

Managing Canada's Changing Trademark Landscape Third Party Notifications

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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 laws will come into effect on June 17, 2019 (the CIF Date). Over the past two months, BLG has prepared and circulated 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 fourth and final bulletin focuses on the regulatory changes to statutory mechanisms and proceedings available to trademark owners in protecting and enforcing their rights in Canada.

1. Notification of Third Party Rights

Canada is set to introduce a mechanism (previously referred to as “Letters of Protest”) allowing third parties to bring to the attention of the Registrar information concerning the registrability of a pending application during examination. The grounds for which a third party may inform the Registrar are limited to the following:

1. Confusion with a registered trademark;
2. Confusion with a previously filed application; and
3. Use of a registered trademark in describing the goods and services associated with the application.

The third-party submission must be limited to “information related to the appropriate grounds” including a list of all relevant registrations and/or pending applications. No written arguments or evidence of prior use will be considered.

Letters sent to the Registrar will be acknowledged but the Registrar will not provide any information on any action taken as a result of the letter. All letters received by the Registrar will be made available for public inspection.

Strategic Considerations

The introduction of this notification system provides an additional mechanism for owners to alert the Trademarks Office of any relevant third-party trademark rights, which could be a cost effective way to address potentially confusing similar marks prior to initiating an opposition proceeding.

In order to take advantage of the new notification system, owners should consider monitoring third-party applications or employing a monitoring service. When a third-party application is identified as a concern, we encourage brand owners to consult with a trademark professional, as the strategy of addressing the third-party application will likely vary depending on the facts of each case, including the level of concern posed by the application and the importance of the relevant marks.

2. Oppositions

Opposition proceedings under the new trademarks regime are set to receive significant changes. Many of the changes were introduced as a result of the removal of a number of the registration requirements, including filing bases and Declarations of Use, and the **introduction of new filing tools, including applications designating Canada (“protocol applications”) and divisional applications.** A number of procedural amendments have also been added.

Some of the changes are highlighted below:

- **Grounds of Opposition:**The amendments remove grounds of opposition which relate to the filing bases of an application. New grounds of opposition available after the CIF Date include:
 - That the applicant was not using and did not intend to use the mark as of the filing date of the application;
 - That the features of a trademark are dictated primarily by a utilitarian function;
 - That the application was filed in bad faith; and
 - For protocol applications, that the goods and services associated with the protocol application are not within the scope of the international registration.
- **Divisional Applications:**Applications can be divided on or after June 17, 2019, including both before and subsequent to an opposition being initiated.
- **Restrictions on Amendments to Statements of Opposition:** Typically, a **Statement of Opposition can be amended unless the Registrar determines “it is not in the interest of justice to do so”.** However, this is different for protocol applications, as no amendments to Statements of Opposition will be allowed once filed.
- **Transitional Provisions:**Opposition proceedings for applications advertised prior to the CIF Date will be governed by the current legislation whereas oppositions advertised subsequent to the CIF Date will be governed by the new legislation;
- **Evidence on Appeal:**Appeals from decisions of the Registrar, including appeals from both opposition and cancellation proceedings, allow for new evidence to be filed as an automatic right under the current regime. After the CIF Date, leave of the Court will be required to file fresh evidence on appeal.

Strategic Considerations

Applicants and opponents should be aware of the impact of the new amendments to both current and future opposition proceedings after the CIF Date. For applications that are the subject of an opposition proceeding prior to the CIF Date, applicants will gain the ability to divide an application once the new amendments come into force. For oppositions initiated after the CIF Date, opponents should be aware of the new grounds of opposition available to them and ensure that all relevant grounds are included in the initial Statement of Opposition, especially in the case of protocol applications where no further amendments to the Statement of Opposition will be allowed.

The potential changes to the acceptance of evidence on appeal highlights the importance of ensuring the best evidence of the parties is put forward during the initial opposition proceeding.

3. Non-Use Expungement Proceedings

Under current Canadian trademark law, trademark registrations are susceptible to expungement for non-use under Section 45 of the Trade-marks Act. An expungement proceeding based on non-use can be initiated at the written request of a third party three years after the registration date. The proceeding requires the registered owner to provide evidence of use of all of the goods and services covered by the registration within the preceding three years from the date the Registrar issues the Section 45 Notice.

After the CIF date, it would be possible to initiate an expungement proceeding with respect to only some of the goods and services covered by the registration.

The changes also allow the Registrar, of its own volition, to issue notices against trademark registrations at random. According to the draft Practice Notices, the Registrar intends to launch a pilot project in the future to initiate non-use cancellation proceedings against registrations that will be randomly selected from two groups (1) those registered a threshold number of years and (2) those including more than a certain number of Nice Classes. The specific cut-offs for the thresholds have not been revealed.

Strategic Considerations

After the coming into force date, parties initiating expungement proceedings should consider whether the expungement of the registration in its entirety or for only some of the goods and services might be more likely to result in the outcome desired. For instance, expungement proceedings are an invaluable tool in overcoming confusion objections raised in Office Actions during examination. A request to expunge only some of the goods and services covered by a registration may be less likely to be defended by a registrant than a request to expunge a registration in its entirety.

Concerning the new pilot project, registered owners whose registrations are longstanding and cover a large number of classes should ensure that their marks are in use for each of the goods and services covered by the registration. Owners should also ensure that evidence of use of the registered mark is on hand or readily accessible if an expungement proceeding is initiated.

Additional Remarks

The upcoming changes to Canada's Trade-marks Act provide brand holders with a number of new and revised statutory mechanisms and proceedings to protect and enforce their rights from and against third parties. We recommend owners preparing to utilize these tools to seek guidance from a Canadian trademark professional who may assist with formulating a strategy.

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. [View the full list of our trademark team.](#)

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