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To Serve and Protect: The Many Reasons for a Trademark Registration



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A trademark is the consistently used brand identifier of tens of thousands of consumer products and services you regularly see – the Apple "Apple", the Microsoft "Window", the Nike "Swoosh", the Google Chrome, um, circle thingy. You would correctly guess that all those large corporations have taken the legal steps to ensure the uniqueness and goodwill of their trademarks are fully protected.

But what if you are not Adidas partnering with Kanye West? Is registering your own version of "Yeezy" easy-peasy, and worth the cost?

Yes, even for small and medium businesses, there are many good reasons to register trademarks for your brands, beyond just protecting against typical forms of infringement. The cost and effort to do so is more than justified by the potential benefits.

In Canada, there is also a greater reason to "just do it" sooner rather than later. The Canadian Intellectual Property Office's (CIPO) trademark application/ registration process is painfully slow – you never know when that registration will come in handy, so ideally you should get that 16-18 month process behind you as soon as possible.

Here is our list of the reasons to get this process started:

- 1. <u>Social Media Rights</u> Numerous social media channels (Twitter, You Tube, Instagram, Facebook) have policies about taking down brand-infringing content but that complaint form may require your company to show it has a registered trademark that you believe is being harmed by the offensive posts of a competitor or disgruntled customer. Some social media platforms require a registered mark in order to take advantage of certain e-commerce tools.
- 2. <u>Domain Names</u> Same with complaints about domain names that copy your brand name. Those complaints are much more straightforward, and more likely to be successful, when you have a registered trademark.

Also, when the international overseer of generic top-level domains decided a few years ago to expand the available number of gTLDs (like ".com") from 22 gTLDs to a couple of thousand, you could register to have priority for domain names featuring your brand in any new gTLDs – if you had a registered trademark. The launch of the new gTLDs did not get announced early enough to register a Canadian TM considering how long it takes in Canada. Still, there is no doubt that registration will strengthen your rights when dealing with domain name disputes.

- 3. Amended Canadian Trademarks Act New Trademarks Act changes in Canada (effective early 2019) mean the historical importance of being able to rely on "common law" use of your trademark in the marketplace without getting a registration, will be diluted. Under the new Trademarks Act system, you need to save your spot in line as soon as possible, to avoid the cost and headache of trying to contest a non-legitimate copycat/pirate who gets a "squatter registration" for your brand before you.
- 4. <u>Public Notice</u> Because the CIPO database is public and easily searchable, legitimate parties who search to avoid adopting an infringing brand for themselves, will see your claim for your brand in your application/registration in the database, and as a result presumably avoid creating and using a trademark that might have infringed yours.
- 5. <u>Business Reputation</u> A registered trademark provides the cachet of a company that is eating at the grown-ups' table, and adds value to the goodwill and therefore asset value of the business if it is ever sold. Also, the longer a valid registration is in place (and the use of the registered trademark continues in the marketplace) the more valuable the trademark and the registration become.

A recent academic study in the U.S. found a correlation between the innovation level of a business, and the number of registered trademarks it holds. In fact, the authors of the study concluded that the trademark portfolio was demonstrated to be a better indicator of an "innovative company" than the number of patents held, or the size of a company's R&D budget.

- 6. Countries Outside North America In many countries outside of the United States and Canada, merely using your trademark with your business there does not give you any rights of protection. Registration is required for protection, and someone else who registers your brand in those countries may have better rights to the name than you. These "first to file" countries include, Mexico, most Central and South American countries, the Philippines, France, Germany, and many eastern European countries. Foreign registrations are usually easiest to obtain if you already have a trademark registration in your home country.
- 7. <u>Stopping Infringement/unfair competition in the marketplace</u> If infringement or defamation of your brand does occur, you will quickly regret not having a registered trademark, as your trademark lawyer explains "how things might have been" with the additional legal

- enforcement rights an existing trademark registration would have brought. The lack of those registration rights invariably means extra legal costs and greater risk of failure in trying to protect your brand.
- 8. <u>A Pretty Piece of Paper</u> CIPO tries to compensate for all the waiting they made you do, by sending you a full-colour and fancy registration certificate pdf that is suitable for an Instagram or Twitter post about your new-found business respectability. Or for framing by your mom. Definitely worth it!

Related reading: Also see our article "Trolls on the Bridge to Your Brand".

Want to talk about trademarks? Please get in touch with our <u>Trademarks Group</u> to discuss how to start the trademark registration process.

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