registered trademark, is generally easier (and less costly) than suing for passing off (which requires proving goodwill and damages).
3. Owning a valid trademark registration provides a defence to an attack by a third party challenging the use of that mark. In other words, owning a registration serves as both a sword and a shield vis-à-vis other trademark owners.
4. Owning a registered trademark allows for an action under Section 22 (“Depreciation of Goodwill”) of the *Trade-marks Act*. For this cause of action a trademark registration is a prerequisite. This section provides that it is an offence to use a mark registered by another in a manner that is likely to have the effect of depreciating the registered owner’s value of the goodwill in the mark. For this offence, it is not necessary to show confusion as to the source of the respective marks, and therefore this offence can be applied to cases of both blurring and tarnishment.
5. A valid registered trademark has equity. It becomes an asset of the trademark owner’s business (which can be sold and/or licensed for money). Trademark registrations with strong distinctiveness can be extremely valuable assets. While a common law trademark can have equity/value as well, it is easier to record a trademark assignment and or security agreement against a registered trademark.
6. A Canadian trademark registration allows for registration of a corresponding .ca domain name. In order to register a .ca domain name, registrants must satisfy the “Canadian Presence Requirements.” Non-Canadian entities/individuals who cannot otherwise satisfy these Requirements will be deemed to if they own a Canadian trademark registration that corresponds to the .ca domain name of interest. Furthermore, ownership of a trademark registration facilitates proof of rights in disputes brought pursuant to Canada’s Dispute Resolution Policy (for .ca domain names) and the Uniform Dispute Resolution Policy (for other domain name extensions, including .com and .org). Trademark registrations are also useful and important in policing and enforcing trademark rights on social media sites, search engines and new gTLDs.

7. A registered trademark is a “recognized trademark” pursuant to the *Charter of the French Language* (the Charter). Under the Charter, the general rule is that all printed material used in commerce in Quebec (including packaging, labels, commercial publications, advertising, and public signage) must be in French, although another language (e.g., English) may also appear, as long as this other language displayed is not dominant or in the case of public signage, is less dominant than French. However, there is an exception for “recognized” trademarks. Because a registered trademark is a “recognized trademark” it may appear exclusively in a language other than French (unless a French version has been registered). Moreover, the Office Québécois de la Langue Française, the Québec government’s body in charge of the protection of French language in Québec, has recently interpreted a “recognized” mark to mean only a registered mark (despite case law to the contrary).

8. Prosecution of a trademark application results in a basic level of clearance. That means that the Trade-marks Office will only register marks that it does not consider to be confusingly similar with another registered or pending trademark. This provides a basic level of assurance to the applicant that there is not a confusingly similar mark on the Register. Further, a registration provides statutory proof of the information on the Register.

9. The Trade-marks Office’s examination of third-party trademark applications provides some degree of “automatic policing” of the Register. This means that a trademark registrant can potentially reduce costs and resources associated with monitoring the trademarks of others. Further, a registration is a public, searchable claim to rights in a trademark which may deter third-parties for filing and using a similar trademark.

10. Ownership of a registered trademark provides a ground of opposition against a third-party mark — confusion with a *registered* trademark. Each additional valid ground of opposition increases the chances of the opponent’s success.

In addition to the above “top 10” benefits, with the implementation of the legislative amendments to the Canadian *Trade-marks Act*, expected to occur in late 2015/early 2016, there will be many further benefits to registration:

11. New border enforcement measures will be enacted which enable customs officers to detain goods that they suspect infringe registered trademark rights, and to share information relating to the detained goods with rights holders who have filed a request for border control assistance. Further, acts constituting infringement will be changed to include importing and exporting of goods, labels and packages associated with a confusing trademark or trade name, strengthening the ability of registered trademark owners to enforce against counterfeit goods, and increasing the corresponding penalties.

12. Since the new law eliminates use as a registration requirement, it will be possible to obtain protection of and rights in a trademark that is not in use, with a three-year window during which the registration is invulnerable to challenge on the grounds of non-use. Common law rights, on the other hand, depend entirely on proof of use and reputation in a trademark.

13. By eliminating the use requirement to registration, trademark owners who propose to use a mark for other goods and services can seek registration for an expanded list of goods/services, beyond their current use, and prevent a third-party from registering the same mark for different goods/services. If filed before the implementation of the new laws, applicants will pay a single filing fee regardless of the number of goods/services covered in the application, and may avoid the likely increase in fees associated with the implementation of the Nice Classification system and the per class filing fees.

14. The new laws provide for an expanded definition of a trademark, and therefore registration (and, hence, protection) can be obtained for “signs”, such as colour, scent, texture, taste and mode of packaging, that may not otherwise be protectable at common law.

15. The Madrid Protocol will be implemented, and with a home country application/registration, Canadians will be able to apply for an International Registration, and obtain protection in member countries throughout the world through a single registration.