

At Last – Government confirms June 17, 2019 implementation date of major amendments to the Trademarks Act

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The Canadian Government has published the Trademark Regulations in the Official Gazette, essentially the last formal step towards final implementation of major amendments to the Trademarks Act, passed in 2014, and now finally planned for June 17, 2019, (the coming-into-force, or “CIF” date). These amendments impact all aspects of trademark selection, filing procedures, oppositions, registration and enforcement. In addition, the Government has also confirmed that it will accede to three major intellectual property treaties, including the Madrid Protocol and the Nice Agreement.

Much has already been written about the amended Trademarks Act. Preparing now for the amendments may offer costs savings in the future. The key changes, as well as tips to save time and money, are set out below:

1. **Applicants will be able to file for an additional selection of signs, but examination will likely be tougher.** It will be possible to register new non-traditional signs such as colour alone, scent, taste and texture. However, the Canadian Intellectual Property Office (“CIPO”) will, for the first time, examine for distinctiveness, and will be able to request proof of distinctiveness in Canada for an expanded list of non-traditional marks. It is expected that in practice, new distinctiveness examination will make it more difficult to register many non-traditional marks, including many now permitted, such as combinations of numbers and letters.
2. **Filing grounds will be eliminated.** Any applicant who has used its mark in Canada, or intends to use its mark, may file (although the application will not contain any statements to that effect).
3. **Declarations of use will no longer be required after the CIF date.** Any application that has been filed before then, including any allowed application with a deadline to file a declaration of use, will be registered upon payment of the government fee. This change will result in significant savings relating to both filing declarations of use, and extending the deadline to do so. **TIP:** Applicants who have filed based on proposed use in Canada and have not used their trademarks on all goods and services may want to keep applications pending until the CIF date to avoid limiting coverage to only goods and services in use in Canada. Other formalities, such as certified copies of home country registrations to support “use and registration abroad” filing grounds will also not apply after the CIF date.

4. **Goods and services must be classified according to the Nice Agreement.** Applications filed before the CIF date that do not include acceptable Nice classification will be suspended until appropriate class details are available. **TIP:** Ensure that acceptable class details are included in all applications to avoid delays later on.
5. **Government filing fees will be based on classification,** namely \$330 CA for the first class, and \$100 CA for each additional class for applications filed online (more for paper filings). That compares to the current government filing fee of \$250 CA regardless of the number of goods and services. Only applications filed on or after the CIF date will require class fees – the fee-per-class provisions are not retroactive. **TIP:** Don't put off filing multi-class applications in Canada. There can be significant savings from filing before the CIF date.
6. **Priority claims can be asserted from any prior application** and not merely one filed by the applicant in its country of origin.
7. **Applications may be divided.** This may be advantageous in the event of an opposition to some, but not all goods and services. It may also help speed up registration for certain goods or services when there are objections to others. Once divided, any registration that results from a divided application may be merged.
8. **Renewal terms will shorten to 10 years** from 15 years, and renewal fees will be calculated based on the number of classes, namely \$400 CA for the first class, and \$125 CA for each additional class. After the CIF date, renewals fees may be paid only 6 months in advance of the renewal deadline. In addition, renewals will only be processed if all goods and services are properly classified in accordance with the Nice Agreement. **NOTE:** CIPO is currently encouraging registrants to agree to voluntary classification now, which may simplify renewals later on, and avoid the risk of expungement if classification is not complete by renewal deadlines. In addition, following the CIF date, the Registrar may request classification details for any registration, and failure to file a timely response may result in expungement. Classification now may save time and costs later on. **TIP:** Registrants can avoid the fee increase, especially for multi-class registrations, if they renew marks now, including those due for renewal after June 17, 2019. The term calculation will not be impacted – namely, the original and all following terms for renewal of any registration now due after June 17, 2019 will be 10 years.
9. **Canada will join the Madrid Protocol.** That will permit Canadian applicants to file applications with the International Bureau of the World Intellectual Property Association, which offers cost savings for foreign filings. Similarly, CIPO will accept applications from the International Bureau from applicants who are members of the Madrid Protocol and the Madrid Agreement. **TIP:** Canadian companies should consider expansion of their trademark portfolios, and strategies for foreign filings. The Madrid Protocol requires applicants to first have a home-country application, so to take advantage of this, get all key applications on file in Canada. [More information about the Madrid Protocol can be found here.](#)
10. **Recordal of assignments and mergers will no longer require documentary proof,** unless requested by CIPO. Provisions regarding associated marks will be repealed, making it no longer necessary to record changes such as assignments and mergers against all marks that have been associated by CIPO.

Along with statutory changes, the final version of the Regulations makes many changes to Trademark Office procedures, including those relating to filing and service of applications and other documents, communications with CIPO and other parties, waiver and refund of fees, amending applications (including finally permitting changes to a trademark as long as it has not been advertised and remains “substantially” the same), and permitting applicants and others with a trademark agent to file certain documents and pay certain fees. In addition, there are new requirements for describing trademarks, changes to opposition and non-use cancellation proceedings, as well as beefed-up rules relating to protection and objections to geographic indications. All details relating to Madrid Protocol procedures are set out in the Regulations.

Many Practice Notices designed to provide guidelines on new procedures in effect after the CIF date have already been drafted, with further practice notices yet to come. One new change will permit notification to CIPO during examination of claims regarding third party rights, such as prior applications or registrations, or use of registered marks in goods/services descriptions. Currently, CIPO does not consider communications relating to an application, except from the applicant or its agent, unless filed as part of opposition proceedings. **TIP:** Consider watch services for filed applications, since this new procedure may prevent opposition proceedings.

There are detailed transitional provisions, further complicated by the fact that there are now multiple pieces of legislation amending the Trademarks Act, including one just introduced at the end of October 2018. In addition to relief from declarations of use and related extensions, the following apply:

11. **The new distinctiveness examination criteria will apply to all pending applications**, and not merely those filed after the CIF date. This will affect applications that have already been examined, but not yet approved. There are already many thousands of applications in that status, and it is expected that there will be many more by the CIF date.
12. **Current opposition grounds will apply to applications advertised before the CIF date, including issues relating to technical filing grounds that will no longer exist following CIF date.** Any application now in opposition, as well as applications advertised before the CIF date, even if the opposition term expires after the CIF date, can be opposed on current grounds. Applications advertised after the CIF date can be opposed on a new list of grounds, including that at the date of filing, the applicant was not using and did not proposed use its trademark on the filed goods or services.
13. **New default terms will apply**, but, if a default notice has been received before the CIF date, the deadline in that notice will apply.

Moving forward, it is hoped that the impact of the amendments in force next June will not only simplify filing procedures, but also encourage more Canadian businesses to file trademarks applications in Canada and abroad. However, with simpler filing procedures and elimination of use as a registration requirement comes the risk of troll or squatting behavior, which is already occurring on a significant scale. While the amendments to the Trademarks Act do not literally create a first-to-file system, being proactive about protecting your brands can avoid having to challenge others for improperly encroaching on your rights.

Finally, **brand owners should expect even more changes**. Both the text of the United States-Mexico-Canada Agreement and Bill C-86, an omnibus budget bill introduced in October 2018, with amendments to dozens of statutes (including all IP acts), promise more changes to trademark law and practice. The timing of those changes is uncertain. Bereskin & Parr will advise on these once further details are available.

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