

# Changes to Canadian trademark laws and practice coming April 1, 2025

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Significant amendments to the Canadian *Trademarks Act* and *Trademarks Regulations* are coming into force on April 1, 2025, with important implications for trademark owners and parties to proceedings before the Trademarks Opposition Board and the Federal Court.<sup>[1]</sup> These amendments implement aspects of the Government of Canada's 2018 Intellectual Property Strategy and are designed to increase efficiency in trademark disputes, prevent abusive practices and underscore the importance of use as the basis for maintaining and asserting trademark rights in Canada.<sup>[2]</sup> This Update provides an overview of the changes and some of their practical implications.

To understand the full extent of the legislative amendments and their implications, please contact a member of Osler's Intellectual Property Group.

### Overview of the changes

The amendments to the *Trademarks Act*, R.S.C., 1985, c. T-13 (the Act) and the *Trademarks Regulations*, SOR/2018-227 (the Regulations), grant new powers to the Registrar of Trademarks (the Registrar) with respect to official marks and in proceedings before the Trademarks Opposition Board (the Board). These amendments also impact the rights of parties in trademark disputes before the Federal Court. Consistent with related amendments that have already come into force, the upcoming amendments will only apply to trademark applications advertised on or after June 17, 2019.<sup>[3]</sup>

### New powers of the Registrar

Beginning on April 1, 2025, the Registrar will have an expanded scope of decision-making abilities with respect to official marks and disputes concerning trademarks and geographical indications.

### Official marks

Under these amendments, the Registrar will have the ability to remove official marks from the Canadian Trademarks Register. An official mark is any badge, crest, emblem or mark that has been adopted and used by a public authority in Canada (such as a government organization).<sup>[4]</sup> Once granted, an official mark prevents any person from adopting, as a

trademark or otherwise, any mark consisting of or so nearly resembling as to be likely to be mistaken for the official mark, irrespective of the associated goods and services. One may only register and use a mark resembling an official mark with the consent of the official mark's owner, who has no obligation to provide such consent. Unlike registered trademarks, official marks do not need to be renewed and as such can exist indefinitely.

The wide scope of protection afforded to official marks has made it challenging for applicants to overcome objections raised by the Registrar when a public authority withholds its consent to registration. In such circumstances, parties have typically had to resort to bringing applications in the Federal Court for declaratory relief or judicial review of the decision to issue the public notice of adoption.

These upcoming changes will now provide a third avenue to overcome the obstacle posed by an official mark: the Registrar will have the power to remove an official mark where the owner of the official mark is either not a public authority or no longer exists.<sup>[5]</sup> The Registrar will also be permitted to initiate a review of the owner's public authority status on its own accord.<sup>[6]</sup>

Empowering the Registrar to revisit the legitimacy of an entity's public authority status provides a less onerous way for parties to challenge official marks cited as obstacles to registration by trademark examiners. The Trademarks Office will implement a process for the Registrar to take into account information provided by a requesting party in determining whether a notice should be sent to the official mark holder requesting evidence of its public authority status.<sup>[7]</sup>

#### New orders available in proceedings before the Board

As of April 1, 2025, the Registrar will have the power to issue confidentiality orders, award costs and case manage proceedings before the Board commenced under sections 11.13 (objection to a geographical indication), 38 (opposition proceedings) and 45 (cancellation proceedings) of the Act.<sup>[8]</sup> Several draft practice notices have been published providing details on the application of the new provisions of the Act and the Regulations.<sup>[9]</sup>

#### Confidentiality orders

The upcoming amendments will allow the Registrar to issue confidentiality orders at any time *before* evidence is filed in a proceeding before the Board.<sup>[10]</sup> Currently, all evidence submitted in proceedings before the Board is made publicly available.<sup>[11]</sup> This can be problematic as it may lead to parties filing incomplete or insufficient evidence to prevent unwanted disclosure of commercially sensitive information.

When deciding whether a confidentiality order should be granted, the Registrar must consider the public interest in open and accessible proceedings<sup>[12]</sup> and has stated the intention to apply the standard set by the Supreme Court of Canada in *Sierra Club*<sup>[13]</sup> and *Sherman Estate*<sup>[14]</sup> for granting confidentiality orders. The requesting party has the burden of showing that

1. court openness poses a serious risk to an important public interest
2. the order sought is necessary to prevent that risk because reasonably alternative measures will not prevent the risk

### 3. the benefits of the order outweigh its negative effects<sup>[15]</sup>

Once granted, the Registrar may amend or revoke the confidentiality order at any time in the proceedings.<sup>[16]</sup> In the event of an appeal under section 56 of the Act, a confidentiality order of the Registrar will be enforceable with the Federal Court, provided it is properly filed with the Court.<sup>[17]</sup>

It remains to be seen how frequently confidentiality orders will be granted in proceedings before the Board. The Registrar has expressed the view that confidentiality orders will be exceptional, given that their issuance involves a departure from the open court principle and that, in most proceedings, either redacting documents or describing the evidence broadly will be sufficient for a just determination.<sup>[18]</sup>

### Costs awards

New sections of the Act and Regulations will allow the Registrar to order a party to pay costs in proceedings before the Board, but only after a *final* decision is issued.<sup>[19]</sup>

The rationale for costs awards is to curtail inefficient behaviors and incentivize parties to advance proceedings before the Registrar efficiently. They are *not* intended to prevent a party from participating fully in a proceeding or having zealous representation, and the award of costs will *not* be dictated by success (i.e., a successful party may be sanctioned with costs).<sup>[20]</sup> The amount of costs will be awarded as a function of the prescribed fees for initiating the proceeding in question at the time of the Registrar's order.<sup>[21]</sup>

The Registrar is only empowered to order costs when

- a party engages in unreasonable conduct that causes undue delay or expense in the proceeding<sup>[22]</sup>
- a party withdraws a request for hearing less than 14 days before the day on which the hearing is to take place<sup>[23]</sup>
- a trademark application is refused on the ground that it was filed in bad faith (only applicable to opposition proceedings)<sup>[24]</sup>
- costs have been awarded in respect of a divisional application filed on or after the day on which the original application is advertised (only applicable to opposition proceedings)<sup>[25]</sup>

The *Practice notice on costs awards* provides examples of conduct that may be considered "unreasonable".<sup>[26]</sup> Costs will only be awarded in "exceptional cases", and the Registrar will only consider awarding costs in a proceeding at the request of a party. Based on the principle that parties must know the law before acting, for ongoing proceedings (as of April 1, 2025), the practice notice sets out circumstances where the Registrar will *not* award costs.<sup>[27]</sup>

Where a party has requested costs in a proceeding before the Board, the Registrar will provide reasons for its decision on costs in the final disposition of the proceeding.<sup>[28]</sup>

### Case management

In "case-managed" proceedings before the Board, the Registrar will have an expanded ability to control proceedings by making any order that promotes an efficient and cost-effective

resolution.<sup>[29]</sup> The ability to designate a proceeding as “case-managed” will also take effect on April 1, 2025.<sup>[30]</sup> The Registrar has indicated that case management will be reserved for exceptional circumstances, but may be warranted in the case of divisional applications in oppositions, corrections to protocol applications and proceedings that are subject to confidentiality orders.<sup>[31]</sup>

#### Changes to trademark disputes before the Federal Court

There are two amendments to the Act coming into force on April 1, 2025, that will impact parties to trademark disputes before the Federal Court.

##### Leave required to file new evidence on appeal

As of April 1, 2025, the parties to an appeal before the Federal Court under section 56 of the Act will have to obtain the leave of the Court in order to file new evidence on appeal.<sup>[32]</sup> Currently, any party who appeals a decision of the Registrar has the right to file additional evidence before the Federal Court on appeal under section 56 of the Act.<sup>[33]</sup> If the new evidence is found to be material, this triggers a *de novo* appeal, and the Court assumes the position of the Registrar to reassess the case with the benefit of the added information.<sup>[34]</sup> The rationale for this change, which removes the automatic right to file new evidence on appeal, is to encourage parties to put their best evidence before the Registrar.

It is not clear how onerous it will be to obtain leave to adduce new evidence. The amended provision does not prescribe the standard to be applied, and it will be up to the Federal Court to determine how these requests should be addressed and whether the test for leave to file new evidence will differ depending on the type of underlying proceeding (for example, an opposition proceeding versus a cancellation proceeding).

##### Use requirement in enforcement proceedings

In enforcement proceedings involving claims under sections 19, 20 or 22 of the Act, the owner of a registered trademark will, as of April 1, 2025, have to prove that the registered trademark has been used in Canada if the proceeding is brought within the first three years of registration.<sup>[35]</sup> This will prevent parties from asserting rights with respect to a trademark registration that cannot yet be challenged by an alleged infringer under section 45 of the Act for expungement due to non-use.

Although the language in the new section 53.2(1.1) of the Act reflects the language in section 45 of the Act, it is unclear whether the Court will apply the same standard of *prima facie* use that currently applies to section 45 proceedings or whether some higher standard will be required in order for a claimant to demonstrate that it has used a recently registered trademark for the purposes of supporting a claim for infringement or depreciation of goodwill under sections 19, 20 and 22 of the Act.

#### Conclusion

The changes to Canada’s trademark laws coming into force on April 1, 2025, will have significant effects and implications on trademarks practice going forward. As with any legislative amendments and related changes to practice, trademark owners and those who practice before the Board and the Federal Court should keep these new provisions in mind to minimize risk, take advantages of new procedural mechanisms and stay up to date as new jurisprudence develops.

For more information on how these changes might affect trademark practice in Canada, please contact a member of Osler's Intellectual Property Group.

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[1] *Order Fixing April 1, 2025 as the Day on Which Certain Provisions of the Budget Implementation Act, 2018, No. 2 Come into Force* [PDF], SI/2025-12, (2025) C Gaz II, 887 (*Budget Implementation Act, 2018, No. 2*) (Order in Council); *Regulations Amending the Trademarks Regulations*, SOR/2025-19, s. 9 [PDF].

[2] Order in Council at 889 [PDF].

[3] Act, s. 70(1)(a) [PDF].

[4] Act, s. 9(1)(n)(iii) [PDF].

[5] Act, s. 9(3) [PDF] (as amended on April 1, 2025).

[6] Act, s. 9(4) [PDF] (as amended on April 1, 2025).

[7] Regulatory Impact Analysis Statement, (2025) C Gaz II, 763 (Regulations Amending the Trademarks Regulations) at 776 [PDF].

[8] Act, ss. 11.13(9) [PDF], 38.1(1) [PDF], 45(4.1) [PDF], 45.1 [PDF] and 65.3 (as amended on April 1, 2025); Regulations, s. 95.2 [PDF] (as amended April 1, 2025).

[9] *Practice notice on costs awards*; *Practice notice on confidentiality orders*; *Practice notice on case management*.

[10] Act, ss. 45.1(1)–(2) [PDF] (as amended on April 1, 2025).

[11] Act, s. 29(1)(f) [PDF].

[12] Regulations, s. 95.1(2) [PDF] (as amended on April 1, 2025).

[13] *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41 (*Sierra Club*).

[14] *Sherman Estate v. Donovan*, 2021 SCC 25 (*Sherman Estate*).

[15] *Practice notice on confidentiality orders*, Section IV.1.

[16] Regulations, s. 95.1(4) [PDF] (as amended on April 1, 2025).

[17] Act, s. 45.1(6) [PDF] (as amended on April 1, 2025).

[18] *Practice notice on confidentiality orders*, Section I.

[19] Act, ss. 11.13(9) [PDF], 38.1(1) [PDF] and 45(4.1) [PDF] (as amended on April 1, 2025); Regulations, ss. 58.1(2) [PDF], 74.1(2) [PDF] and 93.1(2) [PDF] (as amended on April 1, 2025).

[20] *Practice notice on costs awards*, Section I.

[21] [Practice notice on costs awards](#), Section IV.

[22] Regulations, ss. [58.1\(1\)\(d\)](#) [PDF], [74.1\(1\)\(b\)](#) [PDF], [93.1\(1\)\(b\)](#) [PDF] (as amended on April 1, 2025).

[23] Regulations, ss. [58.1\(1\)\(c\)](#) [PDF], [74.1\(1\)\(a\)](#) [PDF], [93.1\(1\)\(a\)](#) [PDF] (as amended on April 1, 2025).

[24] Regulations, [s. 58.1\(1\)\(a\)](#) [PDF] (as amended on April 1, 2025).

[25] Regulations, [s. 58.1\(1\)\(b\)](#) [PDF] (as amended on April 1, 2025).

[26] [Practice notice on costs awards](#), Section II.3.d.

[27] [Practice notice on costs awards](#), Section VI; Regulations, ss. [58.1\(3\)](#) [PDF], [74.1\(3\)](#) [PDF] and [93.1\(3\)](#) [PDF] (as amended on April 1, 2025).

[28] [Practice notice on costs awards](#), Section IV.

[29] Regulations, [s. 95.2](#) [PDF] (as amended on April 1, 2025).

[30] Regulations, [s. 95.3\(1\)](#) [PDF] (as amended on April 1, 2025).

[31] [Practice notice on case management](#), Section VII.

[32] Act, [s. 56\(5\)](#) [PDF] (as amended on April 1, 2025).

[33] Act, [s. 56\(5\)](#) [PDF] (as it read immediately prior to April 1, 2025).

[34] *Clorox Company of Canada, Ltd. v. Chloretec S.E.C.*, 2020 FCA 76, at para. 21.

[35] Act, [s. 53.2\(1.1\)](#) [PDF] (as amended on April 1, 2025).