



## Ensuring the Accuracy of Online Presence and Portfolios

# TRADEMARKS AND IP RIGHTS IN TIMES OF COVID-19

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We are living in unprecedented times. The social distancing measures adopted by all levels of government and other related governmental directives, such as strict quarantines, have driven businesses and consumers alike to either curtail their purchases of goods and services or rely, even more, on obtaining them online. Individuals and business are even more reliant on technology to attend to their operational needs and almost completely reliant on online platforms for sales. This new reality should serve as a reminder of why **protection of intellectual property (“IP”) rights is more important than ever.**

A registered Canadian trademark with the Canadian Intellectual Property Office (“CIPO”) gives its owner the **exclusive right to the use the trademark in Canada** in connection with the identified goods and services. It also provides the owner **additional rights and remedies** to **protect the brand** from third parties who are trying to benefit from its reputation and to **stop potential counterfeiters.**

In addition to managing your trademark portfolio, it is equally important to **keep your domain name registers up-to-date and ensure that you have access to them.** In order to do so, verify the technical and contact information and renewal dates of your registered trademark.

## Trademark Portfolio

An up-to-date Canadian portfolio is vital. **It is not enough to rely on common law trademark rights.** In Canada, we have the ability to amend the goods and services covered by a registration to add new ones. Canada is a **first to file** jurisdiction and with the introduction of the Madrid Protocol and convention priorities, international owners may have access to earlier filing dates.

We understand that it is an uncertain time and money is tight. When prioritizing which actions to take in order to be ahead in the digital world, **applications for trademarks should be at the top of the list.**

## General Guidelines and Tips Regarding Trademark Registration, Use and Protection

**1. Take an inventory of your brands** – for business and products alike

**2. Confirm your trademarks are properly registered**

- a. Does the registration show the correct name;
- b. Is the address correct;
- c. Does the registration cover all the goods and services.

**3. Apply for trademarks as soon as possible**

The fact that you have used a trademark under common law for years does not mean you will automatically have the right to registration. As Canada is a first to file jurisdiction, others may have applied for similar marks and have prior rights.

**4. Renew older registrations**

Trademarks must now be grouped according to the Nice Classification and can be renewed for ten years. The renewal period starts six months before the renewal date and ends six months afterwards.

**5. Choose trademarks carefully**

Ensure the marks you choose have some distinctiveness and are not primarily descriptions or composed of letters, numbers or ordinary dictionary words.

**6. Websites & Packaging**

Ensure that your websites and packaging are marked to give notice of the trademark (™).

**7. Licence Agreements & Control**

Put licence agreements in place between the owners and the users (even if it is intercorporate); Control of use is important – trademarks should not be used as nouns to avoid becoming generic words.

**8. Don't be casual about infringement**

If your trademark or brand is used by a third party without your consent do not wait to take action. It is important to send a cease and desist letter to the offending party to keep control over your brand.



## 9. COVID-19 inspired modifications in the short term

In making the technological shift, it is important to consider that the *Trademarks Act*<sup>1</sup> continues to apply despite the pandemic. Before adding a symbol or logo to your brand, ensure that it does not belong to a third party. Some trademark owners are currently making modifications, such as adding a rainbow in their logo, as a way of spreading courage and resilience. Others have included more spaces between the letters of their name or logo to inspire people to respect the social distancing rules.

**If you consider modifying your registered trademarks**, it is important to bear in mind that the mark has to stay recognizable and has to keep the same dominant features. In other words, changes may be tolerated as long as they are so negligible that they are not misleading for consumers. If the change is for the long term consider filing a new application for this modified logo or name with the CIPO as a new trademark might be a good idea.

## Other Benefits of Having a Registered Trademark

### Brand Registry on the Amazon Platform

Amazon, among the world's largest e-commerce markets, offers a seemingly infinite variety of products and goods available for purchase from different sellers. However, in an ocean of products and vendors, infringement of brands and the sale of counterfeit products is harder to control.

For this reason, businesses are able to enroll in the **Amazon Brand Registry** program in order to have control over their brand, which also offers an additional measure of protection in the event of potential infringement.

Amazon is not the only online company to offer this type of protection, so it is important to verify individual sites for their respective policies and protection programs.

### Social Media / Take Down Notices

Certain social media platforms, such as Facebook or Instagram, will **force the forfeiture of a username, reclaim a username, even suspend, or terminate an account in violation of trademarks**.

In addition, it can be used to send a **notice** to a company hosting a website to **take down a website that may be infringing your intellectual property**. By way of example, Go Daddy has an online process if you think a party is infringing your intellectual property.

In certain cases to obtain a social media page for your business, you may be asked to prove that you have a registered trademark.

### Combatting Counterfeit Products at the Border

A registered trademark provides access to additional recourses to combat against trade in counterfeit goods and protection of the trademark rights. Holders of registered Canadian trademarks can request

the **assistance of the [Canada Border Service Agency](#)** (“CBSA”) by submitting a **[Request for Assistance](#)** (“RFA”) application, which remains **valid for two years**, after which time it must be renewed. A Canadian holder or owner of a registered trademark or geographical indication with CIPO is eligible to file a RFA application with the CBSA.

RFAs will help the CBSA to effectively **identify and detain commercial shipments suspected of containing counterfeit trademark goods**. Once a trademark holder has enrolled in the program, the CBSA will intercept and hold any suspected counterfeit or pirated goods upon entry into the country, and notify the trademark holder in order to take appropriate action.

## Distressed Companies (Bankruptcy and Creditor Protection) Amendments to the BIA and CCAA and the Impact on IP Licensees

As the current pandemic continues to develop into an unprecedented health crisis, countless businesses have been experiencing a dramatic, and in certain cases devastating, **financial recession**. Even with the implementation of different government aid packages, many businesses are suffering and likely contemplating a major restructuring at best, or bankruptcy at worst.

While the effects of either scenario will have a direct impact on the insolvent business, it can also affect **licensees who have concluded intellectual property license agreements for the use of the IP of a potentially insolvent licensor**, who may wonder what will become of their rights.

Following recent amendments to the *Bankruptcy and Insolvency Act*<sup>2</sup> (the “BIA”) and the *Companies’ Creditors Arrangements Act*<sup>3</sup> (the “CCAA”), IP licensees came to benefit from a **greater protection in the event of insolvency of their licensor**, which in the current uncertain economic climate, is more relevant than ever.



The amendments that came into force on November 1, 2019, expanded the protections previously provided for under the BIA and CCAA in an important way. To that effect, under new subsection 65.13(9) of the BIA, **in the event of the sale of the IP in a BIA restructuring**, an IP licensee is now permitted to continue using the IP during the term of the agreement or any renewal thereof, subject to the licensee performing its obligations under the agreement. This right is mirrored in section 36(8) of the CCAA in the event of the sale of the IP in a CCAA restructuring.

Subsections 72.1 and 246.1 of the BIA for their part now **allow the licensee to continue using the IP if it is sold or the license is disclaimed by the trustee in a liquidation or the receiver in a receivership, respectively**.

The impact of the foregoing amendments is significant for licensees as the number of businesses seeking the protection of the BIA or the CCAA will undoubtedly increase in the coming months, as they now see their license agreements benefitting from legislative protection in the event of sale in these circumstances.

It should be noted however that there still exists some **uncertainty as to the extent of application of the preceding provisions**, as the BIA and the CCAA fail to define the term “intellectual property” or to clearly outline the scope of a “right to use the intellectual property”, otherwise specified in other legislative texts. It is important to carefully review existing license agreements as often IP rights are included in larger scale contractual agreements, which could lead to uncertainty as to the validity of an agreement and what the continued performance of obligations would entail.

## Conclusion

It is quite possible that the current pandemic will have major impacts on all spheres of life in society, as we know it today. Many businesses have already started to, or will have to, **change their way of doing business** in the following months in order to respect the different governments’ decrees, orders or rules. As we operate online and modify our practices in this global space, **trademarks have a major role to play in protecting your business and growing its assets**. Take the time to review your portfolio of trademarks and domain names and ensure they are up to date.

► **CIPO advises that most deadlines that fall between March 16, 2020, and May 29, 2020, are extended until June 1, 2020.** This designation is in addition to the previous designations of the days in the period beginning on March 16, 2020, and ending on May 15, 2020. This period could be extended. For further details, [click here](#).

The information and commentary set forth herein are for the general information of the reader and are not intended as legal advice or as an opinion to be relied upon in relation to any particular circumstances.

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**If you own a business and are implementing adjustments in the wake of the actual crisis, it is essential to ensure that all your rights are protected and we are here to support you in this process.**

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<sup>1</sup> R.S.C. 1985, c. T-13.

<sup>2</sup> R.S.C. 1985, c. B-3.

<sup>3</sup> R.S.C. 1985, c. C-36.