Federal Court of Appeal | Cour d'appel fédérale

Date: 20190523

Dockets: A-325-18
A-369-18

Citation: 2019 FCA 156

Present: **LASKIN J.A.**

BETWEEN:

MILLER THOMSON LLP

Appellant

and

HILTON WORLDWIDE HOLDING LLP

Respondent

Dealt with in writing without appearance of parties.

Order delivered at Ottawa, Ontario, on May 23, 2019.

REASONS FOR ORDER BY: LASKIN J.A.

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REASONS FOR ORDER

LASKIN J.A.

[1] The appellant moves for an order striking out portions of the memorandum of fact and law of the respondent Hilton. It does so on the ground that these portions of Hilton's memorandum seek relief that Hilton could obtain only by bringing a cross-appeal, and that no cross-appeal has been brought. I agree, and in the absence of any cross-motion by Hilton for an order that would address this deficiency, will grant the order sought.

[2] The appeal is from a judgment of the Federal Court (2018 FC 895, Pentney J.). In its judgment, the Federal Court allowed an appeal from the decision of the Registrar of Trade-marks expunging for non-use, under section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, Hilton's registration of its trade-mark WALDORF-ASTORIA. The trade-mark is registered in association with "hotel services."

[3] The primary relief Hilton pursued in the Federal Court was an order setting aside the Registrar's decision, and therefore maintaining the registration. Hilton also asked, in the alternative, for an order under subsection 57(1) of the *Trade-marks Act* amending the statement of services from "hotel services" to "hotel services, namely hotel reservation services." That provision reads as follows:

57 (1) The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.	**57** (1) La Cour fédérale a une compétence initiale exclusive, sur demande du registraire ou de toute personne intéressée, pour ordonner qu'une inscription dans le registre soit biffée ou modifiée, parce que, à la date de cette demande, l'inscription figurant au registre n'exprime ou ne définit pas exactement les droits existants de la personne paraissant être le propriétaire inscrit de la marque.

[4] The Federal Court allowed the appeal. In its reasons, it briefly discussed Hilton's alternate claim for an order under subsection 57(1), but stated (at para. 103) that in view of its conclusion on the main issue, it was not necessary to decide it. It concluded its brief discussion by stating (at para. 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." The operative paragraph of its judgment read:

> 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.

[5] Not surprisingly in these circumstances, the appellant's notice of appeal does not address the subsection 57(1) issue. It focuses solely on the propriety of the decision to allow the appeal (as well as a costs issue, which I need not mention further). As already noted, Hilton did not serve and file a notice of cross-appeal.

[6] Despite the absence of a notice of cross-appeal, in its responding memorandum of fact and law in the appeal, Hilton states the following as one of the points in issue:

> In the alternative, should this Court issue an order pursuant to Section 57(1) of the *Act* amending, and narrowing, the statement of services from "hotel services" to "hotel services, namely hotel reservation services"?

[7] Hilton's memorandum goes on to include a series of paragraphs (paras. 38 and 85-91) in which it argues the merits of the subsection 57(1) issue. The order sought includes

> in the alternative, an order pursuant to Section 57(1) of the *Act* amending, and narrowing, the statement of services from "hotel services" to "hotel services, namely hotel reservation services."

[8] Rule 341(1)(*b*) of the *Federal Courts Rules*, SOR/98-106, requires a respondent to an appeal to serve and file a notice of cross-appeal "where the respondent seeks a different disposition of the order appealed from," or in the French version, "s'il entend demander la

réformation de l'ordonnance portée en appel." By rule 341(3), where a respondent has not filed a notice of cross-appeal, the cross-appeal may not be heard without leave of the Court.

[9] Here, Hilton plainly seeks in the alternative "a different disposition," or "la réformation," of the judgment of the Federal Court. Indeed, its alternative claim is for a different judgment altogether – not one upholding the judgment of the Federal Court, but one under subsection 57(1) amending the statement of services. Contrary to what Hilton submits, rule 341(1)(*b*) therefore applies, and a notice of cross-appeal, or leave under rule 341(3), is necessary if Hilton wishes to pursue this claim.

[10] Hilton makes three further arguments in response to the appellant's motion.

[11] First, it argues that the Federal Court made no appealable holding on the subsection 57(1) issue, so that there was nothing from which it could have cross-appealed. I disagree. It is true that the Federal Court's judgment did not address the subsection 57(1) issue. But the essence of a cross-appeal is that it seeks something that the court from whose judgment the appeal is taken did not grant. There is nothing in the form of the judgment that precludes a cross-appeal.

[12] Second, Hilton submits that no cross-appeal is required for an alternative argument. That is so where the respondent wishes to put forward an alternative argument as a further basis to uphold the judgment under appeal: see, for example, *Dywidag Systems International, Canada, Ltd. v. Garford PTY Ltd.*, 2010 FCA 194 at para. 8, 406 N.R. 383; *MTS Allstream Inc. v. Toronto (City)*, 2006 FCA 89 at paras. 5-6, 348 N.R. 143. But as these cases implicitly recognize, where

the alternative argument is made in support not of the judgment appealed from but of a claim for a different judgment, rule 341(1)(*b*) applies: see *Singh (Pal) v. Minister of Employment and Immigration* (1987), 72 N.R. 227 at para. 36, 35 D.L.R. (4th) 680 (F.C.A.) (decided under the predecessor to rule 341).

[13] Third, Hilton argues that there is no prejudice to the appellant from permitting Hilton's alternative argument to go forward, because what it describes as "essentially the same argument" was made before the Federal Court. It offers to consent to the filing by the appellant of a three-page response on the subsection 57(1) issue.

[14] But that is not the scheme for which the Rules provide. Under the Rules, a respondent that intends to seek, in the alternative or not, a different order than the order appealed from must signal that intention early on, through the service and filing of a notice of cross-appeal within 10 days of being served with the notice of appeal. According to rule 341(2), that document must set out "a precise statement of the relief sought" and "a complete and concise statement of the grounds intended to be argued." The parties will then know from the outset what is in play before the Court of Appeal, and can make legal and tactical judgments accordingly. In addition, rule 346(3)(*b*) gives the appellant the right to serve and file a full memorandum of fact and law as respondent to the cross-appeal. I do not agree that there is no prejudice.

[15] For these reasons, and in the absence of any cross-motion by Hilton for an extension of time, leave or other relief, I will make an order granting the appellant's motion with costs. This disposition is without prejudice to Hilton's entitlement to move for an order that would permit it to pursue the subsection 57(1) issue in a manner that accords with the Rules. However, any motion of that kind should be promptly brought.

"J.B. Laskin"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

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MOTION DEALT WITH IN WRITING WITHOUT APPEARANCE OF PARTIES

REASONS FOR ORDER BY:	LASKIN J.A.
DATED:	MAY 23, 2019

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