

## Five significant developments following the June 2019 changes to Canadian trademark law

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The last 12 months have been an exciting time in Canadian trademark law. In June 2019, the most significant changes in decades were implemented to Canada's *Trademarks Act* and *Trademarks Regulations*. The changes implemented in June 2019 have been [well documented](#), and include higher class-based filing fees and shorter registration terms, mandatory Nice classification, the implementation of the Madrid Protocol, and the removal of filing bases and the requirement to file Declarations of Use of proposed use trademark applications.

The recent developments in Canadian trademark law do not stop at the changes implemented to Canada's trademark laws in June 2019. In this article, we summarize some of the notable legislative, case law, and policy developments with potentially significant impacts on Canadian trademark law, in the months since those amendments entered into force.

### 1. Amendments to BIA and CCAA to protect licensees of IP rights

Effective November 1, 2019, the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* were amended to broaden intellectual property protections available under those statutes to include BIA proposals, receiverships and CCAA proceedings. The amendments provide that the insolvency or restructuring of an IP owner, including a trademark owner, under those statutes will not affect the rights of licensees to continue to use the intellectual property, provided that the licensed use is within the terms of an agreement with the IP owner.

### 2. Grace period ends, compliance with non-French trademark regulations in Quebec now mandatory

On November 24, 2019, the grace period available to businesses under the Quebec *Regulation respecting the language of commerce and business* expired. This means that, effective November 24, 2019, all companies with an establishment in Quebec who display a non-French trademark must also display a French version that is permanently visible, legible and shown within the same visual field as the non-French trademark. See the article of our colleagues Melissa Tehrani and Julia Kappler on the implications of this change, [here](#).

### 3. Supreme Court of Canada fundamentally reshapes judicial review, with potential impacts on statutory appeals of Registrar of Trademarks and Opposition Board decisions

On December 19, 2019, the Supreme Court of Canada released its decision in *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65, the most anticipated Canadian administrative law decision in many years. In its decision, the Court held that appeals from many types of administrative decisions will now be reviewed according to ordinary appellate standards of review rather than the potentially more deferential standards that are applied on judicial review. The Supreme Court of Canada's decision in *Vavilov* has significant potential impact on statutory appeals and judicial review of administrative decision-making, including by the Registrar of Trademarks and the Trademarks Opposition Board. See our colleague James Green's article on the decision, [here](#).

#### **4. Exceptional circumstances now required for all extensions of time in examination**

On January 17, 2020, the Canadian Intellectual Property Office announced changes to Trademarks Office practice that will significantly limit the availability of extensions of time in examination. Previously, the Trademarks Office would grant a 6-month extension of time to respond to any Examiner's Report issued by the Office, upon the applicant's request. Following the changes published on January 17, 2020, applicants will no longer automatically be entitled to a six-month extension of the response deadline, but rather will need to show exceptional circumstances to obtain an extension. Exceptional circumstances justifying an extension include certain substantive objections. See our colleague Michael O'Neill's article on the new Practice Notice, [here](#).

#### **5. USMCA amendments signed and legislation tabled: What will ratification mean for Canadian trademark law?**

On December 10, 2019, Canada, the United States and Mexico signed amendments to the Agreement between the United States of America, the United Mexican States and Canada (the "USMCA"). The amendments, if ratified, will necessitate numerous changes to Canadian intellectual property laws. In the realm of trademarks, the amended USMCA requires that trademarks include "collective marks" (marks used by members of an association or collective), a concept not currently reflected in Canadian trademark law. Legislative amendments will likely be necessary for Canada to comply with the amended USMCA.

Most recently, on January 29, 2020, Bill C-4, *An Act to implement the Agreement between Canada, the United States of America and the United Mexican States*, was tabled for first reading in Canada's House of Commons. That Bill introduces some amendments to Canadian intellectual property legislation to comply with the USMCA. That bill would amend the *Trademarks Act* to make it a deemed infringement of a registered trademark to import goods on a commercial scale that bear a trademark that is identical to, or cannot be distinguished in its essential aspects from, the trademark registered for such goods, and provides that suspected counterfeit goods traveling through Canada (i.e., in transit goods) may be detained at the border. These are but a few of the changes that will be necessary to ratify the amended USMCA – we anticipate that further significant changes to Canada's trademark laws will be enacted in subsequent legislation.

In conclusion, while the June 2019 changes to Canada's trademarks laws rightfully dominated the headlines, there have been considerable subsequent legislative, case law, and policy developments with impacts on Canadian trademarks law, and on businesses seeking to register and enforce their trademarks in Canada. This trend is likely to continue throughout 2020, as courts and policymakers continue to grapple with the significantly changed landscape of Canadian trademark law.

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Nelson Godfrey is an intellectual property lawyer and strategic adviser for domestic and international clients operating in a wide range of industries, with particular experience in contentious disputes in all areas of IP, including patents, trademarks, copyright, designs and trade secrets. Nelson is also an experienced trademark procurement professional, assisting clients with clearing, protecting and enforcing their brands in the Canadian market, and managing trademark portfolios for Canadian and international clients.