

EXPANDING A BRAND INTO CANADA: TRADEMARK REGISTRATIONS — THE BASICS

By Colleen Spring Zimmerman and Catherine Hart

When a corporation expands its business into Canada, consideration should be given to whether it can register its brand as a trademark in this new market. While a corporation may operate in this market without registered trademarks, many statutory frameworks, like the Canadian regime, offer additional benefits to companies¹ that have registered marks.

If a corporation plans to expand its operations into Canada, it should be aware that there are certain nuances to this trademark registration regime. Below is a discussion of some basic points applicable to filing a trademark application directly in Canada.

What is a Trademark?

In Canada, trademarks are governed by the federal *Trademarks Act* (the "**Act**"). The Trademarks Office of the Canadian Intellectual Property Office (the "**Trademarks Office**") is responsible for the federal registration of trademarks.

The Act defines a trademark as a sign, or combination of signs, that is used or proposed to be used by the corporation for the purpose of distinguishing or so as to distinguish its goods or services from those of others. A sign can include a word, a design, a letter, a numeral, a colour, a figurative element, a three-dimensional shape, a hologram, a moving image, a mode of packaging goods, a sound, a scent, a taste, a texture and the positioning of a sign.

Unregistered trademarks can be protected through passing off and/or unfair competition causes of action. However, that protection for unregistered trademarks is usually limited to the geographical area in Canada for which the corporation can show that it has goodwill in that marketplace (which usually takes multiple years to establish). But, if the trademark is federally registered with the Trademarks Office, the registered owner may bring an infringement cause of action to protect its mark from any likelihood of confusion throughout Canada.



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¹ A trademark applicant can include a corporation, a partnership, an association, as well as another legal entity or an individual. For the purpose of this article, we will refer to a corporation throughout.

Clearance/Searching

The corporation should conduct trademark clearance searching to ensure that its mark is available for adoption, use and registration for its goods and services. If another corporation is operating in Canada with a confusingly similar mark in the same industry or is providing similar goods or services to those of the corporation, it may face significant barriers to obtaining registration of its trademark in Canada and may have issues with using its mark in Canada.

Timeline

In Canada, the trademark registration process can take multiple years to complete. After the trademark application is submitted, it is examined. Currently, it takes approximately 22 months to receive a first office action — the report from the Trademarks Office outlining its first position on the registrability of the mark. On May 3, 2021, the Trademarks Office announced that it will accept requests for expedited examination of trademark applications. The expedited process is limited to trademarks which fit certain criteria, which include:

- A court action is expected or underway in Canada with respect to the applicant's trademark in association with the goods or services listed in the application;
- The applicant is in the process of combating counterfeit products at the Canadian border with respect to the applicant's trademark in association with the goods or services listed in the application;
- The applicant requires registration of its trademark in order to protect its intellectual property rights from being severely disadvantaged on online marketplaces; or
- The applicant requires registration of its trademark in order to preserve its claim to priority within a defined deadline and following a request by a foreign intellectual property office.

It remains to be seen how the Trademarks Office will determine whether an applicant meets any of these criteria, especially the criterion which permits expedited examination in order to protect the intellectual property rights of an entity from being severely disadvantaged on online marketplaces.

The Application

Registration of a trademark is initiated through an application to the Trademarks Office. The corporation may apply for the registration of a trademark in Canada either directly to the Trademarks Office or through the *Madrid Protocol* which allows the applicant to file a single 'international' application for a mark. As of June, 2019, the applicant in an international application filed through the Madrid protocol can designate Canada.

In each application, the applicant must set out the goods and/or services to be associated with the mark. In one trademark application, protection can be obtained for a trademark for multiple classes of goods and services, without the need to show any use of the mark in Canada. It is important to note that the fees associated with an application are based on the number of classes of goods and services in the application.²

As well, a corporation may register a trademark in Canada, even if it is not carrying on business in Canada, since there is no requirement to allege or show use of the trademark in order to file the application or to obtain registration.

Not All Trademarks Can Be Registered

A trademark is not registerable if it violates certain sections of the Act, such as Section 12. For example, a trademark cannot be registered if it is:

- A word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years;
- Clearly descriptive or deceptively misdescriptive of the character or quality of the goods or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;
- The name in any language of any of the goods or services in connection with which it is used or proposed to be used; or
- Confusing with a registered trademark.³

As well, a trademark cannot be registered if its features are dictated primarily by a utilitarian function.

As well, any member of the public may oppose the application for any trademark advertised in the Trademarks Journal by the Trademarks Office. The grounds of opposition often include the Opponent's prior use and/or registration of its marks and names since the Opponent may take the position that the use and registration of the applied for mark is likely to cause confusion with such marks and names.

The Examination

As set out above, the Trademarks Office will examine the application. The examiner will either issue an office action, which will raise any issues (objections) to the application or will approve the

² There are 43 classes of goods and services based on the Nice Classification system, which Canada has adopted.

³ This list is non-exhaustive.

trademark to be published. Once it passes examination, the mark will be published in the Trademarks Journal.

As mentioned above, not all trademarks can be registered. Common objections raised by examiners include: the trademark describes the goods or services, the trademark is likely to be confused with a pending or registered mark in the marketplace or the trademark primarily describes a geographic location.

In 2019, the law regulating trademarks in Canada was amended. The amendments introduced the concept of distinctiveness as a ground of examination. The new distinctiveness requirement confirms that a mark must actually distinguish a product or service from those being offered by other companies in the marketplace. As a result of this change in the law, many trademark applications have faced this objection in Canada. While this objection may be overcome, companies should be aware that unique marks, such as invented or fanciful words, will be less likely to face this objection and will be easier to register in Canada.

Involvement of Third Parties

Once a trademark application is advertised in the Trademarks Journal, third parties have two months (one extension is permitted) within which to oppose the trademark application for a variety of reasons such as the applied for mark is likely to be confused with their mark(s) or name(s). Once an opposition is initiated, it may take additional years to have the matter determined. Correspondingly, opposition proceedings can be time consuming and an expensive aspect of seeking registration of a trademark.

If no opposition is commenced or the opposition is withdrawn, the application will be able to be moved to registration by the applicant.

Registration

Once the mark is registered, the corporation (Registrant) will have the exclusive right to use the mark across Canada in connection with the goods and services for which it is registered, for a period of 10 years. A registration can be maintained by paying renewal fees every 10 years.

Post-Registration

However, obtaining registration does not mean that the Registrant will have the rights obtained indefinitely. Rather, a Registrant must use its mark or it may lose its rights.

Three years from the registration of a trademark, any third party can initiate cancellation proceedings to ask that the Trademarks Office remove the mark from the Register. If such a request is made, a trademark owner is required to show evidence of use of its mark during the three years prior to the

date of the Notice provided by the Trademarks Office.⁴ If a Registrant cannot show use of its mark for all or a part of the goods and/or services listed in its registration, the registration may be cancelled or part of the registration may be deleted, meaning that the Registrant would lose its registration or some of the scope of its registration. Therefore, a registered trademark must be used or the registration will be vulnerable to attack by another party through this process.

In addition, while there is no requirement in the Act to give public notice of the existence of the trademark, giving such public notice may be beneficial in respect of the ownership, validity and enforceability of the trademark. Such public notice may be as follows:

1. For the marks for which the foreign corporation/owner has a registration in Canada for the goods and services (as set out in each registration) — display the ® to the right of the trademark (either upper or lower); and
2. For the marks for which the foreign corporation/owner has no registration or pending application or for which it has filed a trademark application (which is not yet registered) - display the ™ to the right of the trademark (either upper or lower).

Corporations should also actively monitor the trademark activities of other corporations to ensure that new marks are not applied for or used which may dilute the strength of their registered marks.

Conclusion

When entering the Canadian market, corporations should keep these nuances in mind. The trademark process including examination and any oppositions can be lengthy so corporations should act promptly to file trademark applications before entering the Canadian market.

As well, the Canadian market may have well-established competitors that only operate in Canada and of which the corporation may not be aware. Corporations will benefit from engaging counsel early on during market expansion discussions to ensure that they can take advantage of the trademark statutory regime in Canada.

If you have questions, please reach out to the Fogler, Rubinoff LLP Intellectual Property Group.

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⁴ Note that a trademark may also be expunged by a party before the Federal Court.