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An IP Slam Dunk: Unique Opportunities for Universities to Protect Their Marks in Canada

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For college basketball fans, the March Madness® NCAA basketball tournament is a must, and this year's first-ever victory of a No. 16-seed team over a No. 1-seed team will probably end up being the most talked-about event of the whole tournament, even though the No. 16 team, the UMBC Retrievers, went on to lose their next game. Despite that loss, the team has become a media sensation—and according to news reports, representatives for the University of Maryland, Baltimore County, were suddenly scrambling to get trademark applications on file in the United States for UMBC RETRIEVERS, 16 OVER 1, and RETRIEVER NATION.

University sports licensing is big business—with reports of nearly \$5 billion dollars annually spent on US university and college merchandise. At the heart of any licensing program are the team names, including nicknames, logos, and mascots, as well as cheers and color combinations. All of these qualify for trademark

protection. In the United States, universities with popular sports teams commonly register dozens of trademarks that support their licensing programs that generate revenue associated with everything from clothing to banking services.

Added Protection for Universities in Canada

Canada has a unique provision in its Trademarks Act that can be used by degree-granting universities, whether in Canada or abroad, to gain broad and economical protection in lieu of, or in conjunction with, regular trademark registration. Specifically, section 9 of the Trademarks Act creates a special type of trademark right for qualified entities, namely, universities, as well as public authorities and the Canadian Forces, that avoids ordinary registration steps, including examination by the Trademarks Office for technical or confusion grounds, opposition, and renewal. The relevant provision states:

9 (1) No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for,

- ...
- (n) any badge, crest, emblem or mark
- ...
- (ii) of any university,
- ...

in respect of which the Registrar has, at the request of Her Majesty or of the university or public authority, as the case may be, given public notice of its adoption and use; . . .

These rights are also referenced in the registrability provisions of the Trademarks Act (section 12(1)(e)) that state that any third-party trademark prohibited by section 9—including one that consists of or closely resembles a university mark—is not registrable.

Any university (also interpreted to include a college) may request that the Registrar of Trademarks give

public notice, through publication in the *Trademarks Journal*, of symbols that fit within the broad definition of a “badge, crest, emblem or mark.” The request must be accompanied by a fee, which is currently \$500 CA. The Trademarks Office will normally request proof, unless the university is well-known, of its degree-granting authority, and may also require evidence of “adoption and use.” Both “adoption” and “use” are defined terms in the Trademarks Act in relation to ordinary trademarks, and these provisions can be used for guidance in determining what constitutes “adoption” and “use” of section 9 marks. Use requires sales of goods displaying the trademark in the ordinary course of business, whereas “adoption” includes “use”, as well as “making known” or filing an application. Section 9(1)(n) does not specifically state that such adoption and use must be in Canada, although jurisprudence dealing with public authorities, who can also use this provision to protect their marks, has required Canadian adoption or use. Since making a request for publication under s 9 might not qualify as “filing an application,” to clearly qualify for protection under this section, there should be either sales in Canada of university merchandise displaying the marks in question or sales elsewhere, combined with some advertising that has extended to Canada, making the mark known to some extent in Canada.

Apart from an initial assessment by the Trademarks Office to ensure that the request is made on behalf of a qualified entity, no further examination takes place. The requested mark is not reviewed for confusion, inherent distinctiveness, descriptiveness, or other objections commonly encountered by regular applications. In fact, it is not unheard of for identical marks in the name of different entities to be published pursuant to these provisions. In addition, the request for publication does not need to specify any goods or services and, once published in the *Trademarks Journal*, the Canadian Intellectual Property Office database details of the published mark (“section 9 mark”) lists all 45 classes of goods and services. Section 9 marks remain in effect permanently unless specifically withdrawn by the owner—there is no need to renew, the mark cannot be cancelled for nonuse, and invalidity or abandonment proceedings do not apply. And most importantly, once published, the mark acts as an absolute bar to registration of the same or very similar mark by any subsequent trademark applicant, regardless of possible differences in goods/services, unless consent is specifically given by the owner of the section 9 mark.

For anyone conducting trademark searching in Canada, the serial numbers for marks protected by s 9 start with the number 9 and are indexed as

“advertised”. Don’t be fooled—these are not pending applications that have been advertised for opposition—they are marks that have already been accepted for publication and/or published in the *Trademarks Journal* and may now be a bar to both use and registration. Also, the impact of s 9 is immediate—a pending application for a regular trademark that has already been approved may be refused on the basis of its similarity to a subsequently published s 9 mark.

Needless to say, publication of marks under this section can have significant financial advantages since, apart from government and legal fees for the publication, once published, no further expenses should be incurred, given that there is no examination, opposition, registration fees, use requirements, or renewal.

Should a trademark applicant encounter a section 9 mark as part of clearance activities, or during examination of its application, the options are limited—persuade the Examiner that the mark in the filed application is sufficiently different to preclude the likelihood of it being mistaken for the section 9 mark or obtain the consent of the owner of the section 9 mark. Perhaps in an effort to temper the very broad rights granted by section 9, the Trademarks Office generally cites section 9 marks only if the application is for a mark that is identical, or extremely close, interpreting the words “so nearly resembling as to be likely to be mistaken for” as requiring a high degree of visual similarity. If the marks are identical, the trademark application will be refused unless consent is obtained. Some holders of section 9 marks, including universities, are willing to provide consent as long as steps are taken to avoid any suggestion of licensing, or overlap in trade channels. Others may require monetary compensation in exchange for consent.

The broad prohibitions established by s 9 affect use as well as registration, so risk analysis should also consider the impact on use in Canada should an identical or similar section 9 mark be encountered. Practically, few section 9 mark holders aggressively challenge use, but should they do so, there is no need to show a likelihood of confusion. Instead, if the third-party use falls into the category of “consisting or so nearly resembling as to be likely to be mistaken for” the published section 9 mark, it acts as a bar to use.

Although there is no mechanism to oppose the publication of a section 9 mark, there have been several challenges to the Registrar’s decision to publish various section 9 marks, and a few have been held unenforceable because the owner did not meet the qualifications for publication, such as use, or proper Canadian status. None of these decisions have, as yet, involved university marks.

Occasionally, the very broad rights granted to holders of such protected marks have led to calls to amend the Trademarks Act, for example, to provide for opposition proceedings, or time-limited rights. Although the Canadian Government introduced major amendments to the Trademarks Act in 2014 (now expected to be implemented in Spring 2019), there were no changes to s 9.

The popularity of university sports, and the potential for significant revenue-generation from

the sale of merchandise to students, alumni and fans, makes it important to take steps to identify university marks and symbols and protect them from encroachment by entities not associated with, or authorized by, the university. Although universities can apply, like any other applicant, for regular trademark protection, the special rights in section 9 offer broad, long-lasting protection at a fraction of the cost of regular trademark protection. Seems like a slam dunk.

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