

Managing Canada's Changing Trademark Landscape: Registrations And Renewals

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In a previous bulletin, "Save the Date: Preparing for Canada's New Trademark Regime Coming Into Force on June 17, 2019", we reported that significant changes to Canada's trademark law will come into effect on June 17, 2019. Over the next two months, BLG will prepare and circulate a bulletin series to provide some tips and practical considerations on how trademark owners may tailor their trademark and brand protection strategies in light of these upcoming changes.

This first bulletin focuses on pending applications that can be registered before June 17, 2019, and on renewals of existing trademark registrations.

1. Declaration of Use and Term of Registration

Under current Canadian trademark law, when a pending trademark application is based on "proposed use" and allowed for registration, a "Declaration of Use" must be filed before the application can proceed to registration. Starting June 17, 2019, a Declaration of Use will no longer be required for proposed use applications.

Currently, a pending trademark application that meets the requirements for registration can be registered for an initial term of 15 years from the date of registration. The **incoming amendments to the Trade-marks Act** will reduce this initial term of trademark registration from 15 to 10 years.

Strategic Considerations

Whether to register a mark under the current regime, or to wait until June 17, 2019, is a strategic consideration for a trademark owner. Depending on the owner's objective, there are benefits to both approaches.

For instance, if use of the mark has commenced in Canada in association with all of the goods/services covered by the application, the applicant may wish to file a Declaration of Use and register its trademark prior to June 17, 2019, to benefit from the current 15-year registration term. This could also apply if the mark has only been used in association with some, but not all, of the goods/services listed in its corresponding application. In this case, the applicant may wish to remove the unused goods/services,

and proceed with a narrower description to take advantage of the longer term of protection.

If, however, use of the mark has not yet commenced in Canada with all or any of the goods/services covered by the application, the applicant may wish to wait until June 17, 2019 to register its mark. Under the new regime, an allowed proposed use trademark application can proceed to registration without the need to file a Declaration of Use, upon payment of the registration fee. In this case, the initial term of registration would only be for 10 years.

It is important to note that a trademark registration will still be vulnerable to removal from the Register of Trade-marks if the owner cannot show use of the trademark in Canada **during the relevant period (three years immediately preceding the date of a Registrar's** Section 45 Notice requesting such evidence, if such a Notice is issued), or provide special circumstances justifying the lack of use.

2. Ability to Divide Applications and Registrations

Under the new regime, it will be possible to divide a pending trademark application or existing registration.

An application may be divided at any time before registration, and its scope of the goods and services will depend on when the divisional application is filed. If the divisional **application is filed** before **the original application is advertised**, **the goods and services** listed in the divisional application must fall within the scope of the original application. If **the divisional application is filed** after **the original application is advertised**, **the scope of** the divisional application must be within the confines of the original application on the date of advertisement of the original application.

Strategic Considerations

Divisional applications could be a useful tool, and applicants may wish to delay prosecution of an application in order to take advantage of this option for a number of reasons.

For instance, if an application is facing a confusion or descriptiveness objection with respect to only some of the goods and services, the applicant could remove these goods and services from the original application and file a divisional application covering only the objected-to goods and services. This would permit the original application to proceed to approval, while the applicant continues to consider the objections raised with respect to the goods and services listed in the divisional application.

Divisional applications may also be useful in opposition proceedings. An applicant may choose to divide out the contentious goods and services into a divisional application and continue opposition proceedings, thus permitting the original trademark application to proceed to registration in association with the non-contentious goods and services.

3. Renewals in View of New Renewal Fee Structure and Classification Requirements

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Currently, a trademark registration can be renewed any time before it expires, meaning that it may be renewed years in advance of the renewal deadline. If the renewal term falls due before June 17, 2019, the trademark registration will be renewed for a further 15-year term. On the other hand, if the renewal term falls due on or after June 17, 2019, the trademark registration will be renewed for a further 10-year term. The current government cost for renewal is a flat fee of \$350 (if filed electronically) and classification of goods and services is presently voluntary.

On or after June 17, 2019, a trademark registration can only be renewed within 6 months before and after the renewal deadline, or two months after the date of a notice to renew the trademark is sent by the Registrar, whichever is later. The applicable fees will change to a per-class structure, starting with a basic renewal fee of \$400 for the first class, and \$125 for each additional class after that.

The Trademarks Office may also issue a notice requiring owners to class goods and services for existing, unclassed registrations. Once such a notice is issued, the trademark owner will have 6 months from the date of the notice to comply.

Strategic Considerations

The heightened renewal costs for trademark registrations under the impending changes may be an incentive for trademark owners to conduct a review of their trademark portfolios prior to June 17, 2019.

For instance, there may be cost saving advantages to renew or voluntarily class goods and services before the changes come into effect on June 17, 2019. Which strategies to **employ will depend largely on a trademark owner's objectives, budgetary constraints,** and the nature of the trademark portfolio (e.g., whether it is single versus multi-class). As these considerations are largely portfolio-specific, we recommend that owners seek the assistance of a Canadian trademark professional to determine if any steps should be taken prior to June 17, 2019, with respect to the prosecution, protection and maintenance of Canadian trademark applications and registrations.

BLG has trademark professionals in Vancouver, Calgary, Toronto, Ottawa and Montréal who are happy to help you with your trademark strategy and answer your questions on navigating the changes to Canadian trademark law. <u>View the full list of our trademark team</u>.

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