
21ST ANNUAL CHURCH & CHARITY LAW SEMINAR

Mississauga – November 13, 2014

Enhancing Your Charity Brand: Why it Matters?

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A. DOES YOUR CHARITY HAVE A BRAND TO ENHANCE?

1. What is a Brand?

- One of your organization's most important assets
- Your brand is what an individual first thinks when he or she hears your brand name – your brand is your way of saying, "You can trust us."
- A brand is most often communicated through visual identifiers including your name, logo, tagline or slogan, being associated with a product or service

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2. Beware of the Accidental Brand

- There is no such thing as an unbranded or "no name" organization
 - Some organizations proactively develop and manage their brands
 - Many organizations allow the marketplace to define their brand for them



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3. Why Does a Brand Matter for Charities?

- The business purposes of branding are equally applicable to the charitable sector
 - To identify the charity as a provider of goods and services
 - To distinguish one charity from another
 - To increase goodwill, trust and donor base
 - To create equity and brand value, which can lead to lucrative licensing opportunities



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4. What does a Successful Brand Achieve?

- Sets an organization apart from others
- Creates a personal experience for those who interact with it
 - Contributes to their hopes, their personal identity
 - Enables fulfillment in their lives
- Is relevant, sustainable and consistent and linked to your mission
- Catches individuals' curiosity



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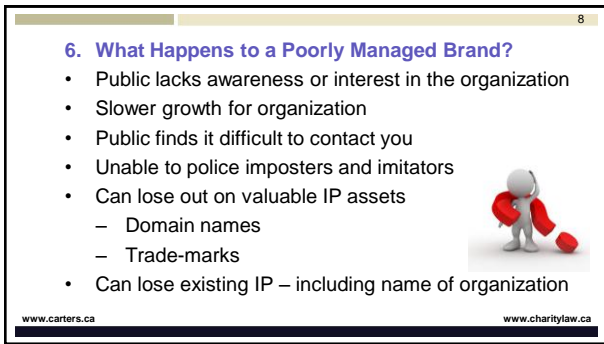
5. Why is a Successful Brand Important?

- A brand is the single most evident expression of an organization's strategy
 - Helps to get your message heard
 - It allows you to stick out in a noisy market
- Helps to build and maintain important strong relationships
- Motivates donors, volunteers, employees and board members to increase their commitment



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8. What is a Trade-mark?

- A trade-mark is any mark used for the purpose of distinguishing wares (products) and services and distinguishes it from others in the marketplace
- Indicates the source or origin of wares and services
- Assures the public of the quality of wares and services
- Creates goodwill and brand awareness




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8. What is a Trade-mark? (Con't)

- Trade-marks can consist of
 - A single word, "Apple"
 - A combination of words, "Red Cross"
 - A logo or symbol, the Nike "swish"
 - A slogan, "I'm Lovin' it" or "What can brown do for you"
 - A sound "NBC chimes"



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9. Examples of Trade-marks for Charities and NFP's

- Trade-marks are not only for businesses. Trade-marks are also used in the non-profit sector, for example:
 - Corporate names: "Heart and Stroke Foundation of Canada"
 - Operating names: "Heart and Stroke Foundation"
 - Logos: yellow daffodil
 - Acronym: UNICEF
 - Slogans: "No child too far"
- Most likely, examples would also include your organization's name, logos and slogans



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10. What is the Legal Impact of Trade-marks?

- Your brand and identity are subject to trade-mark law
- Therefore, a charity, like any other business that has trade-marks, has legal rights which enable it to prevent others from infringing its trade-marks
- Accordingly, a charity that is using a trade-mark is also subject to the legal rights of other organizations which would allow them to prevent the charity from infringing on their trade-mark



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11. Infringement and Confusion


- The key question to determine if there is a possible infringement is whether a trade-mark is causing or is likely to cause confusion with an existing trade-mark
- A trade-mark is not confusing if it distinguishes one's wares or services from another's
- A trade-mark causes confusion with another trade-mark if a consumer who sees both trade-marks would infer that the source of the wares or services associated with those trade-marks is the same

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12. How to Avoid Infringement and Confusion?

- Legally protect your trade-mark with registration
- Choose a unique mark
 - The more distinctive the mark, the greater its level of protection
 - Ensure the mark and branding is available
 - Do this through trade-mark searches
 - A trade-mark is not available if it is confusingly similar or descriptive




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B. ENHANCING YOUR BRAND & TRADE-MARKS

- How do we protect and enhance our trade-marks?
 - Search
 - Register
 - Control




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C. THE SEARCH

What is the Purpose and Importance of a Search?

- Search for registered trade-marks or other possible obstacles to the registration of your trade-mark
- Discover possible infringement of your trade-mark by another organization
- Determine availability and discover whether there are users of marks similar to or confusing with yours who have prior rights



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D. REGISTER YOUR TRADE-MARKS

1. Registered vs. Common Law Protection

- When you use a mark in the marketplace you accrue *common law* or unregistered trade-mark rights
- Registration is the confirmation of common law rights acquired through use
- Sometimes referred to as “perfecting” rights or “crystallization” of rights
- Registration exists because of the *Trade-marks Act*
- The Act affirms the common law right and provides for enhanced rights for registered marks

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2. If Common Law Rights Exist, Why Register?

- Registering a trade-mark maximizes protection
- The scope of protection for common law or unregistered marks is restricted to the geographic area and to the actual use of the mark, whereas the registration is effective throughout Canada
- You have to show extensive use, reputation and goodwill in the mark to rely on these rights – there is no presumption of ownership
- There are several other advantages to registration...

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3. The Advantages of Trade-mark Registration

- Trade-mark registration provides a presumption of validity and ownership
- Trade-mark registration provides the exclusive right to use the trade-mark with respect to its goods or services
- The registration gives public notice of the trade-mark
 - Another organization that later adopts a confusingly similar mark cannot claim ignorance
 - ® alerts others to your registration
 - Search reports reveal the mark




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4. The Race to Register

- The first user is technically entitled, but the first party to file gains a significant advantage in securing rights
- The first person to register may effectively “usurp” the rights of the first user
- Once registered, can only attack validity in Federal Court which is a lengthy and very costly process
- After five years of registration, must prove registrant had knowledge of your earlier use (bad faith requirement) to challenge the mark



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5. Consequences of Failure to Register

- Apple iPad in China
 - Apple paid \$60 million for the mark
- *Masterpiece Inc. v. Alavida Lifestyles Inc.*
 - Alavida registered first
 - Masterpiece attempted to register its mark that it had been using prior to Alavida’s use but was blocked by Alavida’s registration
 - Masterpiece lost at the Federal Court and the Federal Court of Appeal and finally won at the SCC



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6. How do We Enhance our Brand & Trade-marks?

- Search
 - Searching early allows you to avoid encroaching on others’ rights and determine who is potentially encroaching on your pre-existing rights
- Register
 - Registering immediately allows you to protect against later users or “usurping” registrants
- Control
 - Use it or lose it
 - Failure to control now could mean loss of rights later



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E. CONTROLLING TRADE-MARK USE


- By the Owner
 - Use it or Lose it – and use it consistently
 - Ensure proper monitoring and enforcement
- By third parties 
CANADIAN BREAST CANCER FOUNDATION
 - License must be granted to third parties using the mark that shows control over use of the mark
 - Especially important when setting up local/regional chapters or allowing others to use a mark in conjunction with an event held by others or when entering a sponsorship arrangement

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F. OTHER CONSIDERATIONS

1. Amendments to the *Trade-marks Act*


- Changes to the Trade-marks Act received royal assent in June, but coming-into-force date has yet to be determined Corporate name
- Some changes include: 
 - Registration without use
 - Distinctiveness will be included in examination
 - Nice classification system will be implemented
 - 3D shape, mode of packaging, sound, scent, taste, texture included as trade-marks

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2. Practical Considerations: What should you do now?


- As Canada will implement the Madrid Protocol and adopt the goods and services classification system under the *Nice Agreement*, filing fees, per class, will likely be implemented
 - You may wish to consider filing in Canada now, while the filing fees remain modest *and there is no fee per class*, since there is no guarantee that the new fee system will be cost effective
 - File for “wish list” of goods and services



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- Renewal terms will change from 15 to 10 years
 - If you have marks up for renewal, renew them now
- The Trade-marks office will be able to refuse applications for lack of distinctiveness
 - There may be considerable cost in preparing evidence to demonstrate distinctiveness, consideration might be given to filing non-traditional marks now



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- Use will no longer be required before registration
 - **The main consideration for you** at this time is to file a broad ranging proposed use application (before filing fees per class are implemented!) to secure a filing date – likely once the application is allowed, there will be no need to file a declaration of use
 - Given that use will not be required, ensure all existing common law marks will not be poached and file now
 - Since the cost of registration is substantially less than opposition/cancellation, register as soon as possible

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3. Take a Portfolio Management Approach

- Ensure parallel registrations are also secured
 - Corporate name
 - Operating names
 - Domain Names
 - Official Marks and Registered Trade-marks
- Ensure the charity owns copyright in design marks
- Register in all applicable jurisdictions




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4. International Considerations

- Trade-marks are governed independently by every country
- International treaties to promote consistency
- Registration in Canada only protects the mark in Canada
- Co-ordinate launch of a new brand in order to maintain control at early stages
- 6-month priority period allows you to claim filing date of first trade-mark application for subsequent foreign applications




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5. Trade-marks and Domain Names

- Trade-mark registration can also assist in protecting a domain name on the internet from cyber squatting
- But domain names are registered on a first-come first-served basis, and many parties may have a legitimate interest in the same domain name
- Trade-mark will not always trump an infringing domain name registration
- Be proactive and register domain names as early as possible



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CONCLUDING REMARKS

In Summary, Enhancing Your Brand Matters...

- Trade-marks and brands resonate with customers
- They reduce marketplace confusion and help to distinguish products
- They are economically efficient communication tools and transcend language and borders
- They are a piece of property that can be bought, sold or licensed
- In order to enhance your brand – Search, Register, Control

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