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Trademark issues and Strategic Considerations for Canadian SMEs.

Speakers: Elliott Gold & Meika Ellis

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Our speakers



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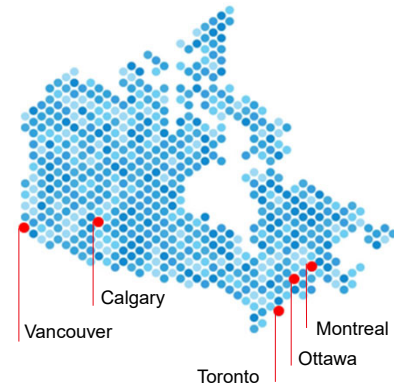
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Who we are

Canada's leading IP law firm
with expertise at the interface of
technology and business law

- Expertise in all areas of IP
- 130+ years serving clients
- 125+ lawyers, agents and technical consultants
- 12,000+ patents & trademarks filed annually
- Litigation bench strength and record of success



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Summary of topics


1. What is a trademark? How to Choose a strong one?
2. Basics of trademark searching – where to search?
3. Process, timing, and costs for registering trademarks
4. Brand Value and Funding trademark protection
5. Enforcing and Defending your Trademark Rights
6. Doing Business in Quebec
7. Education for employees


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Take away messages

 Choose a clean
Trademark

 Use it (properly)
or lose it

 Police your
brand or lose it

 Study industry
leaders

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What is a trademark?

A trademark is:

1. A source identifier
2. that distinguishes the goods and services of one business from another



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What is a trademark?

Can take a number of forms:

- Words or letters
(i.e., MCDONALD'S)
- Symbols
- Designs
- Colour
- 3-D shape
- Sound
- Smell



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Choosing a strong trademark

- Ask is it:
 - Primarily merely a name/surname **X**
 - Clearly descriptive or deceptively misdescriptive **X**
 - Confusing with a registered or pending trademark **X**
 - **Inherently distinct** **✓**



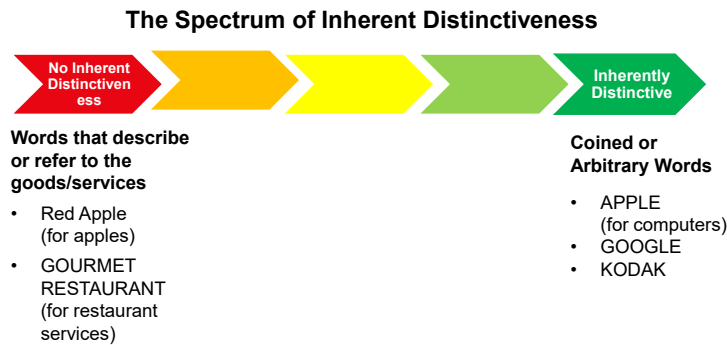
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Choosing a strong trademark

- How can you measure **inherent distinctiveness**?

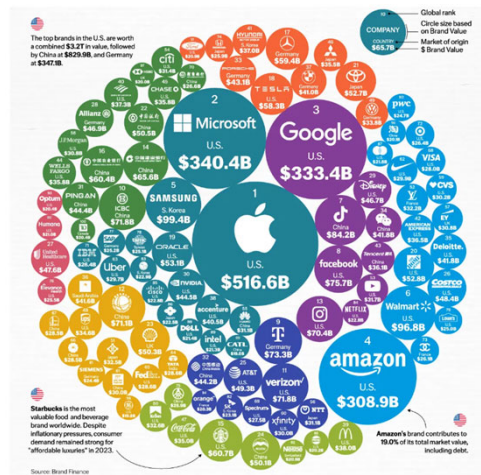


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Most valuable brands – 2024

- What do you see?
 - industry leaders
 - highly distinctive brands



Source: Brand Finance, <https://www.visualcapitalist.com/most-valuable-brands-in-2024/>

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Basics of trademark searching

- **Search online:**

- for same or confusing similar trademark
- with same or similar goods and services

CIPO - <https://ised-isde.canada.ca/cipo/trademark-search/srch>

USPTO - <https://tmsearch.uspto.gov/search/search-information>

Search terms: "mark" + goods (good sanity check for your choice)

- E.g. YAPPLE for phones → search YAPPLE, APPLE, YAP PLE + phones OR electronics
- **International** – if you plan a global brand – do a key market global search
- **Consult with a trademark expert before launch!**

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Why Register

Registered Marks

- Gives exclusive rights across the country
- Deterrence - Mark appears on searches of Trademarks Office database
- Defense to an infringement or passing-off attack
- Easier to bring lawsuit than without registration

Common Law

- Rights only where owner can prove TM reputation geographically
- Only available in common law countries:
 - US, Canada, UK, Australia....a few others.

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CA Trademark process, timing, costs

CA Application fees
(\$458-\$1900+ add'l class fees \$140+)

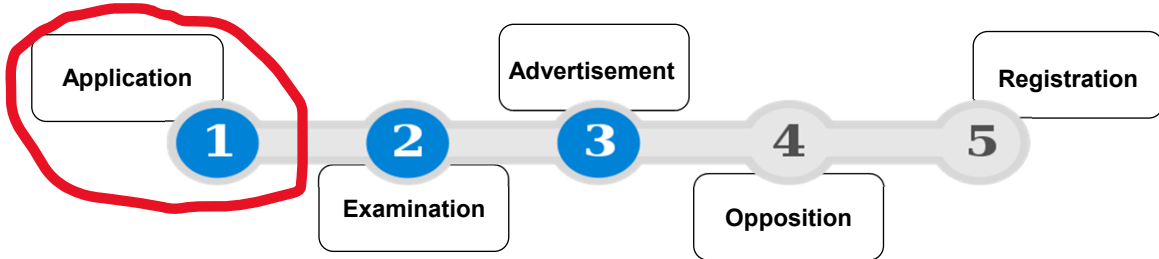


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CA Trademark process, timing, costs

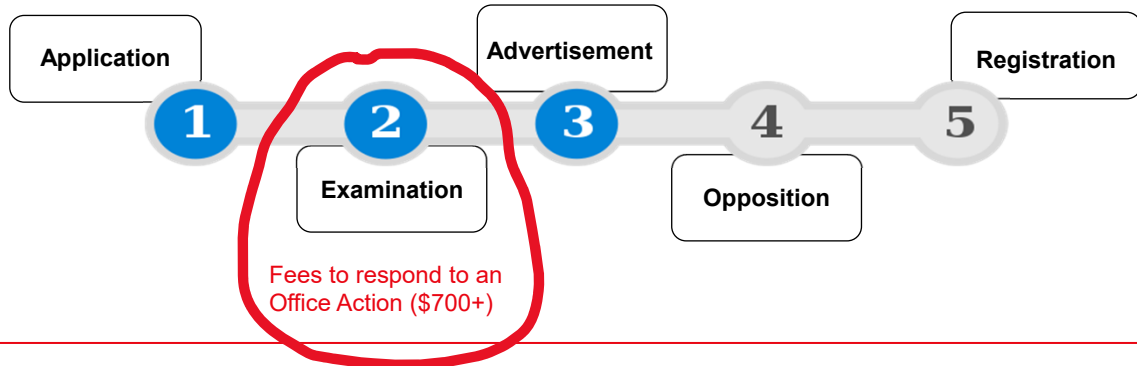


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TM Examination in Canada is slow

Examination of Canadian TM Applications takes up to 50 months

- **How to Accelerate?**

- **OPTION 1 – EXAM TIME – 1-2 months**

(1) via affidavit – if you have or are contemplating court action for infringement, combatting counterfeit goods entering the country, need to protect rights on online market places (i.e. amazon).

- **OPTION 2 – EXAM TIME – 14-18 months**

Amend goods to approved terms

(<https://www.ic.gc.ca/app/scr/ic/cgs/ext/home.html>)!

Good news: CIPO is promising to get better (hiring more examiners, clearing backlog).

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CA Trademark process, timing, costs

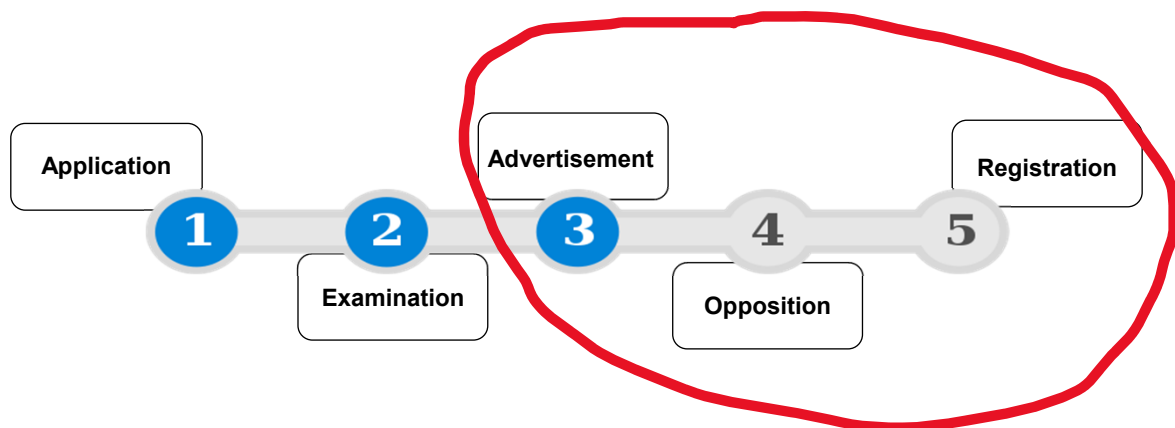


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CA Trademark process, timing, costs

- **Duration:** Indefinite as long as you pay **maintenance/renewal fees** every 10 years
- Use it or you may lose it
- Protection across Canada



Image Source: <https://openclipart.org/detail/223656/canada-map-flag>

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Government funding for trademark protection

Funding is available from several Federal and Provincial Programs to subsidize the costs for trademark search, analysis and trademark filings

- **IPON (Provincial)**
 - Provides up to \$50K with a 25% copay
 - Covers competitor asset review, IP analysis, trademark filings (www.ip-Ontario.ca/apply)
- **Canexport (Federal)**
 - Requires \$100k annual revenue, covers 50% up to \$50k for patents and TMs
 - <https://www.tradecommissioner.gc.ca/funding-financement/canexport/sme-pme/applicant-guide-requerant.aspx?lang=eng>

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Government funding for trademark protection

- **ELEVATE IP (Federal \$, offered Provincially)**
 - IP strategy – \$25k non co-pay
 - IP execution – Up to \$100k for IP strategy implementation (including filing of applications for patents/trademarks), requires co-pay 10%-30%
 - Available in **Ontario** ([Communitech](#)) **Manitoba, BC** ([New Ventures BC](#)), **Alberta** ([Innovate Calgary](#)), **Quebec** ([Mainqc IP](#)), **East coast** ([SpringBoardAtlantic](#))
 - **Some programs fiscal year expires Apr 1/24**, with funding levels for 24/25 tba in a few weeks – **STAY TUNED**

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Enforcement of TM rights

- **It is your responsibility to monitor the marketplace for infringement – What to do? Be proactive!**
 - Search competitor's websites? Regular Search engine check? Hire a watch service?
 - **Remember If no enforcement –**
 - **Loss of distinctiveness via dilution** (when marketplace is flooded with infringers)
 - **Consumer confusion** – loyal customers can get burned – if they think an infringer's product is yours
- **Step 1** - Identify infringers, consider targeting weakest first
- **Always consider Settlement** – even industry leaders can't afford to litigate every case (can settle confidentially and quickly)
- **Industry Leaders** – they all have rigorous enforcement programs

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Enforcement process

You found an infringer?

- **Step 1** – Must investigate use dates of infringer!
- **Step 2** – We try to set out expectations and costs early – what are your goals?
- **Step 3** – usually a Cease-and-Desist (C&D) letter
- If no response or cannot resolve – proceed to litigation?

Most aggressive would be to start a court action, then send cease and desist letter. You have 60 days to serve your SOC, so there may be motivation for infringer to settle.

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If its so expensive why litigate?

- Trials are VERY RARE – through litigation you can secure:
 - **Permanent injunction** (the most important purpose)
 - **Costs award** for success (usually a fraction of true costs)
 - **Monetary compensation**: damages / accounting of profits
- **Settlement may get all you want faster and cheaper!**
- **So why litigate?** For your most important brands: Strategy to create impression of being litigious, zero tolerance — can show others your FC judgement – Strong message that you are not bluffing!

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Online marketplace infringement

- Amazon Brand registry (others have similar programs)
- **Program is quick process for taking down infringing and counterfeit products from AMAZON**
- **Do you need a ® for Amazon's Brand Registry?**
- YES - need to have registered your trademark with CIPO or the USPTO
- At CIPO can file an affidavit to accelerate application if need a registration to avoid being severely disadvantaged in online marketplaces
- Amazon offers **IP Accelerator Program** – if you use the “Amazon Accelerator Intellectual Property (IP) lawyers” – can get on brand registry once an Accelerator application is filed

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IP border enforcement: Customs action

- Owners of IP can file a request for assistance (RFA) with the Canada Border Services Agency (CBSA) and seek the assistance of the CBSA to detain suspected counterfeit goods and pirated works at the border.
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- **Step 1:** Register your trademark with CIPO.
 - **Step 2:** Complete the RFA form and submit it. (lists features of legit goods, authorized importers, known illegitimate sources) – can meet w/ customs to go over your product line
 - **Step 3:** Once your request has been approved, if the CBSA intercepts suspected counterfeit goods or pirated works, you will be notified and given the opportunity to take appropriate action.
 - **Step 4:** The Royal Canadian Mounted Police is responsible for leading any criminal investigations related to commercial scale counterfeiting and piracy.

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Defending your mark

- If you get a cease-and-desist letter – **Don't panic** – did you do a search? Searches are never perfect
- Who sent the letter ? Check ? Chain of title and licenses? CANCEL ? S.45
- Check use dates? Are you a prior user?
- Check presence of others using – if others are infringing, mark may be diluted and lost distinctiveness and thus can invalidate



REMEMBER – THERE IS ALWAYS A SOLUTION

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Doing Business in Quebec – Bill 96 French law

- **General Rule - packaging and accompanying documentation** (eg, instruction manuals, certificates of warranty, promotional material and discount coupons) and commercial publications (eg, catalogues, brochures, invoices, websites and social media) - **must be in French, or in French and another language** provided that the inscriptions in the other language are not given greater prominence than the inscriptions in French (eg, in terms of size, position, font and colour).
- **Public signage** any message displayed in public (eg, signs, posters and billboards) **must be in French, or in French and another language if** French is "markedly predominant. Sometimes only French is allowed
- **Recognized trademark exception** - whether it is registered or not a trademark may appear on products, commercial publications or public signs and commercial advertising exclusively in a language other than French unless a French version of the mark has been registered (the "recognized trademark" exception).
- **Non-French recognized trademark - on a sign outside a building, must include term/slogans in French** on the sign or on the face of the building in the same visual plane as the sign and with **the same visibility as the TM to inform public of the nature of the business.** (the "sufficient presence of French" requirement)

BOTTOM LINE – speak to one of our trademark experts in Quebec to get it right!

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Bill 96 – Changes coming in June 2025

June 1, 2025 the scope “recognized trademark” exception will be restricted to registered trademarks, for inscriptions on products, on public signage and in commercial advertising in Quebec.

NEED TO REGISTER TRADEMARK TO AVOID TRANSLATION FOR ABOVE CASES

- In addition, for inscriptions on products, if the registered trademark includes a generic term or a description of the product in a language other than French, the generic term or description must be translated into French and appear on the product or on a medium permanently attached to the product. It is unclear how Quebec will interpret “generic” and “description of the product” in this context.
- For TMs displayed on public signs visible from outside buildings, the current “sufficient presence of French” requirement (French language must appear on the sign or nearby describing the nature of the business) will be replaced by the more burdensome “markedly predominant” requirement (French language must have a greater visual impact than the text in the other language).
- Bill 96 does not restrict the “recognized trademark” exception to registered trademarks for product packaging, accompanying documentation, and commercial publications. – **STAY TUNED AND TALK TO US**

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Educate your marketing team, look to industry leaders, seek advice & counsel!

- Choose clean trademarks (searched and distinctive)
- Have legal team confirm trademarks are clean before launch!
- Use trademark symbols – TM (anything) ® (Registered)
- **Create Branding Guidelines** – Rules for use of marks by you and your partners and the public – look to your industry leader and contact us!!
- Use trademarks properly and have team monitor for improper use (USE AS ADJECTIVE)
MARCH MADNESS® Basketball Tournament
- Ensure your business partners use and mark TMs properly
- Social media use – be careful how fans of your brand use your mark and how you police/educate (**Be nice** - enlist them in the “army of protection”)
- In your spare time study what the INDUSTRY LEADERS are doing
- Consult with Smart & Biggar for advice and answers

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Q & A

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THANK YOU

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