

SIGNIFICANT CHANGES TO THE CANADIAN *TRADE-MARKS ACT*

On March 28, 2014, the Federal Government of Canada introduced Bill C-31, the *Economic Action Plan Act 2014, No. 1*, an omnibus bill which makes changes to several pieces of legislation including the *Trade-marks Act R.S.C., 1985, c. T-13*. Bill C-31 received Royal Assent on June 19, 2014. Therefore, Bill C-31 is now law and will soon come into force on a day to be fixed by order of the Governor in Council.

The changes to the *Trade-marks Act*, the most significant in over 50 years, are ostensibly to allow Canada to meet its treaty obligations under the Madrid Protocol, the Singapore Treaty on the Law of Trademarks and the Nice Classification system of goods and services; however, a number of the amendments have little or nothing to do with these treaties. Of note, the amendments deleting use as a registration requirement are not necessary for Canada's accession to any of the treaties noted.

According to the Federal Government of Canada, Division 25 of Part 6 of Bill C-31 amends the *Trade-marks Act* to, among other things:

- a) create the necessary authority to make regulations for carrying into effect the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks;
- b) ensure consistency with the standards and rules established by the Singapore Treaty on the Law of Trademarks; and
- c) adopt the Nice Classification system that is used by most countries to categorize goods and services for the purposes of the registration of trademarks, as required by the Madrid Protocol and the Singapore Treaty.

The changes to the *Trade-marks Act* will have a significant impact on trademark owners as these changes will affect trademark prosecution and trademark portfolio management strategy. Some of the changes to the

Trade-marks Act that will have the most significant impact on trademark owners are:

1. Use Requirements

The most significant changes are with respect to "use", whereby use of a trademark before a trademark can be registered will no longer be required. Trademark "use" is the cornerstone of trademark law in Canada. Specifically, the law up to now has been that the use of a trademark is required in order to obtain trademark rights in Canada either at common law or registration (federal statute).

Applicants will no longer be required to have use (either in Canada or use and registration abroad) in order to obtain a trademark registration. Although this will streamline and expedite the registration process, anyone will be able to obtain a trademark registration even if they have no use and have no intent to use the subject trademark. This will put those who have used or have a *bona fide* intention to use the same mark at a distinct disadvantage. Essentially, Canada will become a first-to-file jurisdiction rather than a first-to-use jurisdiction.

2. Classification System of Goods and Services

Canada does not currently require the goods and services in an application to be listed under the Nice classification of goods and services. Therefore, applicants are able to file applications with an extensive list of goods and services for one fixed fee regardless of the number of classes of goods and services listed in the application. The amendments to the *Trade-marks Act* will require Applicants to classify their

goods and services under the Nice Classification system. This change will likely result in not only increased time with increased office actions for compliance with the Nice Classification, but also likely higher fees to applicants.

Given the likelihood that application fees are expected to increase for applications filed for multiple classes of goods and services, companies may want to consider filing any new trademark applications now to avoid expected higher fees on a per class basis.

3. Term of Registration

Currently, the term of registration of a trademark in Canada is 15 years. The amendments to the *Trade-marks Act* will reduce the registration term from 15 years to 10 years.

This change will result in higher fees for trademark owners as renewal fees will be incurred every 10 years.

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