

Federal Court



Cour fédérale

**Date: 20180907**

**Docket: T-515-17**

**Citation: 2018 FC 895**

**Ottawa, Ontario, September 7, 2018**

**PRESENT: The Honourable Mr. Justice Pentney**

**BETWEEN:**

**HILTON WORLDWIDE HOLDING LLP**

**Applicant**

**and**

**MILLER THOMSON**

**Respondent**

**JUDGMENT AND REASONS**

[1] Hilton Worldwide Holding LLP appeals from the decision of the Registrar of Trademarks, which directs that Hilton’s registration for the trademark WALDORF-ASTORIA should be expunged from the register. The core question raised in this appeal is whether Hilton can establish that it used the trademark in association with “hotel services”, under the *Trade-Mark Act*, RSC 1985, c T-13 [the *Act*], despite the fact that there was no “bricks and mortar” hotel under the name Waldorf-Astoria in Canada during the relevant period.

[2] For the reasons that follow, I am allowing this appeal.

## I. Background

[3] At the request of Miller Thomson LLP, on October 23, 2014, the Registrar of Trade-marks issued a notice under s. 45 of the *Act* to Hilton Worldwide Holding LLP, the registered owner of the trademark WALDORF-ASTORIA (Registration No. TMA 337,529). This notice required Hilton to demonstrate its use of the mark at any time within the three-year period immediately preceding the issuance of the notice, that is October 23, 2011 to October 23, 2014. If such use was not demonstrated, Hilton had to demonstrate the date it was last in use and the reason for non-use since that date. During the relevant three-year period, the registration was owned by Hilton IP LLC; it was assigned to Hilton Worldwide Holding LLP on November 13, 2014. Nothing turns on this in this appeal.

[4] The trademark WALDORF-ASTORIA is registered for use in association with “hotel services”. Hilton claimed to have used the mark in association with hotel services in Canada since at least 1988. As will be explained more fully below, Hilton filed evidence before the Registrar both as to its use of the mark, and as to its plans for the construction of a Waldorf-Astoria hotel in Montreal, as well as the reasons why that hotel was not built. The Registrar rejected Hilton’s claim, essentially based on the reasoning in a very recent decision of the Registrar in a case involving use of a mark in association with “hotel services and hotel reservation services”: *Stikeman Elliott LLP v Millennium & Copthorne International Limited*, 2015 TMOB 231 [*M Hotel*]. In that case, there was no “M Hotel” located in Canada during the relevant period, and the Registrar had concluded that the registration for “hotel services” should be expunged because the owner of the mark had not established that it performed or was able to

perform hotel services in Canada during that time-frame. The Registrar maintained the registration for “hotel reservation services”.

[5] Applying this analysis to the present case, the Registrar ruled that the absence of a Waldorf-Astoria hotel in Canada was fatal to Hilton’s claim that it had used the trademark for “hotel services” in Canada during the relevant period, because the Registrar found that use of the trademark for such services required a physical location in Canada. Hilton’s operation of an interactive web site, its worldwide registration service, the discounts offered to customers who pre-paid for rooms, the offer of Hilton rewards points to members of its loyalty program, and the various communications to customers in Canada displaying the trademark, were not found to be sufficient to meet the definition of use under the *Act* in association with “hotel services”.

[6] The Registrar also rejected Hilton’s argument that special circumstances existed to excuse non-use of the mark during the relevant period, as permitted by s. 45(3) of the *Act*. Hilton had entered into an agreement to build a Waldorf-Astoria hotel in Montreal, but this did not materialize due to the economic downturn in 2008. The Registrar found that this did not constitute the type of special circumstance required by the case law and, in any event, Hilton had not demonstrated why it had not built or operated a Waldorf-Astoria hotel in Canada at any time since 1988, when its trademark was registered.

[7] Therefore, the Registrar ordered that the trademark should be expunged from the registry. Hilton launched the present appeal from this decision and filed new evidence in support of its position.

II. Issues

[8] There are four issues in this appeal:

- A. What is the appropriate standard of review, in light of the new evidence filed on the appeal?
- B. Is the decision of the Registrar that Hilton cannot establish use of its trademark without a “bricks and mortar” hotel in Canada either correct, or reasonable (depending on the resolution of issue A above)?
- C. Is the decision of the Registrar that Hilton did not establish a valid reason for not using the mark reasonable (since there was no new evidence submitted on this point)?
- D. In the alternative, should the Court issue an order pursuant to s. 57(1) of the *Act*, amending the statement of services in the registration from “hotel services” to “hotel services, namely hotel reservation services”?

III. Analysis

A. *What is the appropriate standard of review on this appeal?*

[9] The standard of review on an appeal under s. 56 of the *Act* reflects the somewhat unusual nature of this appeal provision. Unlike many appeal provisions, s. 56(5) expressly allows new evidence to be filed on appeal:

**Additional evidence**

(5) On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested

**Preuve additionnelle**

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

in the Registrar.

[10] The standard of review where new evidence is filed in an appeal of a decision in relation to a s. 45 notice was set out by the Federal Court of Appeal in *Spirits International BV v BCF SENCR*, 2012 FCA 131 [*Spirits International*]:

[10] The standard of review to be applied by the Federal Court to the Registrar's findings of fact and exercise of discretion in an appeal of a decision under subsection 45(1) is reasonableness. However, if the judge concludes that the additional evidence presented on the appeal would have materially affected the Registrar's findings of fact or exercise of discretion, the judge must come to his own conclusion on the issue to which the additional evidence relates: *Molson Breweries v. John Labatt Ltd.* (C.A.), [2000] 3 F.C.R. 145 at paragraph 51.

[11] The law requires an assessment of whether the evidence which is filed on the appeal is: (i) new, in that it adds relevant additional information beyond that which was before the Registrar; (ii) probative and reliable, in that it addresses an issue relevant to the legal issues in dispute and is otherwise reliable given the usual legal tests; and (iii) whether it would have materially affected the Registrar's findings of fact or exercise of discretion, in the sense that, based on the new evidence, the Registrar could reasonably have decided that the subject mark should not be expunged.

[12] To the extent that this new evidence meets this test, I must consider the evidence filed before the Registrar as well as the new evidence, in order to reach my own conclusions. For findings of fact or issues not affected by the new evidence, a reasonableness standard applies.

[13] In order to determine whether the new evidence would have materially affected the Registrar's decision, the Court must assess the quality, not the quantity, of the evidence –

considering its nature, significance, probative value, and reliability – to determine whether the evidence adds something of significance *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 37 [*Mattel*].

[14] In approaching this task, I am guided by the long-standing principle that the purpose of s. 45 of the *Act* is to provide a simple, summary procedure for clearing the Registry of trademarks which have fallen into disuse – generally referred to as “deadwood”. It is not intended to be an adversarial process, nor is it a substitute for the usual *inter partes* attack under s. 57: *Meredith & Finlayson v Canada (Registrar of Trade Marks)* (1991), 40 CPR (3d) 409, [1991] FCJ No 1318 (QL) (FCA). The burden of demonstrating use for the purposes of s. 45 is not a heavy one, and any ambiguity in the evidence should be resolved in favour of the registered owner.

[15] At the hearing before the Registrar, Hilton filed an affidavit of Christian Eriksen, whose title was Counsel, Brands and Intellectual Property of Hilton Worldwide. This affidavit described the background and history of the Hilton Group and the original Waldorf-Astoria hotel in New York City, as well as other hotels in cities in the United States and other countries which are operated in association with that mark. It also described how reservations can be made to stay at any of the Waldorf-Astoria hotels worldwide, including through third party travel agent booking systems, or the Hilton web site and reservation booking system, or by calling reservation centres including Canadian toll-free (1-800) numbers. His affidavit indicated that the Waldorf-Astoria mark appears on the web site, as well as in e-mails sent to customers to confirm their booking.

[16] In this affidavit, Mr. Eriksen indicates that approximately 41,000 different Canadian customers stayed at Waldorf-Astoria hotels during the relevant period, generating room revenue of approximately \$50 million. Mr. Eriksen also states:

With respect to the figures above, and during the relevant period, over 1,300 reservations were paid for at the time the Canadian customer made the reservation. In other words, a transaction occurred in Canada, and confirmation of the payment was sent to these customers in Canada. These payments are not the same as a room deposit charged to a credit card upon booking; rather, these payments represent a non-refundable pre-payment in exchange for a discounted room rate.

[17] Mr. Eriksen also describes the operation of the Hilton Honours guest loyalty program. Finally, the affidavit traces the history of the efforts to develop a Waldorf-Astoria Hotel in Montreal, as well as the reasons that project did not proceed. It mentions more recent plans to develop a hotel, but provides no details.

[18] On this appeal, Hilton filed a further affidavit of Mr. Eriksen, as well as an affidavit of Linda Elford, a trademark searcher. There was no cross-examination of Mr. Eriksen; however, Ms. Elford was cross-examined on her affidavit.

[19] The second Eriksen affidavit provided better copies of various exhibits which had been attached to his original affidavit, which are screen shots of various pages from the Hilton web site. Nothing turned on the quality of the copies of the original exhibits, and I find that this portion of his affidavit is merely repetitive, and so would not affect the standard of review.

[20] The second Eriksen affidavit also provides information regarding the relationship between the various corporate entities in the Hilton group of companies, as well as more

information about the operation of Hilton's hotel reservation systems in Canada. This information supplements that which was contained in his original affidavit and is of some probative value, as will be explained below.

[21] The affidavit of Ms. Elford indicates that she was requested by a member of the law firm representing Hilton to locate the oldest possible copy of the Trade-Marks Office Wares and Services Manual (the Manual), and to search for the terms "hotel services", "hotel registration services", "reservation services", "booking services", and "management of hotels".

[22] Ms. Elford indicates that the earliest version of the Manual that she could locate was dated January 18, 2006, and that this manual listed "hotel services" and "management of hotels" as acceptable services, but did not contain the other terms noted in the previous paragraph. She further states:

While I have not been able to locate a copy of the Wares and Services Manual dated prior to January 18, 2006, in my 45 years of experience, I don't recall ever seeing a term added and then removed and then re-added. Accordingly, I do not believe that the terms "hotel reservation services", "reservation services" and "booking of hotels" were listed in any edition prior to January 18, 2006.

[23] The Respondent argued that Ms. Elford's evidence was inadmissible because it purports to offer expert opinion evidence, yet she was not presented or qualified as an expert, pursuant to rule 52.1 of the *Federal Court Rules*, SOR/98-106 [the *Rules*]. They submit that Ms. Elford's evidence regarding the practices of the Trade-marks Office is opinion evidence, and that it is inadmissible because it does not comply with the *Rules*, nor does it meet the test set out for



expert evidence in trademark cases established by the Supreme Court of Canada in *Masterpiece v Alavida Lifestyles Inc*, 2011 SCC 27 at para 75.

[24] I find that the Elford affidavit presents evidence which is both admissible and probative, but only insofar as it refers to the copy of the Manual that was in her possession, and to her personal knowledge about additions to the Manual.

[25] The Respondent's argument that her affidavit presents expert opinion evidence has no application in regard to her statement of fact that the earliest copy of the Manual in her possession does not contain certain terms. The relevance of this will be addressed in greater detail below, but it is evident that a consideration of the state of the Manual at earlier dates could have prevented the Registrar from erring by referring to the current version. This is relevant to a consideration of the key issue in this case – whether use has been established in association with “hotel services” or whether it was necessary to specify “hotel reservation services”.

[26] I find that this aspect of Ms. Elford's evidence is not presented as “expert opinion” – it is simply a statement of fact as to something within her personal knowledge. In regard to Ms. Elford's statements regarding her personal knowledge of the practice of the Trade-mark Office in relation to additions to the Manual, this is also a statement of fact which is admissible on this appeal, but of limited probative value, given that it is simply a statement as to her personal experience; there is no confirmation of this fact from anyone in authority within the Trade-mark Office, nor any other evidence to indicate that her experience represents the actual history. To the extent that Ms. Elford purports to provide opinion evidence, or that Hilton seeks to rely on

her evidence as support for propositions that go beyond these factual statements, I agree with the Respondent that this evidence is not admissible.

[27] On this basis, I conclude that the standard of review on this appeal is correctness in relation to the issues addressed by the new evidence; otherwise I will apply a standard of reasonableness.

B. *Can a hotel owner establish “use” of a trademark without the presence of a “bricks and mortar” hotel in Canada?*

[28] This section will first outline the definition of use with regard to services and then briefly review the case law on the subject, before turning to the decision under review and my analysis of the question.

(1) The definition of “use” in regard to services

[29] Use is a central concept in Canadian trademark law, as Justice Binnie explained in *Mattel*:

[5] Unlike other forms of intellectual property, the gravamen of trade-mark entitlement is actual use. By contrast, a Canadian inventor is entitled to his or her patent even if no commercial use of it is made. A playwright retains copyright even if the play remains unperformed. But in trade-marks the watchword is “use it or lose it”. In the absence of use, a registered mark can be expunged (s. 45(3))...

[30] Section 2 of the *Act* defines “use” as “any use that by s. 4 is deemed to be a use in association with wares or services”. Subsection 4(2) defines use in regard to services:

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

[31] It will be helpful to review the law in relation to what activities will be sufficient to demonstrate “use” of a service in Canada, since these decisions provide a useful context to consider the Registrar’s decisions relating to hotels and hotel services.

(a) *The concept of “services” is to be liberally interpreted*

[32] As noted above, the *Act* deems certain activities to be included within the concept of services, but it does not set out a comprehensive definition. Case law has tended to reject efforts to interpret the term narrowly. The leading decision on the point is *Kraft Ltd v Registrar of Trade Marks* (1984), 1 CPR (3d) 457, [1984] 2 FC 874 (TD) [*Kraft*]. The issue in that case was whether Kraft had established use of its trademark in relation to coupons for certain food products that it had published in newspapers etc. These coupons could be redeemed by customers for the goods at a discounted price. The Registrar took the position that this may have been a promotion of the business of Kraft, but it did not fall within the meaning of the term “services” in the *Act*. Justice Strayer noted that there was no common law right to a trademark in connection with services, and that this protection was only added to the *Act* in 1953, building on the model adopted in the United States.

[33] Justice Strayer declined to follow a line of American authorities that had found that services do not come within the meaning of the American law “if they are merely incidental or

ancillary to, *inter alia* the sale of goods” (p 460). Instead, based on first principles, he ruled (at p 461):

The basic requirement of a trade mark with respect to services, then, is that it “distinguish...services...performed by [a person] from those...performed by others...”. It is this definition which brings within the scope of the Act trade marks with respect to services. I can see nothing in this definition to suggest that the “services” with respect to which a trade mark may be established are limited to those which are not “incidental” or “ancillary” to the sale of goods. Kraft has submitted that it is providing a service by making its coupons widely and randomly available to consumers who, by the use of such coupons, can obtain its products at a reduced price. I can see no reason why this cannot be described as a service...

[34] This approach has been followed more recently: see *Sim & McBurney v Gesco Industries, Inc* (2000), 186 FTR 283, 9 CPR (4th) 480 (FCA). In that case, Justice Rothstein overturned the Registrar’s decision and rejected the argument that services must be offered independently of wares (now “goods”) in order to receive protection under the *Act*. The Court of Appeal expressly adopted the reasoning of Strayer J. in *Kraft*, and concluded at para 11: “Here, the “STAINSHIELD” trademark is displayed in the advertising of the treatment of some of Gesco’s lines of carpets and rugs. The services may be ancillary to the wares, but that does not mean that the trade-mark is not used in association with the services.”

(b) *Merely advertising or providing information about services is not “use” in Canada, where no aspect of the services are actually delivered here*

[35] Although s. 4(2) of the *Act* deems advertising of services to be use, it is clear that the mere advertisement of services in Canada, where no aspect of the services themselves are performed or delivered in Canada, does not constitute use within the meaning of the *Act*: see

*Porter v Don the Beachcomber*, [1966] ExCR 982, 48 CPR 280 [*Don the Beachcomber*], and *Marineland Inc v Marine Wonderland and Animal Park Ltd*, [1974] 2 FC 558 (TD) [*Marineland*].

[36] In *Motel 6, Inc v No 6 Motel Limited*, [1982] 1 FC 638 (TD) [*Motel 6*], the case involved claims for copyright infringement, as well as a series of claims relating to the trademark registration in association with “motel services”. Motel 6 is a large company that operates a chain of motels in the United States. It owned a United States service mark covering the name “Motel 6” as well as a logo. It brought these claims because the defendant opened and operated a number of motels in British Columbia under the Motel 6 name, and the defendant had registered a trademark for Motel 6 in association with motel services. The American company claimed that this caused confusion in the marketplace in breach of its copyright over its name and logo, and its trademark, which had become known in Canada. It is not necessary to consider the decision on the other grounds; I will simply review the findings regarding use of the trademark in Canada.

[37] Motel 6 did not operate any motels in Canada. It alleged that its trademark had become widely known in Canada through advertisements, as well as the sharing of information through the large number of Canadians who regularly stayed in its motels. The evidence showed that at the height of the tourism season, more than half of the stays in some of the American motels in the chain were by Canadians. Motel 6 did not operate any central reservation service, or deliver any other services in Canada. When people wanted to book a reservation, they could telephone a particular motel, or write, or make arrangements through a travel agent. Their reservation could be “confirmed” through a credit card or cheque payment, but there were no services or other benefits provided in Canada.

[38] Justice Addy found that Motel 6 had not established use of its trademark in Canada:

39 Correspondence or communication by phone with customers, prospective customers or their agents in Canada for the sole purpose of 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. This is all the more true where the contract was not initiated by the person or firm furnishing the motel services. There must, at the very least, be some business facility of some kind in Canada in such circumstances...

[Citing *Don the Beachcomber and Marineland.*]

[39] Similarly, in *Express File Inc v HRB Royalty Inc*, 2005 FC 542, the Court upheld a Trademarks Opposition Board decision that found that there had not been use of the trade mark EXPRESS FILE in association with electronic tax filings in Canada. The evidence showed that the service was offered and delivered entirely in the United States. An unknown number of Canadians were alleged to have used the service by filing their American tax returns through a bank or credit union located in the United States. They needed a United States zip code in order to complete the transaction. There was no processing centre or office located in Canada; however, a 1-800 number was available to Canadians in the event they needed help filing the return electronically. There was no evidence that this service was ever advertised in Canada, or that there was any direct mailing to Canadians. There was no evidence that any individual Canadians had actually used the service. The Court found that this did not establish “use” in Canada.

[40] In *Pro-C Ltd v Computer City, Inc* (2001), 55 OR (3d) 577, 2001 CanLII 7375 (CA), the Ontario Court of Appeal ruled that the mere operation of a “passive” web site, which provided

information to customers but did not facilitate direct interaction with them, was not sufficient to constitute use of a trade mark in Canada.

(c) *Enabling Canadians to benefit directly from the service in Canada can constitute “use” in Canada*

[41] There are several examples where courts have found that where the trademark owner takes steps to enable Canadians to benefit directly from the delivery of the service in Canada, it can establish use in Canada. This has evolved, as one might expect, in parallel with the changes in the delivery of retail services, and in particular with the expansion of the delivery of services “on-line”.

[42] In *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 25 FTR 65, [1989] FCJ No 28 (QL) (TD) [*Saks & Co*], a s. 44 (now s. 45) notice was issued requiring Saks to demonstrate use of its trademarks in association with the wares and services listed in the registration.

Although there was no actual retail store in Canada, the company relied on evidence showing over 7,000 active Canadian charge account customers, as well as a number of purchases from the store through mail or telephone orders, which were then delivered to addresses in Canada. In addition, there was evidence of extensive advertising in publications which had a large Canadian circulation, as well as the honouring of warranties and guarantees in relation to goods purchased and delivered to Canada.

[43] Justice Addy found at para 54: “These services are performed without the Canadian customer ever having to leave Canada and the Saks Fifth Avenue mark is used in association with all of these services by marking it on all documents and materials issued by the company

relating to same.” While the guarantees would likely be honoured from the United States, and any repair work would likely be performed there, Addy J. nonetheless concluded: “These services, guarantees and warranties and the offer to Canadian customers of performing them constitute ‘retail department store services’ as mentioned in the application and also constitute the furnishing of services in Canada within the meaning of the Act.”

[44] Justice Addy distinguished the facts in this case from those which were before him in *Motel 6* and those in *Don the Beachcomber*, on the basis that in those cases “there was no connection whatsoever with Canada except the advertising itself which in fact invited Canadians to attend in the U.S. in order to benefit from the services advertised. No person, whilst residing in Canada, could benefit in any way from the services nor did they relate to anything situated in Canada.”

[45] The requirement to assess each case on its particular facts was underlined in *Boutique Limité Inc v Canada (Registrar of Trade-Marks)* (1998), 84 CPR (3d) 164, [1998] FCJ No 1419 (QL) (CA), where the Court of Appeal found that merely offering refunds to Canadians in relation to sales carried out in the United States and advertising in publications which circulate in Canada were not sufficient evidence of use of the trademark in Canada. It ruled that *Saks* rested on its particular facts.

[46] In *HomeAway.com Inc v Hrdlicka*, 2012 FC 1467 [*HomeAway*], the dispute concerned whether an American-based company that operated a web site offering vacation real estate listings could establish use in Canada of its trademark VRBO (which stands for “vacation rental by owner”). The web site offered a service by which owners seeking to rent their properties



could list them, and people looking to rent such properties could locate available properties and enter into rental agreements with the owners. It appeared that the web site was operated from the United States. The evidence showed that the web site was available to Canadian users, and that Canadian properties had been listed on it. The trademark VRBO was displayed prominently on the web site.

[47] The Court concluded that in light of developments in relation to the Internet, and in view of how this has been approached in other areas of the law, the *Act* should be interpreted in a manner which best gives effect to its purpose and objectives. The fact that information can be stored in one jurisdiction, and be accessed and used or owned in another, means that legal regimes must recognize that this can occur “both here and there”.

[48] Justice Hughes concluded at para 22 of *HomeAway*: “I find, therefore, that a trade-mark which appears on a computer screen website in Canada, regardless where the information may have originated from or be stored, constitutes for *Trade-Marks Act* purposes, use and advertising in Canada.” It should be noted that the evidence showed that people in Canada had used the service to post available properties located in Canada, and that such postings were available on-line to customers in Canada and elsewhere.

[49] Another example of on-line access to retail store services arose in *TSA Stores, Inc v Registrar of Trade-Marks*, 2011 FC 273 [*TSA Stores*]. TSA Stores had registered trademarks in association with the “operation of retail stores for the sale of sporting equipment and clothing” as well as “retail store services featuring sporting equipment and clothing” but it did not operate any store in Canada. Its claim for use in Canada rested on the operation of its web site, accessible

to Canadians, which had features that assisted customers in choosing the goods they wished to purchase, as well as a store locator feature that enabled Canadian customers to find out where the nearest store was located.

[50] There was evidence that the web site and on-line retail store was visited by hundreds of thousands of Canadians. Justice Simpson noted that the word “services” is not defined in the *Act*, and that it should receive a liberal interpretation. She further observed at para 17 that “[i]t has also been recognized that the Act makes no distinction between primary, incidental or ancillary services. As long as some members of the public, consumers or purchasers, receive a benefit from the activity, it is a service...” [citations omitted]. On the facts, Simpson J. concluded at para 19 that visiting the store services on the TSA web site was “akin to visiting a bricks and mortar store and benefitting from a discussion with a knowledgeable salesperson.” On this basis, TSA had established use of the trademarks in Canada.

[51] These decisions confirm that determining whether use in Canada has been established requires a case-by-case assessment, which involves an analysis of the scope of the services referred to in the trademark registration, as well as of the nature of the benefits delivered to people physically present in Canada. Both of these elements were discussed in *Société Nationale des Chemins de Fer Français SNCV v Venice Simplon-Orient-Express Inc* (2000), 9 CPR (4th) 443, 2000 CanLII 16547 (FC TD) [*Orient-Express*]. This involved a s. 44 notice in relation to two trademarks for Orient-Express, and Venice Simplon-Orient Express, registered in association with “[t]ravel services, namely railway and passenger service”.

[52] The requesting party claimed that the trademark registration referred to “service”, not “services”, and therefore it should be limited to the operation of a railway train. Since the respondent did not operate a train in Canada, its registration should be expunged. The registrant claimed that the registration, whether singular or plural, includes a number of services involved in getting a passenger from point A to point B, and the operation of a train was but one aspect of such services.

[53] The evidence included invoices showing bookings arranged by travel agents in Canada, for Canadian clients who wished to use the rail services. The travel agents acted as intermediaries between the respondent and the Canadian clients. The Registrar found that these booking services constituted “travel services, namely railway passenger services” because that phrase is broad enough to encompass incidental or ancillary services such as train ticketing and train reservations. The Registrar noted that there is no definition of “services” in the *Act*, and it does not distinguish between primary, incidental and ancillary services. This suggested a broad, rather than a restrictive, definition.

[54] On appeal, Justice McKeown upheld the Registrar’s decision. He found that the Registrar’s broad interpretation of “services” to include primary, incidental and ancillary services was consistent with the *Act* and case law, citing the decision of Strayer J. in *Kraft*, as well as the decision in *Saks & Co.*. Justice McKeown concluded, at para 10: “Thus, it was reasonable to find that the performance in Canada by a travel agency of booking, reservation and ticketing services constitutes the performance in Canada of such services by the registrant.”

[55] The next question was whether the registrant had established use of the trademark in Canada, since it did not have a direct presence in Canada or a direct relationship with Canadian customers. It was not disputed that the trademark appeared on invoices; the question was whether the registrant could demonstrate use in Canada where there was no evidence of a direct sale to the ultimate customer. The Court concluded at para 12 that it was not necessary to show a direct sale to a customer: “Any use of the trade-mark along the chain of distribution is sufficient to demonstrate use...”

[56] In summary, the concept of performing or delivering services to Canadians underlies all of these authorities. As this Court held in *UNICAST SA v South Asian Broadcasting Corporation Inc*, 2014 FC 295, the concept of performing services is key, and it is essential that some aspect of the services must be offered directly to Canadians or performed in Canada.

[57] In contrast to these authorities, in a series of recent decisions, the Registrar has found that the operation of a “bricks and mortar” hotel in Canada is necessary to establish use of the trademark for “hotel” or “hotel services”: in addition to the decision under appeal, see *Bellagio Limousines v Mirage Resorts Inc*, 2012 TMOB 220; *Stikeman Elliott LLP v Millennium & Copthorne International Limited*, 2017 TMOB 34 [*M Hotel & Design*]; *M Hotel*; and *Ridout & Maybee LLP v Sfera 39-E Corp*, 2017 TMOB 149 [*Blue Diamond*]. Since this line of authority forms the backbone of the decision under appeal, I will review these decisions in the next section.

(2) The decision under review

[58] In the case under appeal, there were two issues before the Registrar: (i) whether the owner had demonstrated use of the trademark in association with hotel services in Canada during the relevant period, and, if not, (ii) whether the owner had demonstrated “special circumstances” to excuse non-use, pursuant to s. 45(3) of the *Act*. On the first issue, as noted previously, the Registrar relied on the decision in the *M Hotel* case, which was released at approximately the same time as the parties were making their submissions in this case. Since that decision forms the essential basis for the reasoning in the decision under appeal, I will review it in some detail.

[59] The *M Hotel* case involved a hotel located in Singapore, and the question was whether the registration of a trademark in Canada in association with “hotel services and hotel reservation services” should be upheld. The Registrar decided that the registration in regard to “hotel services” should be expunged, while the registration in association with “hotel registration services” should be maintained.

[60] The Registrar in *M Hotel* found that the Federal Court decision in *Orient-Express* did not establish a general principle that services should be interpreted broadly to include primary, incidental and ancillary services; instead, the Court had only accepted that it was reasonable for the Registrar to find that ““travel services, namely passenger rail services’ could be interpreted broadly to encompass the travel agency-type services actually in evidence” (para 34). Thus, the *Orient-Express* decision did not overturn the principles set out in *Marineland* and *Motel 6* with respect to what constitutes performance of services in Canada. The Registrar found that cases involving the performance of retail store services had no application to the operation of a hotel

(at para 38): “Unlike retail store services, however, a hotel cannot be operated via the Internet or a telephone number; it is contrary to common sense to equate the ability to make hotel reservations or other bookings with the operation of a hotel...”

[61] The Registrar also rejected the idea that services should be interpreted to include associated activities related to the delivery of a service:

[40] Notwithstanding the use of the terms “primary”, “ancillary” or “incidental” in some jurisprudence, these terms are not found in the Act at all, much less defined. The point in *Kraft* was that distinguishing between “ancillary”, “incidental” or “primary” services was unnecessary in determining what constitutes a “service” under the Act. It follows that using such terms when determining whether a particular activity constitutes a particular registered service is unwarranted. Such an exercise has little basis in the Act and inevitably leads to absurd arguments and results.

[62] Instead, the Registrar found that s. 30 of the *Act* required that services must be stated in “ordinary commercial terms” and therefore “registered services should be interpreted in accordance with common sense and given their ordinary meaning” (para 41). Applying this approach to the case, the Registrar concluded that advertisement or promotion of hotel services in Canada could not constitute use within the meaning of the *Act*, unless the hotel itself was actually located in Canada:

[43] This is consistent with the plain meaning of the statement of services and in light of the evidence furnished. “Booking”, “planning” and “reservation” services are not “hotel services”, and the registration should not be maintained in this respect simply because the service actually available “in Canada” is tangentially related.

[44] The argument that some activity is “technically” use should not be successful. In line with this, courts have generally taken a dim view of token commercial activity designed to protect

intellectual property rights. I note the following observation from the Federal Court in *Plough*, supra, at paragraph 10:

There is no room for a dog in the manger attitude on the part of registered owners who may wish to hold on to a registration notwithstanding that the trade mark is no longer in use at all or not in use with respect to some of the wares in respect of which the mark is registered.

[45] Maintaining the registration with respect to “hotel services” in this case would give the Owner an overly broad scope of protection over services that it does not actually perform in Canada. Where a trade-mark owner performs services in another jurisdiction and wishes to obtain and maintain a registration in Canada in association with the same trade-mark and same services, it should generally mirror the performance of those services in Canada; merely casting the shadow of those services is insufficient.

[63] The Registrar in the case under appeal applied this reasoning to the facts, and found no error in the conclusion that the ordinary commercial sense of “hotel services” did not include booking, planning or reservation services. The following passage encapsulates the core of the analysis of the Registrar:

[55] Statements of goods and services need to be in ordinary commercial terms and should be interpreted as such. It is a purposive interpretation, not an academic one. If someone says they offer “hotel services” in Canada, the average consumer is expecting a hotel. If the customer has to leave Canada to actually enjoy the service, this is not “hotel services”. As stated in *Bellagio* and *M Hotel*, it is contrary to common sense to equate the ability to make hotel reservations or other bookings with the operation of a hotel. Likewise, even if a loyalty program can be enjoyed in/from Canada, this is not offering “hotel services”. “Hotel services” is not the ordinary commercial term for a loyalty program.

[56] As an aside, I note that is logically consistent from an examination perspective at the application stage. If a distinction should be made between services described as “hotels” versus “hotel services”, this would require the Registrar to allow “hotels”, but question “hotel services”, if it were interpreted broadly.

However, in accordance with its practice notices, the Registrar does not question it, nor should it be questioned. In fact, I note that the CIPO Goods and Services Manual expressly provides for the terms “hotel services” and “hotels” as pre-approved terms, separate from other hotel related services like “hotel reservations”, “hotel room booking services”, “hotel management”, and “hotel management for others”.

[57] In this case, it is clear that the performance of the Owner’s “hotel services” can only be completed by travelling abroad. While Canadians may be able to book and reserve the services provided by the Owner, they cannot enjoy its hotel services without leaving Canada first.

[64] On this basis, the Registrar concluded that Hilton had not established use of its trademark during the relevant period.

[65] The Registrar also found that Hilton had not established “special circumstances” to excuse non-use, pursuant to s. 57(1) of the *Act*. This will be dealt with below.

(3) Analysis on the issue of “use” in regard to services

[66] The core question before me on the issue of “use” is whether Hilton has demonstrated:

(a) that the scope of the term “hotel services” in ordinary commercial use at the relevant time

(per s. 30 of the *Act*) encompassed reservation and booking services; and (b) that persons in

Canada benefitted from these services during the relevant period. There is no dispute that the

words Waldorf-Astoria appeared on the Hilton web sites, and on e-mails and statements sent to

customers in Canada, confirming pre-booked reservations: see the first Eriksen affidavit.

[67] In approaching this analysis, I am guided by the principles regarding the purpose of s. 45 of the *Act* and the onus on the registered owner, set out above.



- (a) *What is the ordinary understanding of the scope of the term “hotel services”?*

[68] Case law has tended to interpret the term “services” broadly, sometimes using the concepts of “primary, incidental and ancillary” services. This reflects the fact that some types of service can reasonably be understood to include only one thing, while others may encompass a variety of related activities which, together, constitute “the service” or are reasonably understood to be included in it.

[69] In respect of the question of “use” in Canada relating to the sale of goods (or “wares” under the former usage), courts have asked whether any part of the “chain of distribution” of the goods – between original manufacturer, to wholesale distributor, to retail store, to ultimate customer – occurs in Canada. If it does, and if the trademark is displayed on the goods or the packaging of the goods, then courts have found that constitutes use of the trademark in association with the goods: see *Manhattan Industries Inc v Princeton Manufacturing Ltd* (1971), 4 CPR (2d) 6, [1971] FCJ No 1024 (QL) (TD) at para 40.

[70] A similar approach was applied in *Orient-Express* in regard to the display of the trademark on invoices relating to the sale of the services. Justice McKeown found that it was not necessary to establish a direct sale to an ultimate consumer, or to display the trademark on the actual ticket for train travel that was in issue in that case: “Any use of the trade-mark along the chain of distribution is sufficient to demonstrate use...” (para 12).

[71] This is consistent with our understanding of the basic purpose of trademark protection under the *Act*, as described by Binnie J. in *Mattel* at para 2:

[T] he legal purpose of trade-marks continues (in terms of s. 2 of the *Trade-marks Act*, R.S.C. 1985, c. T-13) to be their use by the owner “to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others”. It is a guarantee of origin and inferentially, an assurance to the consumer that the quality will be what he or she has come to associate with a particular trade-mark (as in the case of the mythical “Maytag” repairman). It is, in that sense, consumer protection legislation.

[72] This analysis views the protection from both the perspective of the owner of the trademark and the consumer. This is how the question was considered by McKeown J. in the *Orient-Express* case, and by Hughes J. in *HomeAway*. It is consistent with the purpose of the *Act*, and with the expectations of the trademark owner, the consumers, and the society in which the mark operates. It is the approach I will apply in considering the scope of use in the context of hotel services.

[73] I find that the Registrar has committed a number of errors in this case: in failing to consider the only evidence submitted on the ordinary understanding of the term “hotel services”; in failing to follow binding authority regarding the scope of services as including primary, incidental and ancillary services; in applying the current version of the Manual to interpret the meaning of a registration dating from 1988; and in failing to consider the actual words used in the registration itself. I will deal with these in turn.

(i) The evidence on the understanding of “hotel services”

[74] In the case under appeal, the only evidence before the Registrar on the ordinary understanding of the term “hotel services” was the first affidavit of Mr. Eriksen, which stated: “As is customary in the hotel industry, the term “hotel services” includes but is not limited to,

reservation services, booking and payment services, and access to hotel rooms.” The Registrar makes no specific reference to this evidence, and instead relies on a common sense interpretation, as confirmed by the current *CIPO Goods and Services Manual*:

[55] Statements of goods and services need to be in ordinary commercial terms and should be interpreted as such. It is a purposive interpretation, not an academic one. If someone says they offer “hotel services” in Canada, the average consumer is expecting a hotel. If the customer has to leave Canada to actually enjoy the service, this is not “hotel services”. As stated in *Bellagio* and *M Hotel*, it is contrary to common sense to equate the ability to make hotel reservations or other bookings with the operation of a hotel. Likewise, even if a loyalty program can be enjoyed in/from Canada, this is not offering “hotel services”. “Hotel services” is not the ordinary commercial term for a loyalty program.

[Emphasis added.]

[75] I find that the Registrar erred in this analysis. It is not reasonable to rely on an asserted “common sense” interpretation of the scope of a service, without any reference to the only evidence specifically on that point that was before the Registrar. The onus on Hilton was not onerous, and any ambiguity in the evidence should have weighed in its favour.

[76] I find that – viewed from the perspective of the provider of the service as well as the customer – the ordinary understanding of the term “hotel services” would include the provision of a room as the primary service. It would also include a number of ancillary or incidental services, such as reservation or booking services, the regular cleaning of the hotel room, as well as related services delivered at the hotel, such as parking, dry cleaning of clothes, room service for food and beverages, and the temporary storage of luggage following check-out. These services would commonly be understood to be included in the scope of the term “hotel services”,

as part of the ordinary expectation of what is involved in the performance of hotel services, and they all go beyond the physical bricks and mortar hotel, or hotel room.

(ii) Primary, incidental and ancillary services

[77] The Registrar found that the terms “primary, incidental and ancillary” are not particularly helpful in the interpretation of the scope of the term “services”, and instead points to s. 30 of the *Act* and the requirement that terms be stated in ordinary commercial terms, to be interpreted in accordance with common sense and given their ordinary meaning. I find that in rejecting this concept, the Registrar has erred in failing to follow binding authority on the interpretation of the term “services” in the *Act*: see, for example *TSA Stores, Orient-Express*, and *AT&T Intellectual Property II, LP v Lecours, Hébert Avocats Inc*, 2017 FC 734 at para 14.

(iii) The current version of the Manual

[78] The evidence from the Elford affidavit is that the 2006 version of the Manual did not include terms such as “hotel registration services” or “booking services”; it did, however, include the terms “hotel services” and “management of hotels”.

[79] While the Respondent is correct to say that an applicant is not bound to follow the precise wording of the Manual, Hilton cannot be faulted for using a pre-approved term that was found in the Manual at that time. There is no obligation on a registered trademark owner to constantly update the registration to match the current wording in the Manual, and no adverse inference should be drawn against the registered owner for failing to do so. It is an error to interpret the

scope of a past registration with reference to the current wording, in particular given that the Manual is only a guideline.

[80] In *Levi Strauss & Co v Canada (Registrar of Trade-Marks)*, 2006 FC 654 [*Levi Strauss*], it was found that the meaning of terms in a registration could evolve with current usage of the words in ordinary parlance, and this must undoubtedly be correct.

[81] In the current case, for example, since the time of the original registration, the scope of services delivered on-line has expanded greatly, and the meaning of “hotel services” must adapt to reflect the fact that an ordinary customer would expect to be able to book a hotel room on-line today, either directly or through the intermediary of a service dedicated to travel arrangements (e.g. Expedia, Travelocity or Orbitz).

[82] The scope of the registration must be considered in light of the ordinary meaning of the words, and this in turn is influenced by the development in on-line commerce as it relates to the ordinary commercial understanding of both the business and the customer.

(iv) The words used in the registration

[83] Each case must be determined on its own facts, and one key element must be the terms of the registration itself. In this case, and in the *M Hotel* decision on which the Registrar relied, I find that a key error was made in relation to the words used in the registration. Recall that in the key passage in the decision under appeal, the Registrar says that “it is contrary to common sense to equate the ability to make hotel reservations or other bookings with the operation of a hotel” (para 55). This repeats what was said in the *M Hotel* decision, at para 38.

[84] I find that this is an error – the Registrar is asking the wrong question. Hilton is seeking to demonstrate use of its registration in association with “hotel services”, not the “operation of a hotel”. Clearly, the latter wording would require that a bricks and mortar hotel be located and operated in Canada. See, to this effect in relation to the operation of a retail store: *CRAC Centre de Recherche et d’Analyses sur les Corporations Ltee v Imco Trading Co* (1993), [1994] 52 CPR (3d) 122 at para 11 (TMOB).

[85] In the case before me, I find that the correct question is: what is the scope of the term “hotel services” in ordinary commercial usage, understood both from the perspective of the consumer and the trademark owner? To borrow the phraseology of the Registrar, would it be contrary to common sense to find that an ordinary customer making a binding contract for the reservation of a hotel room, and receiving a discounted room rate as well as loyalty points for the booking, is receiving “hotel services” in Canada, where this transaction is completed by a person in Canada? I find that it is not contrary to common sense, or the ordinary commercial understanding of the term, to conclude that an ordinary person in such circumstances would think that they are receiving an aspect of “hotel services” or services ancillary to their hotel stay.

[86] In conclusion on this point, I find that the term “hotel services” naturally includes a series of related things, some of which can only be delivered at the physical hotel, but some of which are naturally now able to be “performed” (from the owner’s perspective), or “enjoyed” (from the customer’s perspective) in Canada.

[87] I find that it does not strain the ordinary understanding of the term to find that “hotel services” in 1998, and during the relevant period here, would include registration services. This

is particularly true where – as here – the entire transaction can occur on-line, from within Canada, and where Canadians can take a number of benefits from this contract, over and above the eventual enjoyment of their actual stay in the hotel.

[88] The evidence here is that Hilton registered under the term “hotel services” – the same term it used for its registration in the United States. The evidence also shows that, as of 2006, the Manual included “hotel services” as a pre-approved term for registration, but did not include the more specific expression “hotel registration services”. It appears that this term was added to the Manual at some unknown point after 2006. I find that the current terminology in the Manual cannot be used to interpret the proper scope of registrations that pre-date such wording, without an explanation as to the relevance of the later additions.

[89] There is a distinction to be drawn between interpreting the terms in light of the evolution in the ordinary usage of words, as required by *Levi Strauss*, and the interpretation of those words with reference to changes in the Manual.

[90] I find that the term “hotel services” could include hotel registration services, for the purposes of determining use of a trademark for services in a s. 45 proceeding, but only if it is demonstrated that people in Canada obtained some tangible, meaningful, benefit from such use.

[91] This leads to the second question.

- (b) *Can people in Canada benefit from “hotel services” where the actual hotel is not located here?*

[92] As noted above, a key question in determining whether use in Canada of a trademark for services has been established is whether people in Canada can take some benefit from the provision of the service. Where the benefit is only available in some other country, courts have tended to find that use in Canada has not been demonstrated. On this point, courts have consistently held that each case must be determined on its facts.

[93] I find that the Registrar erred here by not focusing on the particular facts of this case, and by relying on a decision which involved a different factual substratum.

[94] The evidence here indicates that there were a number of benefits available to people in Canada, and that a large number of people in Canada took advantage of such benefits. The first Eriksen affidavit demonstrated that people in Canada would see the Waldorf-Astoria trademark when they visited the Hilton web site, and they could book reservations in several ways – either directly with the hotel, or through a third-party service provider, or via a toll-free 1-800 number for Canadians. As clarified by the second Eriksen affidavit, the reservations system is operated by Hilton Reservations Worldwide on behalf of the Hilton chain of companies, including the Waldorf-Astoria. The Waldorf-Astoria trademark appears on the web site at the time of making the booking and payment, as well as on e-mail confirmations sent to customers.

[95] The evidence also shows that during the relevant period, 41,000 people with addresses in Canada stayed at a Waldorf-Astoria hotel, generating approximately \$50 million in revenue.

Further, Hilton states that 1,300 people from Canada received a discounted room rate in



exchange for paying for the hotel reservation up-front. These individuals received e-mail confirmation of their booking, again showing the Waldorf-Astoria trademark.

[96] In addition, people in Canada who enrolled in the Hilton rewards program would receive points for each booking, which they could redeem for stays or other benefits, at hotels located in Canada or elsewhere. The evidence shows that these transactions were completed entirely within Canada.

[97] This evidence demonstrates the nature and extent of benefits that people in Canada received from Hilton. It stands in contrast to many of the cases cited by the Registrar in the decision under appeal, and in the *M Hotel* case on which it relies. In the *M Hotel* case, the evidence focused on a variety of hotel services, including “event planning for meetings and functions” as well as the assistance of experienced staff in planning conferences, business meetings and social events (para 9). In addition, there was evidence of guest services provided at the hotel including concierge services, sports and leisure facilities, and tour reservations. There was also evidence in relation to the use of the trademark services in association with “hotel reservation services”, including the number of Canadians who made on-line reservation bookings to stay at the hotel in Singapore. This is significantly different than the evidence before the Registrar in the case under appeal.

[98] As noted earlier, previous decisions have put primary emphasis on whether anyone in Canada can take a benefit from some element of the service delivered in Canada. This has been described in various ways, with a focus on whether there is “business activity” in Canada, or whether some part of the “chain of distribution” occurs in Canada. The cases have consistently

found that “[a]s long as some members of the public, consumers or purchasers, receive a benefit from the activity, it is a service...” (*TSA Stores*, para 17).

[99] An additional element relates to the type of relationship between the owner of the trademark and the customer. Where the business of arranging tours or tickets was not that of the owner, but rather was carried on by travel agents in Canada, it has been found that use was not established: *Marineland*. Where, however, the evidence showed that the agents were merely acting as intermediaries of the trademark owner, use has been found: *Orient-Express*.

[100] On the facts of this case, I find the Registrar erred in not examining the nature of the benefits received by people in Canada in association with the delivery of the registered “hotel services”. In particular, the Registrar did not refer to the evidence that Hilton was in direct contact with the customers in Canada, and that some customers entered into binding contractual arrangements by pre-paying for rooms in Canada in exchange for a discounted room rate, and these customers received points that they could put towards a hotel stay or other benefits which they could receive in Canada. The trademark appeared on the web site, as well as on e-mails and booking confirmations received by customers in Canada.

[101] Each case must be examined on its facts, and in view of the evidence before me, I conclude that Hilton has demonstrated that people in Canada did receive a benefit in Canada from the delivery of its hotel services.

(4) Summary

[102] In conclusion on this issue, I find that:

- the word “services” should be liberally construed, and can, in appropriate cases, include “primary, incidental or ancillary” services;
- the ordinary commercial understanding of “hotel services”, viewed from the perspective of the trademark owner and the consumer, includes reservation services;
- the Registrar erred in relying on the Manual and on decisions that are distinguishable from the facts of this case;
- people in Canada could take a meaningful benefit from the delivery of hotel services by Hilton, through the on-line reservation service, and in particular the discounted room rate available for a pre-paid room paid for by Canadians in Canada, as well as the Hilton rewards points received with hotel bookings;
- The trademark was displayed on the Hilton web site, as well as on e-mails and booking confirmations received by customers in Canada;
- Therefore, Hilton has established “use” of its trademark in Canada during the relevant period.

[103] In view of my conclusion on this issue, it is not necessary to determine the other issues; however, in consideration of the argument on these issues presented before me, I will address the other issues briefly.

C. *Did Hilton establish “special circumstances” justifying its failure to use the trademark during the relevant period?*

[104] The Registrar found that the fact that a third party had not completed the contract for the construction of a Waldorf-Astoria hotel in Canada due to the economic downturn in 2008 did not constitute the type of special circumstances required under the *Act*. Developing and building a hotel involving a large financial commitment was a market condition that applied to all companies in the hospitality industry, and it has been found previously that unfavourable market conditions are not the sort of uncommon, unusual or exceptional circumstances that provide relief under the *Act*.

[105] Furthermore, there was no evidence of any efforts to develop a hotel in Canada prior to the entry into this contract in 2007, whereas the period of non-use dated from the mark’s registration in 1998. Thus, Hilton had not established special circumstances justifying non-use of its mark.

[106] I find no error in the Registrar’s analysis on this point. It is consistent with the leading decisions on the justification for non-use: see, for example *Gouverneur Inc v The One Group LLC*, 2015 FC 128 at paras 37-39 (confirmed on this point, but overturned on other grounds: *One Group LLC v Gouverneur Inc*, 2016 FCA 109); *Canada (Registrar of Trade Marks) v Harris Knitting Mills Ltd* (1985), 4 CPR (3d) 488, [1985] FCJ No 226 (FCA); *John Labatt Ltd v Cotton Club Bottling Co* (1976), 25 CPR (2d) 115, [1976] FCJ No 11 (QL) (FCTD).

[107] Here the Registrar considered the relevant evidence and case law, and concluded that Hilton had not succeeded in demonstrating the type of special circumstances required under s. 45(3) of the *Act*. This was a reasonable finding.

D. *Should I exercise my discretion to “correct” the registration to reflect the fact that the trademark applies to “hotel registration services”?*

[108] Hilton argued in the alternative that if I found that it had not demonstrated use of its trademark in association with hotel services, I should exercise my jurisdiction under s. 57(1) of the *Act* to “correct” the entry on the registry, so that it more properly reflects the actual activities carried on in Canada. The Respondent argued that no such jurisdiction exists, and that Hilton should not be able to avoid the rigours of the trademark prosecution process by raising an entirely new issue on this appeal – one which was never presented before the Registrar.

[109] It appears that this is a novel proposition, and Hilton was able to cite only one *obiter* comment in a previous decision, a comment which I note appears to cast doubt on whether such a power exists under the *Act*: see *Jean Patou Inc v Luxo Laboratories Ltd* (2001), 281 NR 181, 2001 CanLII 22106 (FCA) at para 3.

[110] In view of the novelty of the argument it is best to leave it for another case, where the issue squarely arises and the question is fully argued.

#### IV. Conclusion

[111] For the foregoing reasons, I am allowing this appeal.

[112] I am awarding costs to the Applicant. If the parties are unable to agree on an amount, they may make written submissions to me on the issue. The Respondent's submissions, not to exceed five (5) pages, excluding attachments, shall be submitted no later than fourteen (14) days following the release of this decision, and the Applicant's reply, not to exceed three (3) pages, excluding attachments, shall be submitted within five (5) days thereafter.

**JUDGMENT in T-515-17**

**THIS COURT'S JUDGMENT is that:**

1. The appeal is allowed. The Registrar's decision is set aside and trademark registration TMA 337,529 for the trademark WALDORF-ASTORIA is maintained on the register.
2. Costs are awarded to the Applicant. If the parties are unable to agree on an amount they may make written submissions to me on the issue. The Respondent's submissions, not to exceed five (5) pages, excluding attachments, shall be submitted no later than fourteen (14) days following the release of this decision, and the Applicant's reply, not to exceed three (3) pages, excluding attachments, shall be submitted within five (5) days thereafter.

\_\_\_\_\_  
"William F. Pentney"

Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-515-17  
**STYLE OF CAUSE:** HILTON WORLDWIDE HOLDING LLP v MILLER THOMSON  
**PLACE OF HEARING:** TORONTO, ONTARIO  
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