



# Ten Things Brand Owners Should Know Before Using the Madrid Protocol to Obtain Rights in Canada

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As of June 17, 2019, Canada will formally become a member of the Protocol relating to the Madrid Agreement Concerning International Registration of Marks (“Madrid Protocol”), along with the Singapore Treaty on the Law of Trademarks and the Nice Agreement Concerning International Classification of Goods and Services for the Purposes of the Registration of Marks on the same day, major amendments to Canada’s *Trademarks Act* will be implemented that impact filing, examination and opposition procedure for all brand owners.

While new access to the Madrid Protocol system in Canada may offer cost savings and efficiencies to international trademark owners, Canada’s registration system has, and will continue to have, many unique features that should be considered, whether filing a domestic Canadian application or extending rights to Canada under the Madrid Protocol. To navigate these unique features, some of the most important of which are listed below, it is advisable to get sound local advice

**1. An application may be filed by a person who is using, or proposes to use, and is entitled to use their mark in Canada.**

As of June 17, 2019, use requirements for registration in Canada will be eliminated. Use is not required at filing, and declarations of use will no longer be required before registration. However, that does not mean that use is meaningless. Opposition grounds will include the applicant’s failure to use or have an intention to use its mark in Canada. This will apply to all applicants, including those using the Madrid Protocol.

**TIP:** Ensure applicants are aware in advance of such use/intent requirements – without them, their applications could be invalid.

**2. Registration and use in Canada is impacted by both unregistered and registered trademarks and tradenames.**

All applications, including those that will be filed under the Madrid Protocol, are examined by the Trademarks Branch of the Canadian Intellectual Property Office (CIPO) for confusion with both registrations and previously filed applications. In addition, owners of unregistered trademarks and tradenames may not only oppose any application, but may challenge use based on their common law rights. Pre-clearance searches are recommended, not only of the Register, but of databases of unregistered names and marks.

**TIP:** Search before you file. Being aware of prior rights may permit applicants to adopt strategies before filing that improve both the chance of registration, and reduce the risk of litigation against use.

**3. Registrability tests in Canada differ significantly from those in many other countries.**

The registrability criteria under the *Trademarks Act* includes name/surname, descriptive or generic significance, similarity to special marks of government agencies and universities, and inherent distinctiveness, which is a new examination criteria. CIPO will have the right to request evidence of acquired distinctiveness in Canada at the filing date for all non-traditional marks, plus any mark it views as inherently non-distinctive. Such evidence must show significant sales and advertising across Canada before filing.

**TIP:** Applicants for marks with name, surname, or geographic significance, or that fall into non-traditional categories should expect to encounter tough examination issues in Canada that can mean delays and added costs. Local advisors



can offer strategies on avoiding objections that can mean big cost-savings in the long-run.

#### **4. Applications may be opposed, and registrations attacked, based on bad faith.**

As a remedy against squatters or trademark trolls, the *Trademarks Act* was recently amended to permit expungement on the ground that the application was filed in bad faith and as of June, opposition grounds will also include bad faith filing. It will take some time to develop predictable guidelines on what amounts to bad faith, and the onus will always be on the party alleging bad faith to file evidence to support that claim. However, an indicator of bad faith may be the number of applications filed and/or the number of classes covered in any application.

**TIP:** Warn applicants that the practice of filing for overly broad goods and services may be viewed as an indicator of bad faith.

#### **5. Examination in Canada is slow, and oppositions can take many years to resolve**

Currently, it takes the Trademarks Branch more than a year to examine new applications. Opposition proceedings commonly last more than 3 years. As a result, Canada has elected a period of 18 months within which to send a notice of provisional refusal to the International Bureau of the World Intellectual Property Organization, and it is expected that all Protocol Applications will be examined by a specific team.

**TIP:** Remind applicants that using the Madrid Protocol, vs. a national filing in Canada, is unlikely to result in faster registration. The pace of both Canadian examination and oppositions are slower than in many foreign countries.

#### **6. Canadian goods and services descriptions require more detail than in many other countries.**

The Trademarks Branch is known for rigorous examination for specificity. Class headings, or even broad descriptions such as “clothing”, accepted in other jurisdictions are not permissible in Canada. Classification is now voluntary, but will become mandatory as of June 17<sup>th</sup>. Be aware that the Trademarks Branch occasionally refuses classification that has been accepted in other countries.

**TIP:** Consider Canadian Goods and Services requirements before filing.

#### **7. Protocol Applications in Canada may include priority claims that predate Canada’s membership in the Madrid Protocol.**

Despite not formally implementing the Madrid Protocol until June 17, 2019, convention priority claims from applications filed before that date can be asserted.

**TIP:** Don’t lose rights by forgetting to claim priority.

#### **8. All Canadian registrations, including those based on the Protocol, are vulnerable to non-use cancellation after 3 years.**

Summary non-use cancellation proceedings may be started 3 years from the date of any Canadian registration (s. 45 of the *Trademarks Act*), which is earlier than the first date to challenge marks for non-use in many other countries. These proceedings are commonly used to remove obstacles to registration, but can also be a tactic to limit the ability of a third party to rely upon a registration in litigation. Any person, including the Registrar, may initiate these proceedings. Once notified that these proceedings have commenced, the registrant must show use of its mark in Canada in the 3 years prior to the notice, or extraordinary reasons to excuse non-use. Registrations may be cancelled, or limited to only goods/services in use. There are special exceptions to non-use challenges for cannabis and tobacco marks if such marks cannot be used due to compliance with other legislation.

**TIP:** There are several ways to invalidate a registration, including non-use, prior rights, loss of distinctiveness, and inherent registrability issues relating to the mark itself. Avoid the risk of cancellation or invalidation by checking first with local counsel before making any infringement complaint.

#### **9. Enforcement generally depends on use in Canada.**

While simplified registration procedures, including by using the Madrid Protocol, may make it easier to acquire trademark rights in Canada, ultimately, enforcement depends on use. Before registration, common law rights can be asserted in a passing off action, but depend on goodwill that generally only exists with use in Canada. Once a registration issues, new amendments will require use in Canada in the first 3 years following registration as a prerequisite to enforcement (unless special circumstances excuse non-use). After three years, as noted above, all registrations are vulnerable to a



non-use challenge.

**TIP:** Ultimately, use in Canada will be key to maintaining and enforcing rights in Canada. Local advisors can assist with strategies to ensure that Canadian use requirements are met.

**10. The Madrid Protocol offers opportunities for cost-savings and streamlined procedures but does not replace the benefits of local advice on clearance, filing strategies, enforcement and maintenance of rights.**

Some marks may be better suited for protection in Canada under the Madrid Protocol than others. Apparent savings in filings could be lost without the benefit of early advice on availability or strategies to avoid obstacles inherent in a mark or based on the rights of third parties.

**TIP:** The higher the investment in, or visibility of, a new mark, the more important it will be to get sound local advice before filing and using.

Bereskin & Parr's trademark team has the experience to assist in all brand protection and enforcement issues in Canada and around the world. We're [here](#) to help.

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