

# IP and Technology Law Update

## Trade-marks: An Introduction for Businesses

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A trade-mark is a word, a symbol, a design or any combination of these features used to set a business's goods or services apart from those of other businesses in the marketplace. They are a link to the reputation of the owner. Like any other type of property they have value that can be represented on the balance sheet of a company. They can be purchased and sold. You can hire someone to create them for you.

There are two types of trade-marks which are commonly used:

1. Ordinary marks: These are words, symbols, designs or any combination of these features that identify our client's goods or services;
2. Distinguishing guise: A distinguishing guise refers to the shape of goods or of containers or of a mode of wrapping or packaging goods. An example of a distinguishing guise is the shape of the Coca-Cola® bottle, or a Mini.

A registered trade-mark is one that is entered on the Trade-marks register at the Canadian Intellectual Property Office in Ottawa. While there is no duty to register a trade-mark, it is advantageous because registration gives the owner of the trade-mark a bigger "stick" to fight with if other people attempt to use the trade-mark. Registration also gives the owner exclusive use of that trade-mark throughout Canada even if their use is limited to, say, Nova Scotia.

Finally, registration is prima facie evidence of ownership. In a dispute the registered owner does not have to prove ownership. This burden lies on the challenger to prove the opposite. This also applies to disputes over the rights to domain names, where the presumption of ownership in favour of the registrant is a useful tool against cybersquatting and typo-squatting.

As a trade-mark agent, I assist clients in determining exactly what should be trade-marked and, if appropriate, provide my opinion as to whether or not a trade-mark will be allowed.

Below is general information about the registration process and the underlying principles behind it. Also included is information concerning the specifics of a trade-mark application and what should or should not be included in a trade-mark application.

### USE

One method of applying for the registration of a trade-mark exists when an individual or company has used a trade-mark in the past with respect to the goods or services the individual or company sells, gives away or otherwise uses to promote the individual's or company's business.

It is important that the trade-mark for which an application is submitted is exactly the same as the mark which has been used in the past in this type of trade-mark application. It is also equally important to precisely identify the date when the trade-mark was first used (i.e., when the public would have first been exposed to it). The validity of registered trade-marks is often challenged on the basis that the registered trade-mark is different from that which was actually used, and on the basis that the date of first use was incorrect.

In a trade-mark application based on past use, an applicant must precisely identify the exact goods or services which have the trade-mark applied to them.

### PROPOSED USE

A second commonly used category of trade-mark application is based on the proposed use of the trade-mark (i.e., the trade-mark has not been used and the public has no knowledge

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of it). This often occurs when an individual or company is starting a new business, expanding an existing business, or launching a new product line.

This type of application can be made on its own or as part of an application based on use in the past. An applicant can state that it has used a trade-mark in the past to identify various goods and services and in the future will be using the trade-mark on new goods or services it has developed.

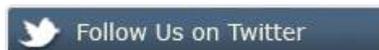
If all or part of a trade-mark application is based on proposed use, the applicant must prove to the Canadian Intellectual Property Office (“CIPO”), within three years of the date when the trade-mark application is filed, that it has actually used the trade-mark for the new goods and/or services. This proof is known as a “Declaration of Use”. The Declaration of Use is a document that an officer or other applicable person within a company signs, stating that the trade-mark has been used in association with the new goods and/or services and provides specifics on when and how this occurred. As noted, the Declaration of Use must be filed with CIPO within three years of the date when the trade-mark application is filed (often a year or more will pass between the time an application is made and the time it is finally accepted).

If a trade-mark is registered solely on the basis of proposed use and the Declaration of Use is not filed in time, CIPO will delete the trade-mark registration. If a trade-mark is registered on the basis of both use in the past and proposed use and a Declaration of Use is not filed with respect to the part of the trade-mark registration based on proposed use, that part of the trade-mark registration will be deleted leaving the remainder intact.

#### **CAN A TRADE-MARK BE REGISTERED?**

CIPO will generally not permit the registration of a trade-mark in the following circumstances:

1. If the trade-mark is primarily your full name, your surname, or the full name/surname of another person.
2. A trade-mark registration will generally not be allowed if the trade-mark clearly describes the goods or services or is deceptively mis-descriptive of the goods or services. An example of clearly descriptive would be the word “sweet” for ice cream or “perfectly clean” for dry cleaning services. An example of a deceptively mis-descriptive trade-mark might be “air express” for a courier service that uses ground transportation;
3. A trade-mark cannot designate the place of origin of the goods or services and it cannot mislead the public into thinking that the goods or services come from a certain place if they do not. The phrase “Atlantic lobster” would probably not be permitted;
4. A trade-mark cannot generally contain the name of the goods or services in another language. For example “wurst” (German for sausage) probably could not be registered in most circumstances;
5. A trade-mark cannot be registered if it causes confusion with another registered trade-mark. In determining confusion CIPO will examine whether two trade-marks look or sound the same or whether they suggest similar ideas. They will also determine whether trade-marks are used to market similar goods or services.





## TRADE-MARK PROCESS

### 1. The Preliminary Search

The Trade-marks Office maintains a public electronic inventory of all registered trade-marks and pending trade-mark applications. A search of the Trade-marks Registry is not mandatory, but it is a good idea for two reasons:

1. It is a form of pre-screening that may help determine whether an application has a chance of success or whether the application is a waste of time and money to try and register the mark in its present form.
2. A detailed search may also help to avoid trade-mark infringement and potential lawsuits.

### 2. Trade-mark Application Process

The government application fee is \$250.00 per trade-mark. It is necessary to submit two applications if there is a need/desire to register both words and designs, or a combination of these.

If there are no complications and the mark is approved, the applicant must pay a \$200.00 government registration fee.

If the application is opposed, there are other fees that are applicable. Opposition proceedings can be lengthy and expensive. These proceedings may last several years.

Trade-mark applications can be opposed by two different groups of people at two different stages. First, CIPO will review the trade-mark application when it is submitted. An individual known as a trade-marks examiner will review the application and if he or she has any issues with it an "examiner's report" or "office action" will be sent to our office. This letter will identify the problems which CIPO has with the trade-mark application and will ask us to try to resolve them. If we cannot overcome CIPO's objections then you will either have to abandon the trade-mark application or apply to the Federal Court of Canada to overturn the decision. This is expensive.

The second group of people who can object to your trade-mark application are those individuals and businesses which feel, for whatever reason, that your trade-mark application should not be allowed to proceed. Sometimes this is because they feel that their trade-marks and businesses will be confused with yours and sometimes it is for strategic reasons.

Third parties become aware of your trade-mark application because, if the application is accepted by CIPO, it is published in a journal called "The Trade-marks Journal" where, theoretically, all of Canada can see it. Third parties must file an "opposition" within two months from the date your trade-mark is published in the Trade-marks Journal. If an opposition is filed and you decided to fight the matter, you will incur significant legal fees.

It is important to note that the trade-mark application process is a lengthy one. On average, the process lasts approximately 18 months.

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