



HARRISON PENSA

TRADE-MARKS GUIDE

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This is a guide to the proper care of a trade-mark to ensure a long and effective life. This is a non-exhaustive guide, not specific legal advice. Please consult your lawyer for up-to-date information, any issues not addressed herein, and advice for your specific situation.

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BENEFITS OF A REGISTERED TRADE-MARK

A registered trade-mark gives an exclusive right to use the trade-mark throughout Canada in conjunction with the wares or services described in the registration.

Without registering a trade-mark, protection is limited to the geographic region within which one has developed goodwill or reputation in connection with the trade-mark. A registered trade-mark also makes proof of ownership easier in any proceedings against others who use your trade-mark without permission. A registered trade-mark also adds credibility in the marketplace.

You should register a trade-mark if you:

- plan on using the trade-mark for some time;
- intend to spend substantial effort and money marketing or advertising the trade-mark; or
- wish to increase credibility or market image.

IDENTIFYING THE TRADE-MARK

The law does not require a trade-mark symbol to be used with a trade-mark. A symbol should be used however, as it may help prevent others from using the trade-mark improperly for their product or service.

For a registered trade-mark, use “®” beside the trade-mark. Where practical, insert text such as “® Registered trade-mark of Harrison Pensa LLP.”

When a trade-mark is not registered, use “TM” beside the trade-mark. Where practical, insert text such as “TM Trade-mark of Harrison Pensa LLP.” The use of the ® symbol is prohibited if the trade-mark is not registered.

The “TM” symbol can be used whether the trade-mark is registered or not.

If you wish to communicate your trade-mark in French, use the letters “MD” if the trade-mark is registered and “MC” whether it is registered or not.

A trade-mark symbol - such as ® or TM - acts as a warning to others that a monopoly on the use of the trade-mark is being claimed in conjunction with that particular ware or service.

If your trade-mark is a design mark, rather than a word mark, copyright notices can also be used for protection (in addition to, but not instead of, a trade-mark legend), such as “© copyright 2005 Harrison Pensa LLP. All rights reserved”.

If you use the same label or advertising in both Canada and the United States, it is important to consider the status and marking requirements of the trade-mark in both countries. In the United States, the use of the ® symbol is prohibited if the trade-mark has not been registered there. Once a trade-mark is registered in the U.S., the trade-mark owner must give notice (e.g. by using the ® symbol) to recover profits or damages in an infringement action.

If the trade-mark is registered in Canada but not in the United States, and the wares or services will be sold in the United States, the safest approach is to use the TM symbol.

If the trade-mark is registered in both Canada and the United States, use the ® symbol.

USE IT OR LOSE IT

The concept of “use” is key to trade-mark rights. The Trade-marks Act is based on the acquisition of trade-mark rights through use of the trade-mark. Trade-marks may be used in conjunction with wares or services.

If regular use is not made of a trade-mark, it is vulnerable to cancellation. Don't let long periods pass between uses of your trade-marks.

PROPER USE OF A TRADE-MARK

Properly used, a trade-mark can be legally protected indefinitely. A trade-mark may however become worthless or fall into generic use through improper use. If a trade-mark becomes a generic term the mark loses its protected status and may be used by anyone, including your competition.

Despite being suitably distinct when a trade-mark is first registered, a trade-mark is vulnerable to losing its distinctiveness post-registration. Distinctiveness must be maintained to ensure a long life for a trade-mark.

“Distinctive” means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner - from the wares or services of others.

Think it can't happen to you? Nylon, Escalator, Shredded Wheat and Yo-Yo were once trade-marks that have become generic product terms.

TIPS ON USING YOUR TRADE-MARK PROPERLY

None of the misuses described below will instantly result in the loss of a registered trade-mark, but continued misuse of a trade-mark may ultimately result in its loss.

- Use a trade-mark exactly as it is registered and shown on the Certificate of Registration. Variations can permanently render a trade-mark invalid and subject to expungement.
- Never use a trade-mark as a noun. Use a trade-mark in conjunction with the generic description of the product. This will prevent confusion by distinguishing the trade-mark from the product.

For example:

Correct → Use ARM & HAMMER brand baking soda

Incorrect → Use ARM & HAMMER

- Never use your trade-mark as a verb. This prevents confusion by distinguishing the trade-mark from what the product or service actually does.

For example:

Correct → Use ARM & HAMMER baking soda to get rid of refrigerator odours

Incorrect → ARM & HAMMER your refrigerator odours

- Never use the trade-mark as a possessive noun.

For example:

Correct → The new formula in GERBER baby food is healthier for babies

Incorrect → GERBER's new formula is healthier for babies

- Never let non trade-mark matter appear to form part of the trade-mark.

For example:

Correct → GERBER baby formula

Incorrect → GERBER BABY FORMULA

- Never make a trade-mark plural when it is singular, or vice versa.

For example:

Correct → Buy 4 boxes of ARM & HAMMER baking soda

Incorrect → Buy 4 ARM & HAMMERS

- Place the trade-mark directly on the subject goods wherever possible, or on the container or packaging in which the goods are sold. Use of a trade-mark when advertising wares, but not on the product or packaging, is not sufficient to preserve trade-mark rights.

“Use” with wares (Section 4(1) of the Trade-marks Act)

A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred

“Use” with services (Section 4(2) of the Trade-marks Act)

A trade-mark is deemed to be used in association with the services if it is used or displayed in the performance or advertising of those services

- If someone else uses your trade-mark with your permission, make sure it is used with proper trade-mark credits.
- If you use another’s trade-mark, make sure you obtain permission from the owner to avoid potential liability for trade-mark infringement.
- Emphasize your trade-mark graphically: Use capitals, italics, different fonts, colours or type sizes to distinguish your trade-mark from other text.

For example:

Buy GERBER baby formula

Buy *gerber* baby formula

Buy *gerber* baby formula

- Although different colours may be used for a trade-mark, it is better to stick to one colour scheme or combination. Through extensive use, this colour combination will become distinctive to the wares or services. Colour can be claimed as part of a trade-mark if it is an important element of the trade-mark.
- Keep an archive of your trade-mark’s use and advertising in case you need to take legal action or defend a lawsuit.
- Monitor the marketplace, your competition, the media, and in-house staff for improper or unauthorized use of your trade-mark. You may also want to keep tabs on trade journals, advertisements and the Internet.
- Consider registering your trade-mark as an Internet domain name. An Internet domain name helps establish use of the trade-mark and helps to protect against trade-mark infringement. It is also a valuable marketing tool for wares and services.

Keep staff informed

Provide in-house courses on proper trade-mark use. Speak to us about setting up a seminar.

Develop trade-mark guidelines outlining the appropriate use and form(s) of your trade-marks. These guidelines should be provided to your employees - especially your marketing department, and provided to any licensed users.

It may be useful to periodically perform a "trade-mark audit" within your business to ensure your trade-mark is being used properly.

Forward this guide to your staff.

ASSIGNING OR LICENSING TRADE-MARKS

Assigning and licensing trade-marks are two ways by which individuals or companies can profit from their trade-marks.

If another person or business will use your trade-mark, a formal agreement should be signed.

The process of assigning or licensing a trade-mark can be complex. To make sure your rights are protected, contact us for advice, or to draft or review documents.

When a trade-mark is used under a license, notice of that fact should be indicated. For example, if possible, insert text such as "XZXZ is a registered trade-mark of Acme Canada Inc. Used under license."

TRADE-MARK CHANGES

Whenever you wish to modify your trade-mark or the wares or services it is used in conjunction with, contact us. If necessary, we can submit a new application to the Trade-marks office reflecting the modified trade-mark and/or its new use.

A trade-mark registration should always reflect any and all wares and services used in association with the trade-mark.

- Changes in your corporate name or address should be registered with the Trade-marks office
- An assignment is the sale of your ownership in a trade-mark. Assignments should be in writing. Any change in ownership of a trade-mark should be registered with the Canadian Trade-marks office
- Licensing a trade-mark gives someone else a right to use the trade-mark, while the owner maintains the ownership to the trade-mark. A fee or royalty may be charged for granting someone a license to use the trade-mark, or it may simply authorize use in conjunction with the sale of the owner's wares or services. Licensing agreements will also set out limitations on the other party's ability to use the trade-mark.
- Registered trade-marks must be renewed within 15 years of its initial registration. There is no limit to the number of renewals. It is your responsibility to renew on time.

OBTAINING A TRADE-MARK IN A FOREIGN COUNTRY

A Canadian trade-mark does not protect the owner's rights in other countries. If a trade-mark will be used in other countries, you should apply to register the trade-mark in those specific countries in order to protect your rights.

We can assist you in registering your trade-mark in other countries. We have contacts worldwide through our Meritas affiliated firms.

TRADE-MARK INFRINGEMENT

Trade-mark infringement occurs when someone uses your trade-mark without your consent for similar wares or services. The Canadian Trade-marks Office does not police or prevent other people's use of your trade-mark. It is up to you, as the owner of the trade-mark, to ensure that no one else uses it. You should also watch for trade-marks that could be confused with yours.

Trade-mark watch services, both in Canada and internationally, can be a good investment.

If you are concerned that someone has infringed your trade-mark, you should contact us as soon as possible. Failure to stop others from using your mark can result in the loss of your mark. If the infringement is proven, a court could order the guilty party to stop using your trade-mark and to pay compensation.

WHEN OTHERS MAY USE YOUR TRADE-MARK WITHOUT INFRINGING

- Comparative advertising of wares: Other parties may advertise in a comparative fashion using your trade-mark in association with wares. However, if your mark is used by third parties on packaging, labelling, or point-of-purchase material, this is not acceptable.

For example:

PEPSI has only half the calories of COKE.

- Compatible product statements or replacement part statements made on product packaging or in point-of-purchase material is likely acceptable even where the competitor's trade-mark is used - provided you are only using the trade-mark of another to inform the public as to the capability of the product to be used in association with another product. The reference to RCA in the example below is not meant to trade off the goodwill of RCA, but merely to inform the consumer of the ability of UNIVERSAL remote to be used in association with a non-competitive product.

For example:

UNIVERSAL remote can be used with all RCA® televisions.

- It is not acceptable for your competition to use your trade-mark for comparative advertising of services in conjunction with your mark. In addition to infringement or passing off of your trade-mark, this unauthorized use may also cause depreciation of your services.

For example:

PEGASUS taxi service will get you to the airport twice as fast as CHECKERBOARD taxi service.

- A registered trade-mark only provides you with the exclusive right to use the trade-mark in Canada in conjunction with the wares or services it has been registered to identify. Different people can actually hold the same trade-mark for different wares and services. Uses are only protected if they are described in the trade-mark registration.

To keep a trade-mark in the best possible legal condition, diligent supervision must be maintained over its use. Contact us if you have any concerns about the use of your trade-mark, either within your own business, or by a third party. By monitoring the marketplace, keeping yourself and your employees aware of your trade-marks' proper and improper uses, and consulting us when questions or issues arise, your trade-mark will enjoy a long and distinctive existence.