



# Canada's New Trademark Regime: Cost-Saving Tips and Recommendations

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Major amendments were implemented to Canada's *Trademarks Act* on June 17, 2019 that impact everything from filing and oppositions to registration terms and renewal procedures. As part of these changes, Canada has formally joined the Madrid Protocol, and has made Nice Classification mandatory. The full impact of some of the changes is just now being felt, and others may not be fully known for years to come, but brand owners and their advisors should be aware of the following:

## GOVERNMENT FEES ARE CALCULATED AT THE FILING AND RENEWAL DATES

Nice Classification is now mandatory for all new applications, applications filed prior to the amendments but not yet advertised, and on renewal. In addition, goods and services must be grouped by class, and then the classes displayed in numerical order. While CIPO has been informally classifying goods and services for several years, classification must be formally done by or on behalf of the applicant or registrant.

**At the application filing stage**, government class fees are \$330 CA for the first class, and \$100 CA for each additional class (if filed online). CIPO calculates those fees at the time of filing. While an applicant may pay only one class fee to secure a filing date, if CIPO determines that the goods/services fall in multiple classes, CIPO will issue an official letter requiring all class fees to be paid. The applicant cannot, at that time, decide to drop certain classes to avoid the class fee shortfall – instead, the application fee will be assessed based on the number of classes in the application on the filing date. This fee applies even if the applicant later advises that it wishes to delete certain classes.

**TIP: Check the list of goods and services before filing to ensure that the applicant is willing to pay class fees for the whole list.** The only alternative for an applicant with many classes who decides, after filing, that it does not want to pay for more than one or two classes will be to refile – and that may mean a loss of priority rights.

**On renewal**, government class fees are \$400 CA for the first class, and \$125 CA for each additional class (for online renewals), and as above, those fees are calculated at the time of renewal. Registrants must supply their own classification details, and cannot rely upon CIPO's informal classification. Unless goods/services in a registration are already grouped and classified by the registrant to the satisfaction of CIPO, renewals are now effectively a 2-step process: classification and renewal. CIPO has online resources for processing both classification and renewal, but it is currently taking up to 4 months for CIPO to review classification requests, and renewals cannot be processed until classification is complete. As a result, it generally makes sense to postpone renewal until class details are accepted by CIPO. (Both steps can be requested simultaneously "on paper", but there is a \$100 CA surcharge for paper renewals). Regardless of the timing of these steps, renewal fees are calculated based on the number of classes determined by CIPO to be in the registration at the time the renewal request is made. Failure to pay the full fee will result in expungement of the registration.

**TIP: Registrants wishing to manage renewal costs should complete classification steps first, and several months in advance of renewal, to ensure that they pay only for classes they wish to maintain.** That means allowing time to process classification before renewal deadline. Also, owners of multiple Canadian registrations may want to consider classification of all Canadian registrations now, rather than one-by-one at the time of renewal – to avoid delays in renewals, plus the risk of paying higher than necessary fees. Further, while renewals can be processed by the registrant, its Canadian



trademark agent or another agency, classification steps need to be done by the registrant or its Canadian trademark agent. It may be more efficient to have an agent handle both steps.

#### **APPOINT A CANADIAN TRADEMARK AGENT WHEN USING THE MADRID PROTOCOL TO EXTEND RIGHTS IN CANADA**

The amendments to Canada's trademark regime also offer foreign applicants the chance to use the Madrid Protocol to obtain rights in Canada. However, in accordance with Canadian Regulations, correspondence regarding an application with a foreign applicant will *only* be with the applicant or a Canadian trademark agent. The Office will not send communications to a non-Canadian agent acting on the originating application. For now, CIPO is sending courtesy letters warning that CIPO correspondence will only be sent to the applicant or a Canadian trademark agent.

**TIP: To ensure that all CIPO and other correspondence regarding the applicant is received in a timely fashion, Madrid Protocol applicants in Canada should appoint a Canadian trademark agent when formally extending rights to Canada, or as soon as possible afterwards.**

Bereskin & Parr's Trademark Group will be monitoring and reporting on the implications of the new Canadian trademark regime.

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