

CIPO
CANADIAN INTELLECTUAL
PROPERTY OFFICE



OPIC
OFFICE DE LA PROPRIÉTÉ
INTELLECTUELLE DU CANADA

WHAT'S IN A NAME ?

USING
TRADE-M
MARKS
AS
A
BUSINESS
TOOL



Industry Canada
Industrie Canada

Canada

WHAT'S IN A NAME ?

STAND OUT IN THE CROWD

Success in the business world depends largely on the message you convey and the image you project, especially in today's competitive global marketplace. Even if you offer an excellent product or service, if people can't pick you out easily, they'll probably overlook your business in favour of one with a greater presence. Your trade-mark distinguishes your wares and services from those of your competitors, and helps to establish your identity in the marketplace.

It is a wise business decision to obtain legal proof of ownership. Ideally, to do this, you need a registration certificate from the Canadian Intellectual Property Office (CIPO).

CHECK IT OUT !

Every time you include your trade-mark on posters, boxes, packaging or in promotions, you are investing in it. Whether you are just starting out in business or are well established, it pays to know about trade-marks. Registering your mark is part of working strategically in today's fast-paced world.

KLEENEX, HEINZ, BELL CANADA and **BOMBARDIER**. These are recognized trade-marks that you would never think of using for your products or services because you would be infringing on them. There are, however, many other registered trade-marks you probably aren't aware of—in 1997-98 alone, CIPO registered 18,486 trade-marks.

The first step is to search the Canadian Trade-marks Database, available free of charge, on CIPO's Web site, to:

- find out if you are unknowingly using someone else's mark; and
- learn about your competitors and the wares and services they offer.

According to the International Trademark Association (U.S.), the average person sees or hears more than 1,500 trade-marks every day.

MY BUSINESS NAME AND MY TRADE-MARK—WHAT'S THE DIFFERENCE ?

A business name, trade name, company name or corporate name:

- is the name under which your company operates (the name you enter in the provincial and federal register and use for licences, taxes and other administrative activities);
- does not ensure that you own the name or that others cannot take it away from you at a later date.

A trade-mark is a word, symbol or design, or combination of these, used to distinguish the wares or services of one person or organization from those of others in the marketplace. Only registration of a trade-mark gives its owner exclusive rights of use under the Trade-marks Act—it is a legal title to protect your intellectual property.

FOR INSTANCE ...

You own a bakery and your business name is Pretty Bready Ltd.:

Example 1: People know your bread under the name Pretty Bready Ltd. because you use it as a trade-mark on or in association with your bread. You can, therefore, apply to register Pretty Bready Ltd. as a trade-mark.

Example 2: People know your bread under the name you have promoted—for example, “Freshy.” Even though your business name is Pretty Bready Ltd., no one associates it with your bread. Therefore, Pretty Bready Ltd. cannot be considered a trade-mark unless you begin to use it as one. You can, however, apply to register Freshy as a trade-mark.

You can do a preliminary search on the Internet using the Canadian Trade-marks Database at <http://cipo.gc.ca>. Find your competitors' trade-marks and learn a bit more about them.

PROTECT YOUR CORPORATE IDENTITY AGAINST FRAUD

Others may be tempted to copy or imitate the marks of successful competitors—this is called infringement. Outsmart them and protect yourself: register your

trade-mark ! A registered trade-mark can be a reassuring title of ownership in the event of a legal dispute. Even if your products or services are not yet on the market, you may file now based on future use.

*Thinking of exporting ?
If you plan to export your wares or services one day, make sure that the mark you plan to use is not already registered in the countries in which you plan to do business. In order to use this same mark in all markets, you must obtain protection in each of these countries.*

YOUR TRADE-MARK CAN BE A VALUABLE BUSINESS ASSET

Trade-marks have come to represent not only actual wares and services, but also the reputation of the business. Some companies spend millions of dollars nurturing their corporate identities.

Did you know that:

- companies like *Michelin*, *Levi Strauss* and *Intel* consider their trade-marks their most valuable assets ?¹
- the President of *Coca-Cola* stated that the corporation's buildings, machinery, equipment, vehicles and physical property could all be destroyed, but that the business would have no trouble getting back on its feet, provided the trade-mark survived ?²

REGISTERING A TRADE-MARK PAYS FOR ITSELF ...

Franchisees may pay large sums of money for the rights to use a name, a concept, or recipes—commonly referred to as “know-how.” Companies may buy other companies for their know-how, reputation, and name. “Big-name brands are in demand, and companies are willing to pay huge amounts for the instant recognition and market access they afford. [...] As the costs go up, so does the importance of protecting brand identity.”³ Intellectual property can be a highly valued asset for sale or purchase. In order for you to profit by selling your intellectual property, we recommend that you register it to prove that you are the owner. CIPO charges a modest fee for registering a trade-mark: \$350, which includes \$150 for filing and \$200 for registration. This gives you exclusive rights to use the mark across Canada for 15 years and can be renewed every 15 years thereafter upon payment of a renewal fee of \$300.

Numbers that speak for themselves ... In 1994, the following marks were valued (in U.S. dollars) at:

- COCA-COLA (35 billion)
- NESCAFÉ (11 billion)
- KODAK (10 billion)¹

TRADE-MARKS ARE MORE THAN SLOGANS AND LOGOS

You can consider registering:

- a phone number (for example, PIZZA PIZZA LIMITED's mark "737-1111"—registration TMA430827);
- a design (such as ADIDAS AG's three stripes used on its sports footwear—registration TMA161856);
- a mark which includes a colour (orange in HARVEY'S design mark—registration TMA154656); or
- an Internet address (such as the address ORCABAY.COM of SPORTCO INVESTMENTS, INC.—registration TMA486502)

Did you know that an Internet address can be very valuable? For example, the address www.internet.com was reportedly sold for over \$100,000 (US)!¹

AVOID HASSLES

If someone registers a trade-mark that is the same as the unregistered one you are using, you could end up in court wasting time, energy and money on legal disputes instead of doing business.

NEED MORE DETAILS ?

To consult the *Trade-marks Guide*, find out how to register a mark, conduct a preliminary search or obtain statistics from CIPO's annual report, explore our Web site (part of Strategis—Industry Canada's business site) at <http://cipo.gc.ca>. To speak with an officer, call (819) 997-1936 or e-mail cipo.contact@ic.gc.ca.

1 *Financial World*, August 2, 1994

2 Jean-Pierre de Chalain, *The South African Institute of Intellectual Property Law*, Newsletter No. 53, December 1995

3 John Schofield, "Brave New Brands," *Maclean's*, May 18, 1998

4 Bayo Odutola, *Trademark World*, April 1998

INDUSTRY CANADA / INDUSTRIE CANADA



211327

(000572-11-98)