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Intellectual Property Marking Guide & Proper Trademark Use

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Proper Marking Critical to Fully Benefit from IP Rights

In Canada, the use of intellectual property notices is not mandatory and their omission will not wholly invalidate the owner's intellectual property rights. However, the proper and consistent use of such notices is an important means of protecting intellectual property rights at little cost.

These notices serve as a visual cue to others that intellectual property rights are claimed in the subject matter so marked. This often has the effect of discouraging competitors from infringing on those exclusive rights. At a minimum, it can prevent infringers from later claiming ignorance of a claim to such rights.

In certain circumstances, the failure to use intellectual property notices can compromise the owner's ability to fully recover losses arising from infringement. The use of false intellectual property notices can also lead to liability for criminal penalties in Canada as well as civil liability for damages in some jurisdictions.

Finally, the consequences for failing to use intellectual property notices and for using false notices varies from country to country. When doing business outside Canada, it is important to seek advice on the rules applicable in each jurisdiction.

With respect to trade-marks, it is also important to ensure that the marks themselves are used properly. For instance, using a

trade-mark as a common noun can lead to the invalidation of the mark and the loss of exclusive rights in it. We have therefore included a few pointers on the proper use of trade-marks.

Please note that this guide is intended to provide general information on the use of routine intellectual property notices and proper trademark use. It is not a substitute for legal advice. Specialist advice should be sought about any specific circumstances.

Questions and suggested improvements to this guide are welcome.

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Patents

In Canada, articles subject to an issued patent or a pending patent application may be marked with a patent notice. There is no officially sanctioned form of notice. However, it is common to mark the article as “patent”, or “patent pending” and to, optionally, include the Canadian patent number:

Canadian Patent 1,123,456 or CDN Pat ,123,456
for an article subject to an issued patent.

Canadian Patent Pending or CDN Pat Pending
for an article subject to a pending patent application.

Where possible, the patent notice should be marked on the article itself, its label or its packaging. A notice on brochures or other promotional literature may not be considered sufficient legal notice of the patent.

Notice of a pending patent application will have no immediate legal effect. But, after a patent is issued, the owner may seek an injunction to prevent further infringement as well as a retroactive award of “reasonable damages” for any infringement that occurred prior to issuance of the patent.

The false marking of articles as subject to an issued patent is considered an indictable criminal offence in Canada. If convicted, the responsible party or parties may be subject to:

- (a) a fine not exceeding two hundred dollars;
- (b) imprisonment for a term not exceeding three months; or
- (c) to both.

In other jurisdictions, the false marking of articles as subject to patent protection may lead to more severe consequences. In the US, such false marking may lead to civil liability requiring the payment of significant sums to both the government and private parties as damages. It is therefore prudent to review patent notices routinely to ensure that patent notices are promptly removed when patents expire or no longer apply. If marked articles may be sold in multiple jurisdictions, it may also be prudent to list by country each relevant pending or issued patent:

US Pat. 1,123,456; CDN Pat. Pending

This avoids the possibility that an article will be inadvertently marked with a false claim when made available in multiple jurisdictions.

Industrial Designs

In Canada, articles subject to a registered industrial design may be marked with an industrial design notice. A proper industrial design notice includes a capital “D” inside a circle and the name of the registered owner:

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The industrial design notice should be marked on the article itself, its label or its packaging. A notice on brochures or other promotional literature may not be considered sufficient legal notice of the registration.

In the absence of proper marking, the owner may be denied any monetary compensation for infringement that occurred before the infringer receives notice that the article is protected by an industrial design. In such circumstances, the owner may only be entitled only to an injunction to prevent further infringement and monetary compensation for any infringement that may have occurred after notice was delivered to the infringer.

In the United States, industrial designs are referred to as “design patents” and, by convention, are marked in a manner similar to patents. Design patents are distinguished from “utility” patents in that the assigned numbers for a design patent will always commence with the letter “D”:

US Pat.D654, 321 or US Patent D654, 321

Copyright

In Canada, literary, dramatic, musical and artistic works that are subject to copyright protection may be marked with a copyright notice. A proper copyright notice includes a capital “C” in a circle, the date of first publication and the name of the copyright owner:

© **2009 Ballagh & Edward LLP**

The copyright notice should be marked near the beginning of a work, usually on the first few pages or at the bottom of an artistic work next to the author’s signature.

When a work is marked with a proper copyright notice, there is no excuse for failing to contact the copyright owner to obtain permission before making copies. On the other hand, the absence of a proper copyright notice may lead to the courts to reduce the damages and/or costs awarded to the copyright owner for infringement.

Trademarks

Proper Notice

In Canada, a word, phrase or symbol used by a business to identify its products or services in the market may be marked with a trademark notice:

- ® is the proper notice or marking for *registered* trademarks.
- ™ is the proper notice or marking for *unregistered* trademarks.
- MC is the acronym for “marque de commerce” and is sometimes used to mark *unregistered* trademarks in Quebec and other jurisdictions where French is the dominant language.
- SM is sometimes used to mark *unregistered* trademarks used for services, especially in the US.

These marks should be placed adjacent to the mark and are often put in superscript form. Where possible, a legend should also appear elsewhere on the product packaging or promotional material identifying the owner of each of the marked trademarks, especially where the trademarks are used under license:

™ is a trademark of Ballagh & Edward LLP used under license by ABC Company

The ™ or ® symbol do not need to be repeated every time the mark appears on the same item. They need only appear in the first or most prominent mention of the mark. In reports and documents, the first appearance of the trademark should be accompanied by the ™ or ® symbols and a generic description of the related product or service.

For example:

“DELL® computers are sold online”.

Thereafter, the mark can be used in the same report or document without the ™ or ® symbols, but always with a generic description of the related product or service.

Omission of the ™ or ® symbol does not invalidate a trademark. However, it can be especially important to protect exclusive rights in words or phrases that may not be immediately understood as the exclusive trademark of one business. Registering trademarks is another means of giving notice to competitors of such claims and endowing trademark owners with additional powers to enforce their rights.

Proper Trademark Use

Proper use of a trademark is essential to ensure that the mark continues to have value in the marketplace and to qualify for legal protection. If a trademark is improperly used, it may be vulnerable to becoming a generic term like ESCALATOR. If consumers cannot rely on a mark to distinguish the goods and services of one competitor from another, the mark will not have value as a trademark and will not qualify for legal protection. To ensure that marks avoid the fate of ESCALATOR, proper and consistent use of trademarks is essential.

Use Trademarks as Adjectives Not Nouns or Verbs

A trademark is NOT the name of the related product or service. It is a brand name. Here are a few hints:

- do not use trademarks as nouns;
- do not use trademarks as verbs;
- do not use trademarks in a plural form;
- do use trademarks only in proper possessive form;
- do use trademarks in combination with a generic name for the related product or service.

Incorrect	Correct
OREOS	OREO cookies
Jack Daniels	Jack Daniel’s whiskey
Levi Jeans	Levi’s jeans
Xeroxing	copying on a Xerox copier
rollerblading	in-line skating on Rollerblade skates

A good test for correct usage is to remove the trademark from a sentence and see if the sentence still makes sense. If the sentence still makes sense, it is likely using the trademark in the correct manner. If the sentence does not make sense, it is likely using the trademark in an improper manner.

Incorrect	Correct
KLEENEX® are essential when you have a cold.	KLEENEX® tissues are essential when you have a cold.
BARBIES® are popular with young girls.	BARBIE® dolls are popular with young girls.

Highlight Trademarks

A trademark should be distinguished from surrounding text so that it is more conspicuous than the generic name of the product. This can be done by using all capital letters, initial caps, bold or italic font or by placing the trademark within “quotes”:

- BlackBerry smartphones
- “adidas” footwear
- APPLE computers
- iPod portable media players

Avoid Deviations

A trademark should always be used in a consistent form and spelling. By law, each deviation may be considered a new and different trademark. This includes consistent use of spaces, hyphens and other punctuations.

Incorrect	Correct
Map QUEST	MapQuest mapping service
Koo Do	Koodo cell phone service provider

In the long term, proper and consistent use of a trademark will increase its value as customers learn to rely on it to identify preferred products and services in the marketplace. Trademarks are all about protecting goodwill.

Exceeding the Standard™



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