

## **TRADEMARKS: Classifying Goods and Services to an International Standard**

In anticipation of Canada's formal adoption of several international treaties, the Canadian Intellectual Property Office has recently updated its infrastructure to facilitate the classification of goods and services for its trademark applications according to an international classification system defined by the Nice Agreement Concerning the International Classification of Goods or Services for the Purposed of the Registration of Marks (Nice Agreement).

### **Why?**

As part of major changes to the Canadian trademark system, Canada is expected to accede to the Nice Agreement in late 2016 or 2017. It is not yet mandatory to classify goods and services in Canadian trademark applications, but applicants may use this new infrastructure on a voluntary basis when filing new trademark applications or when pre-existing application are amended.

Once all the major changes to the *Trademarks Act* comes into force, all applicants will be required to class their goods or services according to the Nice classification system. By classifying them now, the trademark registration process, and subsequent renewal process, may be much quicker.

In addition, early adoption of the Nice classification system will make it easier to complete foreign trademark applications in future under the Madrid Protocol. The Madrid Protocol is governed by another international treaty to be implemented as part the changes the Canadian trademark system and will allow Canadian trademark applicants to register their marks in foreign countries with greater ease and simplicity. The classification of goods and services

according to the Nice Agreement is mandatory under this international treaty.

### **What is it?**

The Nice Agreement is an international treaty used to provide a standardized classification system for goods and services in trademark applications.

The Nice Classification establishes 34 classes of goods and 11 classes of services. Generally speaking, goods are classified according to their purpose or function, and by the material from which the good is made. For example, class 1 contains chemicals used in industry, science and photography, class 2 covers paints, varnishes and preservatives, and class 3 contains bleaching cleaning and polishing preparations. Distinction is also drawn between finished products and raw materials or partially processed goods.

There is the potential for considerable overlap between classes and trademark applicants may find that their product line spans multiple classes. For example clothing, footwear and headgear fall into class 25, while leather goods fall into class 18. Class 21 covers household or kitchen utensils and containers, but small appliance such as electric food processors are in class 7, while cooking utensils like electric kettles are in class 11.

Services are also grouped broadly. Advertising, business management, business administration and office functions are in class 35. Building, construction, repair and installation services of all types are in class 37. Insurance, financial affairs, monetary affairs and real estate all fall within class 36. Class 40 is a very broad class covering the treatment of materials.

If a business uses its trademark in association with both goods and services, its trademark will,

by necessity fall into at least two classes and perhaps several more. Consider a jewellery store. The retail sale of jewellery is a service within class 35. Jewelry appraisal is a financial service in class 36. Jewellery repair is a service in class 37 while the casting or manufacture of jewellery for others is a service in class 40. As goods, articles of jewellery fall under class 14 as goods made of precious metals.

### **How will this affect trademarks in Canada?**

There is no doubt that the Nice classification system can sometimes be cumbersome and counterintuitive in practice. Nevertheless, it is an international standard that brings order to the sometimes conflicting regulations, guidelines and practices of individual trademark offices located in different jurisdictions throughout the world.

In many jurisdictions, the trademark office charges a separate application fee for each class of goods or services associated with a single trademark. It is not yet known whether Canada will adopt such a practice in future. At present, applicants may include an unlimited number of classes in a single trademark application.

From a practical perspective, it is important to remember that the classification system is intended to be a convenient means of organizing the trademark register. The classes are not treated as watertight categories for the purposes of registration or enforcement. So, a proposed trademark for jewelry appraisal services may still be prohibited on the grounds that it is considered confusing with an existing trademark for jewelry repair services. The fact that the trademarks may be registered in different classes does not take away from the fact that they may be confusing if used in the same lines of trade.

Valerie Edward is a partner at Ballagh & Edward LLP in Hamilton, Ontario.

She can be reached at:

tel: 905.572.9300

e-mail: [valerie.edward@ballaghedward.ca](mailto:valerie.edward@ballaghedward.ca)

web site: [www.ballaghedward.ca](http://www.ballaghedward.ca)