

### New Canadian TM Law Receives Royal Assent

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The new draft law (Bill C-31), encompassing the first major reform of the Canadian Trademarks Act in over 60 years, has now received the Royal Assent on June 19, 2014 and will thus become law without any further amendments.

The Canadian Government is in the process of drafting the regulation to go with it, together with implementing the various administrative measures, process that should take a few months, up to a possible maximum of 2 years. But then again, implementation will be in the hands of the Government and the Canadian Intellectual Property Office (CIPO) and nobody has a crystal ball to predict the exact implementation date of the new system.

Major changes have been made to the Law that will enable Canada to ratify, amongst other the Madrid Protocol, the Singapore Treaty and the Nice Agreement.

Amongst various changes that may negatively impact trademark protection strategies for foreign companies:

- Proof of use will no longer be required to obtain registration in Canada. Not only use in Canada, but use in any other country. Most of the opposition to the draft law from Canadian professionals dealt with the fact that not even requiring any type of use, anywhere, may render Canada another paradise for trademark speculators/ bad faith registrants;
- A reduced trademark protection duration, namely from 15 years at the moment down to 10 years;
- As Canada was an international exception to the class system for goods and services, being able up to now to file a single application for all desired goods and services, with a single fee, as the Canadian Government implements the Nice classification, it is highly possible that the Canadian Government will base its government fees on each separate class, making it possibly more expensive for many registrants, with multiclass goods and services. But the Regulation has not yet been finalized nor published, and again, nobody has a crystal ball at this point.

It should be noted that although the Nice classification for the various goods and services will be enacted, the fact that a trademark has been registered in a particular class only should not bar a party from attacking another applicant's trademark based on possible confusion, although such applicant's trademark has been filed in another class.

Many other changes will impact the Canadian trademark system and it will certainly take a while, even after implementation of the new Law and Regulation, before all trademark practitioners can rely safely on court precedents. So a lot of gray areas, uncertainty to come, for sure!

Foreign companies should therefore envision filing their trademarks in Canada prior to the new system becoming applicable, if they are now using or intend to use a trademark in Canada. Possible price increases and reduction in registration protection, amongst other negative impacts of the Law, together with the administrative problems and lack of legal certainty that will come with being faced with new Law and Regulation, are downsides that most businesses should try to avoid if possible.

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