

Federal Court



Cour fédérale

Date: 20151106

Docket: T-2036-14

Citation: 2015 FC 1259

Ottawa, Ontario, November 6, 2015

PRESENT: The Honourable Madam Justice Heneghan

BETWEEN:

SUPERSHUTTLE INTERNATIONAL, INC.

Applicant

and

FETHERSTONHAUGH & CO.

Respondent

JUDGMENT AND REASONS

I. INTRODUCTION

[1] Supershuttle International, Inc. (the “Applicant”) appeals from a decision of Hearing Officer Andrew Bene (the “Officer”) of the Trade-marks Opposition Board (the “Board”) on behalf of the Registrar of Trade-marks (the “Registrar”), dated July 30, 2014.

II. BACKGROUND

[2] The Applicant is a body corporate. It provides ground transportation services to and from airports in various cities outside Canada. Through its website, “www.supershuttle.com”, individuals in Canada can make reservations and purchase tickets to use these shuttle services which are provided outside the country.

[3] On March 14, 1995, the Applicant applied to register the trade-mark SUPERSHUTTLE (the “Mark”), based on proposed use in Canada, as well as upon foreign use and registration in the United States of America, in association with the services “Airport passenger ground transportation services”.

[4] The Registrar first rejected the application on the ground that the Mark was clearly descriptive or deceptively misdescriptive. That decision was reversed on appeal in *Supershuttle International, Inc. v. Canada (Registrar of Trade-marks)* (2002), 218 F.T.R. 306, when the Court ordered that the Mark should proceed to publication. After a declaration of use was filed on November 21, 2003, the Mark was registered on December 15, 2003, as TMA597571.

[5] On February 14, 2012, at the request of Fetherstonhaugh & Co. (the “Respondent”), the Registrar issued a notice under section 45 of the *Trade-marks Act*, R.S.C., 1985, c. T-13 (the “Act”), requiring the Applicant to file evidence demonstrating use of the Mark in Canada at any time within the three-year period preceding the date of the notice.

[6] In his decision, the Officer concluded that the Applicant had not utilized the Mark in Canada with the registered services, within the meaning of sections 4 and 45 of the Act. The Officer was not satisfied that the Applicant performed the registered “airport passenger ground transportation services” in Canada and consequently decided that the Mark should be expunged from the trademarks register.

[7] The Officer outlined that the Applicant was required to show use of the Mark in association with the services specified in the registration, that is “airport passenger ground transportation services”, between February 14, 2009 and February 14, 2012 while the threshold in a section 45 proceeding is relatively low, the Officer noted that sufficient facts must be presented to show use in Canada, with the registered services.

[8] In response to the section 45 notice, the Applicant submitted the affidavit of Ms. Judy Robinson, Vice-President of Regulatory Affairs, sworn August 10, 2012. For the purposes of the present application for judicial review, the relevant parts of Ms. Robertson’s affidavit established the following:

- Supershuttle provides approximately 8 million airline passengers worldwide with ground transportation to and from airports in the United States and France;
- Supershuttle did not operate vans in Canada during the relevant period;
- Approximately 1,200 vans in the United States display the Mark;

- Approximately 19 million Canadians visited Supershuttle’s website during the relevant period;
- At least 61,000 Canadians made reservations for transportation services during the relevant period;
- Canadian tour operators utilize Supershuttle as part of their tour packages offered to Canadians by providing over pre-paid vouchers to over 10,000 individuals; and
- Supershuttle’s service was advertised in US Airways magazine, and on the travel websites Expedia and Orbitz.

[9] On the basis of Ms. Robinson’s evidence, the Officer concluded that the Applicant did not have “wheels on the ground” in Canada during the relevant period. However, the service was advertised in Canada and used by Canadians. The question for the Officer was whether this was sufficient to constitute use of the Mark within the meaning of sections 4 and 45 of the Act.

[10] The Officer, relying on Federal Court jurisprudence, found that advertising in Canada without a service being available for performance in Canada was insufficient to demonstrate use. The Applicant did not operate airport shuttle vans in Canada during the relevant period and argued that the Hearing Officer should give a broad interpretation to “airport passenger ground transportation services” and accept that the registered service should include “airport passenger

ground transportation reservations and ticketing services”, since Canadians have the ability to make reservations.

[11] The Officer rejected this argument and the Applicant’s reliance on *Venice Simplon-Orient-Express Inc. v. Société Nationale des Chemins de Fer Français SNCF* (2000), 9 C.P.R. (4th) 443.

[12] In *Orient Express, supra*, Justice McEwan dismissed an appeal of the Registrar where it was found that “travel services, namely railway passenger services” encompassed services such as “train ticketing and to train reservations”. The Officer was not persuaded that *Orient Express* overturned *Marineland Inc. v. Marine Wonderland & Animal Park Ltd.*, [1974] 2 F.C. 558 and *Motel 6, Inc. v. No. 6 Motel Limited*, (1982) 127 D.L.R. (3d) 267, with respect to performance of services in Canada. He expressed the view that in *Orient Express*, the Court simply upheld the Registrar’s conclusion of a particular description of services in the context of specific evidence of use, as reasonable.

[13] The Officer quoted from the decision in *Motel 6, supra* at page 278 that “... receiving and confirming reservations for motel accommodation in the U.S.A. does not constitute use of the mark in Canada in association with motel services” as being consistent with the concept of “use” in Canadian trade-mark law.

[14] The Officer distinguished *Orient Express, supra* finding that, in that case, the registered services began with the broad “travel services”. Since the Applicant in this case did not operate

an “airplane transportation passenger ground transportation” service in Canada and only allowed Canadians to book that service, the registered service was not performed in Canada. The Officer did not regard airport shuttle transportation services as analogous to retail store services, the latter being a service that an individual can use without leaving his or her home.

[15] Since “reservation services” were not the registered services, the Officer concluded that the Mark should not be maintained by virtue of the reservations services actually being available in Canada. While the Mark may have been advertised and known in Canada, this did not constitute use of the Mark in Canada with respect to the registered services; the Applicant did not offer ground transportation services in Canada.

[16] In light of this analysis and pursuant to section 63(3) of the Act, the Officer concluded the Mark’s registration should be expunged.

III. DISCUSSION AND DISPOSITION

[17] The Applicant raises two issues. First, did the Officer err by interpreting the meaning of “use”, pursuant to section 4 of the Act such that the Applicant’s activities in Canada during the relevant period, February 14, 2009 through February 14, 2012, did not constitute use of the Mark with the services covered by the registration. Second, is a trademark “used” in Canada with a service if an essential step in the performance of the service, including the provision of a benefit to consumers, happens in Canada.

[18] The Respondent frames the issue by reference to the standard of review and submits that if the correct standard of review was applied, the Officer's decision should not be disturbed.

[19] The Applicant submits that the question whether a trademark is "used" in Canada with a service, is an essential step in the delivery of the service occurs in Canada, is a question of law that can be separated from the facts of this case and is therefore, reviewable on the standard of correctness. The Applicant relies on the decisions in *Suzuki Motor Corp. v. Hayabusa Fightwear Inc.* (2014), 122 C.P.R. (4th) 1 at paragraphs 25 and 39; *Canadian Council of Professional Engineers v. REM Chemicals Inc.* (2014), 125 C.P.R. (4th) 245 at paragraph 22 and *Ministry of Commerce, Industry & Tourism (Republic of Cyprus) v. Producteurs Laitiers du Canada et al.* (2010), 393 F.T.R. 1 at paragraph 29.

[20] Alternatively, the Applicant argues that if the standard is reasonableness, the decision is unreasonable.

[21] For its part, the Respondent submits that the jurisprudence had established that, absent new evidence on appeal, the standard of review from a decision of the Registrar is reasonableness. It argues that this is the appropriate standard in light of the Registrar's expertise in determining "use" of a trademark in section 45 proceedings and the fact that this application raises a question of mixed fact and law. The Respondent relies on the decisions in *Molson Breweries v. John Labatt Ltd. (C.A.)*, [2000] 3 F.C.R. 145 at paragraph 51; *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772 at paragraph 40; *Rogers Communications Inc. v. Society of Composers, Authors and Music Publishers of Canada*, [2012] 2 S.C.R. 283 at

paragraph 71; *Alliance Laundry Systems LLC v. Whirlpool Canada LP* (2014), 129 C.P.R. (4th) 416 at paragraph 13; and *Spirits International B.V. v. BCF S.E.N.C.R.L. et al.* (2012), 432 N.R. 319 at paragraph 10.

[22] It is well established that the standard of review of an appeal pursuant to section 56 of the Act, where no new evidence is filed, is reasonableness. I refer to the decisions in *Gouverneur Inc. v. The One Group LLC*, 2015 FC 128 at para 18; *Ridout & Maybee LLP v. HJ Heinz Co. Australia Ltd.* (2014), 454 F.T.R. 135 at paragraphs 27-28; and *Alliance Laundry, supra* at paragraph 13.

[23] In *Dunsmuir v. New Brunswick*, [2008] 1 S.C.R. 190 the Court discussed the concept of reasonableness and said the following at paragraph 47:

... In judicial review, reasonableness is concerned mostly with the existence of justification, transparency and intelligibility within the decision-making process. But it is also concerned with whether the decision falls within a range of possible, acceptable outcomes which are defensible in respect of the facts and law.

[24] Further, the Court described deference at paragraph 48 as follows:

... Deference is both an attitude of the court and a requirement of the law of judicial review. It does not mean that courts are subservient to the determinations of decision makers, or that courts must show blind reverence to their interpretations, or that they may be content to pay lip service to the concept of reasonableness review while in fact imposing their own view. Rather, deference imports respect for the decision-making process of adjudicative bodies with regard to both the facts and the law.

[25] In my opinion, the Officer's review of the evidence of "use", his interpretation of the services covered by the registration and the application of the facts to the law to decide whether the mark was "used" in Canada in association with the registered services, are all entitled to deference. The issues in a section 45 proceedings, including "use" pursuant to section 4(2), are well within the expertise of the Officer.

[26] The Applicant submits that by performing reservation and booking services in Canada, the Mark was "used" in Canada. It points out that the Mark was displayed on its website when Canadians reserved airport transportation services in the United States and Europe. In its view, advance reservations provide a benefit to Canadian consumers and are an essential aspect of the services that it offers.

[27] In light of the conclusion in *Orient Express, supra*, that booking and reservation services performed in Canada for trains operating in Europe constitute a performance of "travel services, namely railway and passenger service" in Canada, the Applicant argues it was an error for the Officer to conclude its Mark was not used in Canada for "airport passenger ground transportation services". As well, the Applicant refers to the Registrar's decision in *Advantage Car & Truck Rentals v. Advantage Rent-A-Car, Inc.* (2003), 27 C.P.R. (4th) 342 at 345 (TMOB) where the Court's decision in *Orient Express, supra* was cited and marks relating to rental car operations exclusively in the United States were found to be used in Canada with "automobile rental service and automobile leasing services".

[28] The Applicant also argues that the Officer erroneously interpreted the Mark's services narrowly and required the presence of airport shuttles in Canada. It submits that the Officer ignored jurisprudence that states "services" should be given a liberal interpretation and a service only requires that Canadian consumers receive a benefit from an activity. This activity may be ancillary to the registered services.

[29] The Applicant contends that since the purpose of section 45 proceedings is to remove "deadwood" from the register and the Mark was not deadwood, the narrow interpretation of the services led to an unreasonable result.

[30] Finally, the Applicant submits that the Officer erred by relying on *Motel 6, supra* and submits that the case is distinguishable. It notes that the Officer abbreviated the quotation to remove important context regarding the nature of the reservation being by telephone in that case. As well, the owner of the mark in that case had no agents or place of business in Canada, nor any reservation facilities or services; customers were required to write or call the specific Motel 6 location for a reservation. It also argues that the plaintiff, in that case, sought to expunge the mark based on prior rights, rather than pursuant to a section 45 proceeding where the only issue is whether the mark is "deadwood".

[31] The Applicant submits that unlike *Motel 6, supra* its method of reservations involves Canadian customers viewing the Mark, in Canada, on its website.

[32] The Respondent argues that the decision meets the standard of reasonableness, that it is transparent, intelligible and within defensible outcomes in respect of the facts and the law. In its view, the Officer did not err in his detailed analysis of the jurisprudence and conclusion that Canadians cannot enjoy ground transportation services without leaving Canada. Further, it submits that the Applicant has not met its burden to overturn the decision under any standard of review, including correctness.

[33] The Respondent argues that the decision in *Orient Express, supra* did not address an inextricable question of law but was decided on the specific facts of that section 45 proceeding. Further, it points to the differences between the services at issue in that case, that is “travel services, namely railway passenger services” and the services involved in the present case, that is “airport passenger ground transportation services”. The present services do not just say “airport passenger services” but include “ground transportation”.

[34] The Respondent further submits that despite *dicta* from this Court in *Kraft Ltd. v. Registrar of Trade Marks* (1984), 1 C.P.R. (3d) 457 (F.C.T.D) suggesting that there is no distinction between primary, incidental or ancillary services, that case did not address a trademark that will be used in services ancillary or incidental to the services described, where those services are not offered in Canada.

[35] The Respondent further argues that the decisions which discuss the ancillary services principle, including *Kraft, Orient Express* and *TSA Stores, Inc. v. Canada (Registrar of Trade-*

Marks) (2011), 91 C.P.R. (4th) 324 at paragraph 17, were expressly and reasonably addressed by the Officer.

[36] In the present case, the Respondent notes the lack of evidence about marketing or advertising directly to Canadians, and the absence of any real activity in Canada beyond the acceptance of reservations for services provided elsewhere. It submits that that upon the evidence presented, the Officer reasonably concluded that the services must be available in Canada.

[37] Recently, in *Alliance Laundry, supra*, Justice Bédard reviewed the applicable principles involved in a section 45 proceedings and an appeal from such a decision. Section 45 proceedings are summary and administrative in nature, meant to clear “deadwood” from the register in an efficient manner; see the decision in *Philip Morris Inc. v. Imperial Tobacco Ltd. et al.* (1987), 13 C.P.R. (3d) 289 at 293 (F.C.T.D.).

[38] A registrant does not carry a heavy burden in such proceedings and an affidavit that provides sufficient evidence will usually meet the evidentiary requirement of use during the three-year period at issue; see the decisions in *Phillip Morris, supra* and *HJ Heinz, supra*.

[39] Section 45 requires a registrant to demonstrate use of a trademark in Canada, at any time during the three years preceding the date of the notice, with respect to each of the goods or services specified in the registration. As “services” are not defined in the Act, generally, they are to be given a liberal interpretation and there is to be no distinction between primary, incidental or ancillary services so long as Canadians receive a benefit from the activity; see the decision in

TSA Stores, supra at paras 16-17. At the same time, however, that liberal interpretation is not unlimited.

[40] While the observation of a trademark by individuals on computers in Canada may demonstrate use of a mark, the registered services must still be offered in Canada; *UNICAST SA v. South Asian Broadcasting Corporation Inc.*, 2014 FC 295 at paragraphs 44-48; *Express File Inc. v. HRB Royalty Inc.*(2005), 39 C.P.R. (4th) 59 at paragraph 20.

[41] Most importantly, as stated by the Court in *Express File, supra* at paragraph 23, “it is well recognized that the use of a trade-mark in relation with the service must be decided on a case-by-case basis.”

[42] As noted above, the reasonableness standard requires that a decision meet the norms of transparency, justification and intelligibility. These elements are to be measured against the evidence submitted and the applicable legal tests and jurisprudence.

[43] A decision is not unreasonable just because there may be another outcome was available; I refer to the decision in *Khosa v. Canada (Minister of Citizenship & Immigration)*, [2009] 1 S.C.R. 339 where the Supreme Court of Canada said the following at paragraph 59:

... Reviewing courts cannot substitute their own appreciation of the appropriate solution, but must rather determine if the outcome falls within “a range of possible, acceptable outcomes which are defensible in respect of the facts and law” (*Dunsmuir*, at para. 47). There might be more than one reasonable outcome. However, as long as the process and the outcome fit comfortably with the principles of justification, transparency and intelligibility, it is not

open to a reviewing court to substitute its own view of a preferable outcome.

[44] In my opinion, the conclusion of the Officer was reasonable, in light of the evidence before him. He applied the relevant jurisprudence. There is no basis for judicial intervention. This appeal is dismissed with costs to the Respondent.

JUDGMENT

THIS COURT'S JUDGMENT is that this appeal is dismissed with costs to the Respondent.

"E. Heneghan"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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