



## Time to Pay the Piper? Third Year Anniversary of The First Canadian Trademark Registrations to Issue Without Use Quickly Approaching

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On June 17, 2022, it will be three years since the coming into force of major amendments to the Canadian *Trademarks Act*, and, importantly, three years since the Trademarks Office began registering trademarks without claims of use. In just under a month, those trademarks will start becoming vulnerable to non-use proceedings.

Prior to the amendments coming into force, trademark applicants in Canada were required to claim they used the applied-for mark *somewhere* to obtain registration — whether in Canada prior to or after filing, or via use and registration abroad. In the months leading up to June 17, 2019, anticipating the removal of the “use” requirement from the *Trademarks Act*, many applicants of pending allowed trademarks that were not in a position to swear to use of the mark in Canada obtained extensions of time to file their declarations of use until the new law took effect. Then, once the use requirement was removed, they paid the registration fee and obtained registration for a period of ten years. Over 1700 trademark registrations issued on June 17, 2019 alone, and over 5050 issued during the first week. By contrast, fewer than 2,200 applications issued to registration during the first 16 days of June 2019.

All of these registrations are now approaching their three-year anniversary. If not used in Canada during that period, these registrations could become subject to cancellation or amendment for non-use. Under section 45 of the *Trademarks Act* beginning three years after the day on which a trademark registers, the Trademark Registrar—on their own initiative, or on the request of any third party who pays the prescribed fee—can give notice to the mark’s registered owner and require they furnish sworn evidence showing use of the trademark in association with *all of the goods and services in the registration* in Canada during the three year period immediately prior to the notice, or show special circumstances excusing the non-use. Failure to do so will result in the registration being expunged. If satisfactory use can only be shown for some of the goods or services, the registration will be amended to strike out those goods/services for which there was no demonstrated use.

Since 2014, when the amendments to the *Trademarks Act* were first announced, there has been a steady increase in the number of trademark applications filed in Canada, from just over 50,000 in 2013/2014 to over 68,000 in 2019/2020. Between June 17, 2019 and March 31, 2020, Canada was designated in over 15,500 international trademark applications filed through the Madrid System. Moreover, in the time leading up to implementation, when the Trademarks Office charged a flat filing fee, there was a trend of applicants filing for long lists of goods and services that did not necessarily correspond with the applicant’s actual or planned activities in Canada with respect to that mark.

The increase in applications filed, plus the removal of the “use” requirement to obtain registration, position non-use cancellation proceedings to become a key tool for removing or significantly restricting overly broad goods and services claims and unused registrations, the result being registrations (and a Trademark Register) that better reflect the actual state of rights holders’ activities with their marks in Canada.

As the third anniversary of coming into force approaches, rights holders who obtained their registrations in Canada on or



shortly after June 17, 2019, would be well advised to review their portfolios, assess the potential exposure of their registrations to successful non-use cancellation proceedings, and take steps to address those risks and commence use of their mark in Canada.

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