



Canada and the U.S.:

Differences in Trade Mark Law

International Classification System is Not Used in Canada

Canada is one of the few industrialized countries that have not joined the NICE Agreement which provides for a classification of goods and services for the purposes of registering trade-marks. This represents a significant advantage in filing for registration in Canada since an unlimited breadth of goods and services can be included in a single application without incurring additional government fees.

In Canada, applications are to contain “a statement in ordinary commercial terms of the specific wares or services in association with which the mark has been or is proposed to be used.” Examiners at the Canadian Trade-marks Office refer to the “Wares and Services Manual” and recent Practice Notices for acceptable descriptions. Both are available on the Internet and provide useful guidance to applicants and their agents during the application process.

Descriptions in Canada must not be too broad. For example, “clothing” is too broad but “clothing, namely, formal wear” is sufficiently defined. While the NICE Agreement allows for the selection of an entire class of goods, providing for ease of searching and greater certainty, proponents of Canada’s system note that the NICE Classification arguably leads to the granting of overly broad trade-marks which ultimately restricts commercial development.

Registrations are Valid for Renewable 15-year Terms, Provide National Protection and are Freely Assignable

A registration is valid for 15 years and may be renewed indefinitely for further 15-year periods upon payment of a renewal fee before end of term (subject to an automatic grace period of six months). Further, Canada has no proof of use requirement equivalent to U.S. section 8. Unless a registration is attacked, it is never necessary to prove use or provide specimens of use. A registration can be challenged for non-use on the initiative of a third party or the Registrar. Even then, so long as the owner is able to demonstrate some evidence that the mark has been used in the normal course of trade in association with the goods and/or services it has been registered for in the previous three years or exceptional circumstances can be shown which would justify the absence of use, the registration will be maintained.

In Canada, there are no “State” or “provincial” Registers. Irrespective of whether the owner can show goodwill in all parts of Canada, a Canadian trade-mark registration provides exclusive rights for the use of the mark throughout the country. Only in exceptional cases is a registration restricted geographically.

As well, in comparison with the U.S. system, in Canada a trade-mark may be assigned separately from the goodwill of the business in respect of some or all of the wares and/or services.

Extensions of Time are Granted Liberally

The Canadian Trade-marks Office is generally quite free in granting extensions of time during prosecution. The Office routinely grants extensions of time upon expiration of the time limit to respond to an examiner's report, if the request is justified.

Similarly, for applications based on proposed use, the Office is very reasonable in providing a generous period of time in which to commence use in Canada. There is no set limit on the number of extensions of time which may be granted. However, where the delay has gone on for a few years, the Office may require the applicant to provide substantive reasons explaining the delay.

There is no “divisional” process in Canada whereby an initial application can be divided into two or more applications during the examination stage or opposition process, each application retaining the filing date and the benefit of a priority filing date, if any. Rather, where a proposed use application is held up because use has not commenced for a subset of goods/services, in some circumstances the applicant may want to file new separate applications for the goods and services which are in use so that these applications may proceed to registration at an earlier date.

Though Canadian trade-mark law does not allow an application or registration to be divided, section 48(1) of the *Trade-marks Act* does allow for partial assignment.

Application Must Provide a Date of First Use if Mark has been Used in Canada

Applications can be filed based on proposed use *only* if there has not yet been use of the mark in Canada. Where there has been use of the mark in Canada in association with wares and/or services, a date of first use must be claimed in the application.

It is important that the date of first use be accurate. If the date claimed is before the actual date of first use, this could provide a third party with a successful ground of opposition. Applicants who are uncertain as to the exact date of first use will generally use an “at least as early as” date so as not to preclude later proving an earlier date.

In Canada, it is important to get an application on file as fast as possible. It used to be that the Office would reject an earlier proposed-use application in favour of a later application based on use if the claimed date of first use preceded the filing date of the earlier application. However, the Office no longer considers the dates of first use or making known in assessing whether the proposed trade-mark application is confusing with another pending trade-mark application.

Must Have Use Somewhere When Relying on Foreign Application/Registration

In Canada, registration can be obtained without commencing use in Canada by relying on a foreign application or registration. However, an applicant in Canada who is relying on a foreign application or registration as a filing basis must also claim use of the mark. There is no requirement that the use have been in Canada or in the applicant's home country, use anywhere in the world will do.

In order to rely on a foreign application or registration, the claim must be made before the application is published for opposition purposes in the Canadian Trade-marks Journal. As well, the Office requires that a certified copy, or a photocopy of a certified copy of the registration be ultimately filed.

One Application Can Include Multiple Bases for Registration

An application in Canada can be filed based on use or making known in Canada (including use/making known by a named predecessor-in-title), on use anywhere in the world and application/registration in the applicant's country of origin, on proposed use in Canada by the applicant or its licensee, or on any combination of these.

Consent From Owner of Cited Mark will Not Overcome Confusion

In the U.S., section 1207.01(d)(viii) of the Trademark Manual of Examining Procedure provides that the Federal Circuit has indicated that great weight is to be accorded consent agreements unless other factors clearly dictate a finding of likelihood of confusion.

As well, in the U.K., ss. 5(5) of the *Trade Marks Act 1994* provides that nothing in section 5 prevents the registration of a trade-mark where the proprietor of the earlier trade-mark consents to the registration.

In Canada, however, consent between parties does not bind Examiners in assessing the likelihood of confusion as between two trade-marks. The Canadian Trade-marks Office assumes a public interest role; it acts as the guardian of the register. As such, where the marks are substantially identical and where the wares and/or services overlap, the Registrar will not normally give favourable consideration to a consent agreement between parties.

Canada Does Not Have a Supplemental Register

Canada only has the equivalent of the U.S. Principal Register. As a result, clearly descriptive marks in Canada are not registrable unless they can be shown to have “acquired distinctiveness” in Canada or to be “not without distinctive character” in the case of marks registered in the applicant’s country of origin.

The Canadian Trade-marks Act Recognizes Official Marks

Certain marks are prohibited under sections 9 and 10 of the *Trade-marks Act* (the “Act”). “Official Marks”, which are a subset of “section 9 marks”, are a form of intellectual property unique to Canada. Pursuant to section 9(1)(n)(iii) of the Act, a “public authority” can request that the Registrar of Trade-marks give public notice of any badge, crest, emblem or mark adopted and used by the public authority in Canada as an Official Mark for wares or services. An Official Mark need not be distinctive or have acquired secondary meaning; it may be descriptive and/or confusing with another mark.

When an Official Mark is published pursuant to section 9, it enjoys exclusivity for all wares and services, its term is unlimited, and maintenance fees are not required. Once public notice has been given, third parties are prohibited from using and adopting any mark that consists of the Official Mark, or so nearly resembling the Official Mark as to likely be mistaken for it, unless the consent of the public authority has been obtained.

The main requirement for the publication of an Official Mark is that the party seeking publication be a “public authority.” This is not a defined term in the Act; rather what constitutes a public authority is established in the jurisprudence. The Federal Court of Canada has confirmed that in order to obtain Official Mark protection, the public authority must be “a public authority in Canada” subject to governmental control within Canada. The activities of the public authority must also benefit the public.

There is no procedure outlined in the Act for an interested third party to challenge the public notice of an Official Mark, or providing for the revocation of an Official Mark once public notice has been given. The case law to date has identified three possible routes for challenging Official Marks. One avenue is to appeal the decision under s. 56 of the Act: See *Ontario Assn. of Architects v. Assn. of Architectural Technologists of Ontario*, [2003] 1 F.C. 331 (C.A.). However, only those party to the original proceedings before the Registrar of Trade-marks, which normally is only the body making the request, have standing to bring an appeal.

Otherwise, a party who is directly affected by a decision, such that it could benefit or suffer a direct adverse impact, may bring an application for judicial review pursuant to s. 18 of the *Federal Court Act*: See *Canada Post Corp. v. United States Postal Service* (F.C.), (2005), [2006] 3 F.C.R. 28.

In cases where judicial review or an appeal might not be available, it may still be open for a party to seek declaratory relief (either in an action or by way of application) on the basis of the authority vested in the Federal Court under s. 55 of the Act and Rule 64 of the Federal Court Rules, 1998: See *Sullivan Entertainment Inc. v. Anne of Green Gables Licensing Authority Inc.* (2000), 9 C.P.R. (4th) 344 (F.C.T.D.); aff'g 7 C.P.R. (4th) 532. However to date, this issue has not been decided.

Canada Has Not Adopted the Madrid System

Registration in Canada is obtained through a Canadian application.

Canada is a signatory to the Paris Convention; a reciprocal treaty, by which citizens of signatory countries are afforded the same rights in each of the countries as would be afforded to citizens thereof. An applicant who has filed an application in one of the member states may claim the priority date of the first filed application for its subsequent Canadian application provided the subsequent application is filed within six months, the applicant otherwise meets the priority requirements set out in section 34 of the Act, and a claim to convention priority is made at the time the application is filed.

With a view to aligning Canada's trade-mark legislation with the provisions of the Madrid Protocol, in February 2005, CIPO released proposals relating to the modernization of the *Trade-marks Act* and its Regulations. The proposals focus on administrative changes, adoption of the Nice Classification system, and addressing the disadvantage Canadian applicants face relative to foreign applicants, by establishing a new approach to Canada's use requirement for trade-marks. To date the proposals have not been adopted and have been met with mixed reaction among members of the trade-mark community.

For further information, please contact:

Douglas G.H. Fyfe
Ottawa
(613) 786-8658
douglas.fyfe@gowlings.com