

## INTELLECTUAL PROPERTY BULLETIN

September 2005

### TOP TEN MYTHS ABOUT TRADE-MARKS

*1. I have registered a business name so I don't need to register a trade-mark.*

Registering corporate and business names offers little protection within, and no protection outside, the jurisdiction in which the name is registered. Simply registering your corporate or business name does not guarantee that you have the right to use that name as it may be confusingly similar to a previously used or registered trade-mark. Also, a corporate or business name registration does not give you the right to use that name exclusively in the jurisdiction in which you have registered - other parties may use a similar name as long as they do not register it. In addition, even within the jurisdiction in which the name has been registered, similar names can be registered by other parties as long as they are not too similar and a party can often easily distinguish their name by just adding a word.

If your business name is used to identify your goods or services, you should register your business name as a trade-mark under the *Trade-marks Act* (Canada). Only a trade-mark registration provides the registered owner with the exclusive right to use that mark across Canada in association with the wares and services for which it has been registered and effective civil remedies to enforce that exclusive right. A trade-mark registration lasts 15 years and is renewable in an indefinite number of 15 year increments. In short, corporate and business name registrations are no substitute for a trade-mark registration.

*2. I can't use <sup>TM</sup> until my trade-mark is registered.*

If you are claiming rights in a particular trade-mark you may use the <sup>TM</sup> symbol at any time even before filing a trade-mark application. It sends a signal to others in the marketplace that you intend to protect your rights. The ® symbol should not be used until the trade-mark has been registered.

*3. A trade-mark has to be a word.*

Trade-mark protection is not just limited to words. A trade-mark is an indicator of source and therefore trade-mark protection is also available to symbols, designs, numbers, colours (usually as applied to a product), the shape of your wares or a particular packaging, if they are distinctive and are going to be used to distinguish your goods and services in the marketplace.

*4. If many people are using a certain mark in association with their business then I should be able to as well, because it is in the "public domain".*

Although many businesses may be using a particular mark, you will only be able to acquire rights to the same mark if it is going to be used in association with a different good or service. The same mark can be registered by different parties only if they can co-exist without public confusion. For example LEXUS, a well known brand of automobile, was permitted to be registered by someone else for use in association with juice, because the wares were deemed not to be related so there would be no confusion. Also, sometimes several businesses will use the same word because it is descriptive and necessary to describe their particular product.

In that case the mark may be found to lack distinctiveness and not be eligible for trade-mark registration. For instance, companies usually have to disclaim the right to the exclusive use of the word NATURAL when used in association with food because it is considered to be descriptive.

**5. *Once I get a trade-mark registration in Canada I can enforce it around the world.***

Trade-mark rights arise territorially and therefore registration must be done on a country by country basis (one exception is the European Community where a Community trade-mark covers the whole region). Therefore any protection you obtain in Canada is limited to Canada unless you take steps to protect the mark elsewhere. If you are choosing a mark for Canada and think you might want to expand into the United States, it is usually a good idea to concurrently search the availability of the mark in the US. There are also International Conventions between various countries that allow a trade-mark owner in one country to claim priority when extending their application to another country.

**6. *After I register my trade-mark I can update it periodically without having to amend my trade-mark registration.***

Your registered trade-mark only remains valid if it is used as registered. If the mark that you have registered undergoes any material changes or updates then you should file a new application because your current registration will be vulnerable to expungement on the basis that it has been abandoned.

**7. *It's better to get your company off the ground before you think about trade-marking.***

When launching a new business one of the first things you should do is ensure that your corporate identity is protected by registering the trade-marks that will be used in association with your products and services. Registration of a trade-mark can be done on a "proposed use" basis which allows you a few years before you will need to prove that the mark is in use. Considering trade-marks at an early stage is important to ensure that you do not start using a mark that someone else already owns, and to ensure that the mark that you do choose is properly protected against your competitors.

**8. *I got this idea for my new logo from another company but it's OK because I changed it a bit so mine is different.***

Taking another company's name or logo and changing it slightly will usually not be sufficient to avoid liability. Under the *Trade-marks Act* you cannot use or register a mark which is confusingly similar to a registered trade-mark. For example BREWS BROTHERS and BLUES BROTHERS were found to be confusingly similar. Your trade-mark should be distinctive of you and if it is similar to someone else's mark then this may not be possible. However, in determining whether the marks are confusingly similar, the courts will not just look at the mark itself but at the nature of the wares and services, so if the trade-marks are to be used in association with two different product categories, you may be able to co-exist (recall the LEXUS case).

**9. *If I register the English version of a trade-mark I automatically obtain protection for the French version as well.***

Registering the English version will not protect the French version of the mark. Separate applications for English and French versions will have to be made if you want to protect the mark in both languages. The choice of language for registration will depend on your dominant market. In Quebec one must use the French version of

a trade-mark if one has been registered - otherwise an English registered trade-mark may be used alone. Also, instead of TM, Quebec uses MC (marque de commerce) and in Quebec MD (marque déposée) is sometimes used instead of ®.

*10. If our company owns a trade-mark we can let our subsidiary companies use it on their products too because we're all one big family.*

A trade-mark will only remain valid if it is used either by the party that registered it or by its licensee (or sub-licensee). In order to properly license a mark, the licensor has to maintain control over the character and quality of the wares or services in association with which the mark is to be used. Therefore merely allowing a subsidiary to use the trade-mark without having a proper license and control in place may lead to loss of distinctiveness and the mark may then become vulnerable to expungement.

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*The foregoing provides only an overview. Readers are cautioned against making any decisions based on this material alone. Rather, a qualified lawyer should be consulted.*

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