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New Amendments to the Trademarks Act and the Trademarks Regulations Coming into Force on April 1, 2025

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On February 26, 2025, the final *Regulations Amending the Trademarks Regulations* (the Amendments) were published in the *Canada Gazette*. The Amendments, along with related amendments to the *Trademarks Act* (the Act) that were previously included in the *Budget Implementation Act, 2018, No. 2* (Bill C-86), will come into force on April 1, 2025.

These long-awaited changes to the Act and the *Trademarks Regulations* (the Regulations) expand the powers of the Registrar of Trademarks (the Registrar) and give the Trademarks Opposition Board (the Board) power to award costs, make confidentiality orders, and case manage proceedings. The Canadian Intellectual Property Office (CIPO) has stated that the goal of the Amendments is to allow the Board to more efficiently resolve trademark disputes, while discouraging parties from engaging in undesirable behaviour during proceedings that often causes unnecessary delays or expense.

An overview of these changes and some key takeaways for parties engaged in trademark proceedings are discussed below.

Changes to Trademark Proceedings Before the Board

Costs Awards

The Amendments set out a new costs awards regime in Board proceedings, flowing from CIPO's desire to discourage parties from engaging in undesirable behaviour. Under this new regime, the Board now has the authority, upon request by a party to the proceeding, to award legal costs against a party to a proceeding. CIPO has clarified that costs will only be awarded in exceptional cases and not simply to compensate the successful party.

The Amendments provide that the Board will consider an award of costs in opposition proceedings where:

- A trademark application is refused on the grounds of bad faith;
- A divisional application is filed on or after the date the original application is advertised (although in practice, CIPO has clarified that costs will typically only be awarded under this ground if *multiple* divisional applications are filed);

- The party who requests a hearing cancels their request less than 14 days before the hearing; or
- A party delays or increases costs due to unreasonable behaviour, such as failing to attend a cross-examination, breaching a confidentiality order, pursuing a ground of opposition with no reasonable chance of success, or acting disrespectfully towards the other party.

The Board's ability to award costs against a party who cancels a hearing request less than 14 days before the hearing or engages in unreasonable conduct that has caused undue delay and expense will also apply in the case of section 45 non-use cancellation proceedings and objection proceedings against an official mark.

Confidentiality Orders

The Amendments also allow the Board to issue confidentiality orders to restrict the public's access to confidential information that is filed in evidence in a proceeding. In determining whether to grant the confidentiality order, the Board must weigh the request against the public interest of keeping proceedings open and accessible. A party seeking a confidentiality order must describe the evidence it wishes to keep confidential, confirm that the evidence is not publicly available, explain why the evidence should not be made publicly available, indicate whether the opposing party consents to the request, and provide any other information relevant to the Board's consideration of the request.

In practice, CIPO has clarified that when a party makes its submissions as to why the evidence should not be made publicly available, the Board will expect that party to clearly identify the public interest at issue (which must go beyond the party's individual commercial interest); keep the proposed confidential information to a minimum (e.g., by requesting portions of a document to be made confidential instead of full documents); clearly outline why an alternative to the confidentiality order, such as a redaction, is not reasonable under the circumstances; and explain why the benefits of the order are likely to outweigh the negative effects of denying the public full and open access to the proceeding.

Case Management

The Amendments also codify and expand on the Board's case management powers in proceedings. While the Board has had a longstanding history of conducting limited case management through its common law powers (primarily through standalone procedural orders), the Amendments provide the Board with additional flexibility to order an entire proceeding to be case managed at any time during the process, and the discretion to vary the procedures, deadlines, or application of the Regulations as it deems necessary.

In determining whether a proceeding should be case managed, the Board will consider the entire context, including the complexity of the proceeding, the number of related files, the nature and extent of the evidence, or whether the Board feels that intervention is likely to reduce costs and settle the matter more efficiently. This added flexibility also allows the Board to decide whether it is in the best interest of the

parties to have multiple proceedings consolidated, which would be particularly helpful for divisional applications, as this would allow a document that is relevant to all the applications to only be submitted once for all of the proceedings.

Amendments to the Act

In addition to the procedural changes to Board proceedings introduced by the Amendments, the amendments to the Act introduce further changes to key steps in the trademark examination and enforcement process:

- ***Official Marks:*** Amendments to the sections of the Act prohibiting the use of official marks now clarify that the prohibition does not apply where the owner of the official mark is no longer a public authority or has ceased to exist. The amended provisions will now allow the Registrar (either on its own initiative or at the request of another party) to issue a public notice confirming that official mark protection no longer applies to the mark in question. These amendments are intended to expedite the application process for new trademarks that would otherwise face an official mark objection and to eliminate the need for applicants to seek relief from the Federal Court in respect of these objections.
- ***Use Required for Infringement Proceedings in First Three Years:*** The addition of section 53.2(1.1) to the Act will now require a registered trademark owner to show that it has used the mark if bringing an infringement proceeding within the first three years of registration. This amendment is intended to reiterate that trademark rights in Canada flow from use and to prevent parties from relying on an unused registered mark as the basis of an infringement proceeding.
- ***Leave to File Additional Evidence in Appeals of Board Decisions:*** An important amendment to section 56(5) of the Act eliminates the automatic right for parties to file new evidence on an appeal of a Board decision to the Federal Court – the Court will now need to expressly grant leave for new evidence to be filed. Like the changes discussed above, this new restriction is designed to increase the efficiency of Board proceedings; in this case, by ensuring that parties file all relevant evidence at first instance before the Board, instead of strategically withholding evidence to be used on appeal.

Key Takeaways

The numerous changes to Board proceedings and Federal Court proceedings introduced by the amendments to the Regulations and the Act evidence CIPO's continuing efforts to streamline trademark proceedings, reduce or eliminate conduct that causes unnecessary delays or costs, and ensure that parties are acting in good faith in these proceedings. Parties to Board proceedings will need to be mindful of advancing those proceedings expeditiously and with robust evidence: a failure to do so can now lead to costs consequences and reduced rights on appeal, among other potential impacts.

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If you have any questions about these amendments or how they might impact your business, please do not hesitate to reach out to Mark Davis, Steven Henderson, or a member of the our Intellectual Property Group.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.