

## This is How We Use It: The Importance of Use in Canadian Trademark Law and Keeping Records of Use

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In our previous article, **Protecting Your Brand: A Primer on Canadian Trademarks**, we touched upon the beginning stages of a trademark application and considerations such as, "Should I register my trademark?" and "Is the trademark available?" Obtaining a registered trademark is only half the battle in protecting your brand. To maintain the protection afforded by a registered trademark, you also need to use the trademark.

### What is trademark use?

How a trademark is used is dependent on whether the trademark was registered in association with goods or services. Section 4 of Canada's *Trademarks Act* (the Act) provides that a trademark is used with goods if, "at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred." In the case of services, a trademark is used if "it is used or displayed in the performance of advertising of those services."

### What are the consequences of non-use?

Prior to significant amendments to the Canadian trademark landscape in 2019, trademarks could be applied for based on actual use or proposed use. If based upon proposed use, the applicant would be required to file a declaration of use prior to registration of the trademark. Canada no longer distinguishes between actual and proposed use. However, expungement under section 45 of the Act is still a potential consequence should an owner fail to use its trademark in association with its listed goods and/or services in a three-year period, commencing at least three years after registration of the trademark. Expungement proceedings are intended to remove any "deadwood" from the trademarks register.

Any person may submit a written request (along with the requisite fee) to the Registrar of Trademarks who may, following such request or on its own initiative, notify a registered owner of a trademark that it must provide an affidavit or statutory declaration evidencing use of the trademark in Canada at any time during the three years prior to the date of the notice.

In a successful expungement proceeding, the registrar may expunge the entire trademark, or it may amend the registration to remove certain listed goods and services.

Let's continue with the example from our prior article. Windsor Sparkling Water Inc. has successfully registered its trademark "H2O Spritz" in association with bottled sparkling water. Suppose it included operation of a kiosk selling bottled sparkling water as a service in its trademark registration. Windsor Sparkling Water Inc. stamps "H2O Spritz" on every bottle label, and it is found on every invoice involving the sale of the bottled water. However, its plans to open a kiosk never panned out and so it has not used the trademark in association with the service of operation of a kiosk in the past three years. If expungement proceedings were commenced, the registrar would likely rule that the trademark be amended to remove the services from the registration, unless Windsor Sparkling Water Inc. could demonstrate special circumstances excusing non-use.

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### **What records should an owner maintain regarding use?**

Assuming an owner has been using its registered trademark, it should keep records and evidence of actual use of the trademark in compliance with the Act to ensure that it will be adequately prepared in the event of expungement proceedings. While the threshold for proving use is not very high and evidentiary overkill is not required, an owner should nevertheless provide sufficient evidence to make the registrar's determination as easy as possible. Examples of evidence appended to the sworn statement include photos of the trademark displayed on the owner's goods or their packaging, photos or screenshots of the trademark displayed in advertisements for services, sales invoices, manuals which may accompany goods, and spreadsheets showing sales of the goods or services in Canada, all of which should demonstrate use during the relevant three-year period.

The complexities of expungement proceedings, including the filing requirements, are beyond the scope of this article but suffice it to say trademark registration does not provide unconditional protection; the trademark must be used, and you will need to show how you use it.

*Please note that this article is intended for informational purposes only and does not constitute legal advice. We encourage you to contact your Miller Canfield attorney or the authors of this alert if you have any questions regarding use of a trademark.*

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