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Coming Soon: Changes to Trademark Proceedings in Canada

On April 1, 2025, various amendments to the *Trademarks Act* and *Trademarks Regulations* will come into force. The overarching theme of the upcoming amendments is to increase efficiency and effectiveness in trademark proceedings before the Trademarks Opposition Board (TMOB) and the Federal Court.

Published on February 26, 2025, the *Regulations Amending the Trademarks Regulations* outline the upcoming changes. These amendments support broader updates to the *Trademarks Act* that were introduced through the *Budget Implementation Act, 2018, No. 2* (Bill C-86).

Procedural Changes to Proceedings Before the Federal Court

The amendments introduce two significant practice changes to trademark proceedings before the Federal Court.

- **Leave Required to File New Evidence** – Under section 56(5) of the *Trademarks Act*, parties will no longer have the automatic right to file additional evidence when appealing a TMOB decision to the Federal Court. Instead, the Federal Court will need to grant leave for parties to adduce new evidence. In view of these changes, parties should make every effort to present their strongest evidence before the TMOB, as the Federal Court may deny parties the opportunity to supplement evidence on appeal.
- **Proof of Use to Enforce New Trademarks** – Trademark owners commencing an enforcement proceeding within the first three years of registration will need to demonstrate use of the trademark. This new requirement aims to prevent trademark owners from attempting to enforce rights over trademarks that have not yet been used in the Canadian marketplace. As a result, as part of trademark portfolio management, parties should commence use of their marks early post registration, to best benefit from enforcement rights.

Parties May Challenge Official Marks Before the Registrar

Given the broad protections afforded to official marks, they frequently act as barriers to the use or registration of proposed trademarks. Currently, the only way to challenge an official mark is through a Federal Court proceeding.

The incoming amendments introduce a new mechanism to challenge official marks before the Registrar of Trademarks (Registrar). Where an official mark holder: 1) is not a public authority; or 2) no longer exists, the Registrar will be authorized to give public notice that the prohibition against the official mark's adoption or use no longer applies. The Registrar may do so either on its own initiative or at the request of anyone who pays the prescribed fee ($325 CAD). This will simplify the trademark registration process for good faith users whose registration is blocked by an invalid official mark.

The Registrar's Expanded Authority Over TMOB Proceedings

The amendments will also streamline proceedings before the TMOB by permitting the Registrar to award costs, issue confidentiality orders, and case manage proceedings. The TMOB provides further guidance on the implementation of these changes in three practice notices that will come into force on April 1, 2025.

Costs Awards

As set out in the Practice notice on costs awards, the Registrar will be authorized to award costs, though only upon request by the parties and in exceptional circumstances. These awards are not intended to compensate the parties, but to discourage inefficient and unreasonable behaviors such as:

- **Bad Faith Filings**: Filing a trademark application that is refused in an opposition proceeding on the ground that it was filed in bad faith;
- **Divisional Applications:** Filing a divisional application on or after the day the original application is advertised, forcing multiple opposition proceedings;
- **Late Cancellation of Hearing**: Withdrawing a hearing request less than 14 days before the hearing; and
- **Unreasonable Conduct**: Acting unreasonably, causing undue delay or expense.

The quantum of costs that may be awarded is set as a multiple of the prescribed fee for the commencement of a given proceeding (opposition, objection, or cancellation proceeding), ranging from two to ten times the prescribed fee, depending on the basis for the award.

A party seeking costs must file a request that details the reasons and specific facts or circumstances surrounding the request. The Registrar must then give the other party notice of the request and allow them 14 days to respond with written representations. The Registrar will provide its decision on costs in the final disposition of the proceeding, which may be appealed to the Federal Court.

Case Management

As set out in the Practice notice on case management, the amendments authorize the Registrar to case manage proceedings before the TMOB at any time. The Registrar will be able to make orders addressing procedural matters, but not substantive matters, including varying deadlines and consolidating related proceedings.

Case management will only be permitted in exceptional circumstances, after considering all the surrounding circumstances, including:

- Whether the Registrar's intervention is required to deal with matters in an efficient and cost-effective manner;
- The nature and extent of evidence;
- The complexity of the proceeding;
- Whether the parties are represented;
- The number of related files; and
- Whether substantial delay has occurred or is anticipated to occur in the conduct of the proceeding.

The Registrar identifies three specific situations where surrounding circumstances may warrant case management:

- Consolidation of divisional applications opposed by the same opponent on similar grounds;
- Corrections to Protocol applications after an opposition is commenced; and
- Where a confidentiality order has been made.

Confidentiality Orders

As set out in the Practice notice on confidentiality orders, the amendments will authorize the Registrar to issue confidentiality orders upon the request of a party to keep certain evidence confidential. These orders will be exceptional, as they are a significant departure from the open court principle. The Registrar clarifies that redacting documents and describing evidence broadly will remain sufficient for the just determination of most proceedings.

A party requesting a confidentiality order must file its request before filing the evidence at issue, and include the following information:

- A description of the evidence the party wishes to be kept confidential;
- A statement that the evidence has not been made public;
- The reasons why the evidence should be kept confidential; and
- An indication of whether the other party consents to the request.

The Registrar will be able to amend or revoke the confidentiality order at any time, if it is no longer satisfied that the evidence should be kept confidential.

Takeaways

The upcoming amendments will significantly impact trademark practice in Canada by enhancing rigor and effectiveness in TMOB proceedings. Trademark owners must understand these changes to maximize their rights and success in trademark matters. Staying informed and responsive is crucial to minimize risks and adapt to procedural and substantive shifts affecting enforcement rights.