

Canadian Trademarks: A Great Time to File (Part 1)

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On June 17, 2019, substantial amendments to the *Trademarks Act (Canada)* will come into force. Because the Canadian system for registration of trademarks will be overhauled, it is time to pause and ask some questions – what are the advantages of a trademark registration and are there advantages to filing an application before June 17?

Registered vs. Unregistered Trademarks

Although it is possible to acquire rights in unregistered trademarks through use, there are many advantages of a trademark registration, including:

- *Protection throughout Canada:* A registered trademark is entitled to exclusive use throughout Canada for the goods and services with which it is associated in Canada. On the other hand, an unregistered trademark is entitled to protection only in those areas where reputation can be shown.
- *More effective cease and desist letters:* The usual first step against third parties who violate trademark rights is a “cease and desist letter”. A successful cease and desist letter reaps many benefits for a trademark owner and avoids litigation. A letter that includes a copy of a trademark registration is likely to have more impact upon a wrongdoer than a letter that refers to unregistered trademark rights.
- *Increased business value:* Buyers of businesses and investors prefer to see registered trademarks instead of unregistered trademarks in the list of business assets.
- *Others know that you are out there:* All Canadian applications and registrations are placed on a database that is searchable by the public through a Canadian government website. It is a common practice for third parties to search the database in order to avoid adopting a mark that offends prior registered trademarks or pending applications. A trademark application/registration helps to make it known to the public (including competitors) that trademark rights are claimed, and serves as an example of the old adage “an ounce of prevention is worth a pound of cure”.

Why Apply Before June 17, 2019?

Trademark owners who file a trademark application prior to the new trademark regime taking effect on June 17, 2019 may enjoy benefits, such as:

- *Lower government fees:* The current total government fees for each Canadian trademark application/registration are \$450.00 (a filing fee of \$250 plus a registration fee of \$200). As of June 17, Canada will adopt the Nice Classification of goods and services for all trademark applications and registrations, and fees will be based upon the number of classes (the total number of classes is 45). The filing fee will be \$330 for the first class and \$100 per additional class. For example, if a registration consists of eight classes, the total fees before June 17 are \$450 and afterwards will be \$1,030. The cost savings are clear if an application is filed before June 17 and the goods and services covered by the application consist of more than two classes.

- **A Jump Start:** The new trademarks regime that takes effect on June 17 will make many fundamental changes to the system including the elimination of the current use requirements for trademark registrations. An applicant for a trademark will be able get a leg up on the competition by registering the mark for goods/services even if they are not in use. If an application is filed before June 17, the use requirements will no longer apply to the pending application as of June 17th; therefore, the applicant can take advantage of the elimination of the use requirement even though an application is filed prior to June 17 (while at the same time taking advantage of the lower fees for multiple classes of goods/services).

For many trademark owners, filing an application before June 17 is clearly a great strategy. [Click here for Part 2](#) of this article where we outline the major features of the new trademarks system that will come into effect.

The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.

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