

# Registrar to begin cancellation proceedings for randomly selected trademark registrations

DEC 23, 2024 8 MIN READ



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Use it or lose it. That is one of the foundational principles of trademark law. When the owner of a trademark registration ceases using their registered mark for three years or more, it becomes liable to cancellation proceedings under section 45 of the *Trademarks Act*, R.S.C., 1985, c. T-13 (the Act).

Starting January 2025, the Trademarks Opposition Board (the TMOB) will begin a pilot project under which the Registrar of Trademarks will initiate cancellation proceedings on its own initiative against randomly selected trademark registrations in an effort to encourage fair competition and maintain the integrity of Canada's trademark system.<sup>[1]</sup>

Historically, s. 45 proceedings have been initiated by prospective registrants as a means to cancel a registration for a trademark that they would like to use themselves or that an examiner has cited as being an obstacle to their application for registration. However, the Registrar has the right to commence these proceedings on its own initiative and the pilot project will make use of that right starting in early 2025. The Registrar will target 100 registered marks in January 2025 and 50 registrations in each of February and March.

In light of this pilot project, trademark owners should review their trademark portfolios and consider taking steps to address this increased risk of cancellation. Such steps could include putting recently registered marks into use earlier than planned and reinvigorating older marks that have fallen out of use but nonetheless remain core to a brand.

This Update reviews the proposed structure of the pilot project, including the procedural protocols that have been provided in the TMOB's proposed [practice notice](#).<sup>[2]</sup> Many elements of the proposed notice mirror the practices currently in effect for s. 45 proceedings, however, there are some unique and new aspects to Registrar-initiated proceedings. These include a preliminary review phase to be conducted by the Registrar prior to the submission of written representations and the introduction of adapted methods for obtaining discontinuances. Importantly, the practice notice also outlines the categories of marks that will form the selection pool for the new pilot project.

### What is a section 45 proceeding?

Section 45 of the Act provides an expeditious way to remove marks from the Register of

Trademarks that are no longer being used in association with the goods and services listed in the registration — often referred to as “dead wood”. These proceedings are summary in nature and are meant to strike a balance between the rights of registrants to continue enjoying their exclusive rights and not allowing registrants to monopolize marks that are not in use.

Any person (referred to as the “requesting party”) who pays the prescribed fee may file a written request asking the Registrar to forward a s. 45 notice to the owner of a trademark that has been registered for a period of three or more years. Once served with the notice, the owner of the registered trademark must file evidence within three months from the date of the notice showing use of their registered mark in Canada within the past three years or explain that there were special circumstances justifying the absence of use.

If the registered owner fails to meet their evidentiary burden, the Registrar may delete the registration as a whole, or direct deletion of the goods and services for which use has not been shown.<sup>[3]</sup>

## The announced pilot project

Under the announced pilot project, the Registrar will begin proactively sending s. 45 notices against selected trademark registrations.

The main goal of the pilot project is to provide the TMOB with insight into how many registrations are *actually* in use to ensure that the Register is accurate. This is a priority for the TMOB because it promotes the efficient use of resources, encourages fair competition and maintains the integrity of the system.

The pilot project will be completed in two phases.

In Phase 1, the Registrar will issue monthly batches of s. 45 notices against randomly selected registrations.<sup>[4]</sup> The number of monthly notices will be

1. 100 in January 2025
2. 50 in February 2025
3. 50 in March 2025

Data on Phase 1 will be publicly reported on a monthly basis. This data will include the disposition of Registrar-initiated proceedings, the proportion of registrations expunged due to failure to respond to a notice, the number of proceedings that are discontinued, and the number of registrations that are maintained.<sup>[5]</sup> This data will be compared to that collected for third-party proceedings over the same period.

In Phase 2, the TMOB will organize consultations to gather feedback on the pilot project, including whether it should continue.

It will be important for trademark owners to follow the progress of the project to stay informed on whether their registrations fall within a category that the Registrar intends to target moving forward. There may also be opportunities to participate in consultations and communicate any concerns with the project.

## Procedure for registrar-initiated expungement proceedings

The stages for a registrar-initiated proceeding are similar to those of a “normal” s. 45 proceeding. However, there are some differences that registered owners should be aware of. They include: the selection of registrations, the Registrar’s preliminary review process, and the Registrar’s inability to file written submissions or participate in any hearing in the capacity of a third-party.

Below is a high-level overview of the stages for a Registrar-initiated s. 45 proceeding. A proposed practice notice has been published that outlines the procedural aspects of the project in more detail.<sup>[6]</sup>

### Selection of registrations

The proposed notice states that registrations will be selected randomly for inclusion in the pilot project from the following categories<sup>[7]</sup>

1. registrations based on use in Canada
2. registrations based on proposed use in Canada for which a declaration of use was filed
3. registrations based on use and registration abroad
4. registrations with multiple (filing) bases
5. remaining registrations registered for more than three years

Once a registration has been randomly selected, the Registrar may decline to issue a s. 45 notice if it determines that there are good reasons not to do so.<sup>[8]</sup> This may be the case if<sup>[9]</sup>

- the mark is already the subject of an ongoing s. 45 proceeding or related appeal
- it is within three years of the date of the issuance of a previous s. 45 notice that resulted in a final decision being made with respect to the mark
- issuing a notice under s. 45 would be frivolous

### Evidence

Once the Registrar has determined that a mark will be included in the project, a notice will be sent to the registered owner’s address of record and a copy will be sent to any trademark agent of record in Canada.<sup>[10]</sup> It is crucial that registered owners take the time to review their information and notify the Registrar of any address changes.<sup>[11]</sup>

Evidence of use must be furnished within three months of the date that the notice was issued.<sup>[12]</sup> The TMOB’s [Guide to preparing an affidavit or a statutory declaration in section 45 proceedings](#) and [Sample affidavit for section 45 proceedings](#) may be of assistance to registered owners required to respond to a notice.

As in other expungement proceedings, a benchmark extension of two months is available for

the registered owner to furnish their evidence.<sup>[13]</sup>

## Registrar's review

The Registrar will form a preliminary view as to use upon receiving the owner's evidence.<sup>[14]</sup> If the Registrar is satisfied that use has been demonstrated, it will seek the owner's consent to discontinue the proceedings.<sup>[15]</sup> If, however, use has been demonstrated for only some of the goods and services, the owner will have the choice of submitting a request to delete the extraneous descriptions and consenting to a discontinuance, or continuing the proceedings.<sup>[16]</sup> Discontinuances will not be available for owners alleging special circumstances excusing non-use.<sup>[17]</sup>

## Written representations

If the proceedings are not discontinued, the registered owner may submit written representations within two months of the date that the notice was given.<sup>[18]</sup> Section 45 does not require owners to submit written representations, but the proposed practice notice encourages them to do so in cases with large numbers of goods and services or voluminous evidence.<sup>[19]</sup> The Registrar will not file written representations.

## Hearings

Hearings are only held in s. 45 proceedings if the owner makes a request within one month from the date that written representations are submitted (or one month from the date that the owner provides a statement that they do not wish to submit written representations).<sup>[20]</sup> Owners can expect to be notified of the detailed scheduling of their hearing approximately 90 days before it is to be held.<sup>[21]</sup> Once a final decision has been made, the owner will be provided with a copy. If no appeal is initiated, the Registrar will act in accordance with the decision.<sup>[22]</sup>

## Appeals

As with other s. 45 proceedings, the decision of the Registrar to maintain, expunge or amend the registration may be appealed to the Federal Court.<sup>[23]</sup>

## Conclusion

Owners of registered trademarks should be prepared for the possibility that their marks may be selected to be part of the TMOB's pilot project of Registrar-initiated section 45 proceedings starting in January 2025. The impact of the project will have cost consequences for owners, as they may — now at the hands of the Registrar (as opposed to third parties) — have to incur costs to defend a proceeding or risk losing a valuable intellectual property asset.

Although the project's initial scope is limited, it could be expanded if the TMOB deems it successful in improving the efficiency of trademark prosecution in Canada. As such, owners

of registered trademarks and their counsel should pay close attention as the pilot project proceeds.

For more information on how to best prepare for these changes and manage s. 45 proceedings, please contact a member of Osler's Intellectual Property Group.

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[1] Trademarks Opposition Board, "[Pilot project on the Registrar-initiated section 45 expungement proceeding](#)" (December 16, 2024) [*Pilot Project Announcement*].

[2] Trademarks Opposition Board, "[Practice notice concerning the pilot project on the Registrar-initiated section 45 expungement proceeding](#)" (December 12, 2024) [*Proposed Notice*].

[3] *Trademarks Act*, R.S.C., 1985, c. T-13 [*Trademarks Act*] at s. 45(3).

[4] *Pilot Project Announcement*.

[5] *Pilot Project Announcement*.

[6] *Proposed Notice*.

[7] *Proposed Notice*.

[8] *Proposed Notice*.

[9] *Proposed Notice*.

[10] *Proposed Notice*.

[11] *Trademarks Regulations*, SOR/2018-227 [*Trademarks Regulations*] at s. 6(2).

[12] *Trademarks Act* at s. 45(1).

[13] *Proposed Notice*.

[14] *Proposed Notice*.

[15] *Proposed Notice*.

[16] *Proposed Notice*.

[17] *Proposed Notice*.

[18] *Trademarks Regulations* at s. 73(2).

[19] *Proposed Notice*.

[20] *Trademark Regulations* at s. 74(2)(a).

[21] *Proposed Notice.*

[22] *Proposed Notice.*

[23] *Trademarks Act at s. 56(1).*