LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2012 TMOB 220
Date of Decision: 2012-11-28

IN THE MATTER OF SECTION 45 PROCEEDINGS requested by Georgio Stamatis Maillis o/a Bellagio Limousines against registration Nos. TMA540,882 and TMA355,865 for the trade-mark BELLAGIO in the name of Mirage Resorts, Incorporated

[1] At the request of Georgio Stamatis Maillis o/a Bellagio Limousines, the Registrar of Trade-marks issued notices under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on February 5, 2010 and February 9, 2010, to Bellagio, a Nevada corporation, the registered owner at that time of registration Nos. TMA540,882 and TMA355,865 for the trade-mark BELLAGIO. Subsequent to the issuance of the notices, following a corporate merger and assignment of the registrations, the registrations now stand in the name of Mirage Resorts, Incorporated (MRI).

[2] With respect to registration No. TMA540,882, the trade-mark is registered for use in association with the following services (the Services):

> (1) Promotional and guest relations services namely hotel and casino reservation and booking services.
> (2) Casinos and live entertainment services in the nature of performances by singers, comedians, dancers, and musical groups.
> (3) Hotels, beauty salons, and health spas.

[3] With respect to registration No. TMA355,865, the trade-mark is registered for use in association with the following wares: ladies' clothing and sportswear namely, sweaters, tops,

blouses, shirts, pants and tank tops and clothing accessories namely scarves, gloves, belts, clasps and costume jewellery (the Wares).

[4] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and services specified in the registration at any time within the three year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use with respect to TMA540,882 is between February 5, 2007 and February 5, 2010; with respect to TMA355,865, the relevant period is between February 9, 2007 and February 9, 2010.

[5] The definition of "use" is set out in section 4 of the Act:

> 4(1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.
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> (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.
>
> (3) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

[6] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is quite low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)], and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trade-mark in association with each of the wares and services specified in the registration during the relevant period.

[7] With respect to both registrations, only the current owner of the registrations, MRI, filed written submissions; an oral hearing was not held.

Registration No. TMA540,882

[8] In response to the Registrar's notice with respect to registration No. TMA540,882, MRI filed the following affidavits:

- April Chaparian, Director of Intellectual Property at MRI, sworn on September 7, 2010;
- Benjamin Chu, articling student at Cameron MacKendrick LLP, sworn on September 9, 2010; and
- Barry Shecter, co-owner of Travel ABC, sworn on September 3, 2010.

[9] In her affidavit, Ms. Chaparian states that MRI is a Nevada corporation that owns the intellectual property rights associated with the Bellagio hotel and casino property located in Las Vegas, Nevada (the Bellagio Property). She states that the Bellagio Property opened in 1998 and that MRI has continuously and prominently used the Mark in association with various services and wares including hotel, casino, restaurant, spa, concierge and other travel and resort services. She attests that MRI has spent substantial sums of money to advertise and promote the Mark in print, broadcast and Internet media throughout the U.S.A. and Canada. In particular, she states that the Bellagio Property is advertised through MRI's website, *www.bellagio.com* (the Bellagio Website).

[10] The relevant portions of Ms. Chaparian's affidavit are to the effect that substantial numbers of Canadians visit the Bellagio Property each year, and did so in large numbers during the Relevant Period. Furthermore, she attests that Canadians are able to make reservations at the Bellagio Property via the Bellagio Website or via MRI's toll free Customer Care Center numbers.

[11] The fact that the Bellagio Website is accessible to Canadians and advertised the Bellagio Property to Canadians is confirmed in Mr. Chu's affidavit. Mr. Chu identifies himself as an articling student for Cameron MacKendrick LLP, and attests that he accessed the Bellagio Website on September 3, 2010. He also attests to accessing an archived version of the Bellagio Website from September 7, 2008 via the Internet Archive at *www.archive.org*. Furthermore, he

attests to visiting the webpage listings for the Bellagio Property on the websites of Canadian travel service providers such as Expedia and Travelocity. Attached to his affidavit are sample webpages from each of the aforementioned websites.

[12] As for the third affidavit, Mr. Shecter identifies himself as the co-owner of Travel ABC, a retail travel agency located in Toronto, Ontario. He attests to having personally visited the Bellagio Property in Nevada and states that his company has booked numerous Canadian clients into the Bellagio Property through various means available to Travel ABC. In addition to providing evidence relating to MRI's toll free number and the Bellagio Website, Mr. Shecter also provides, at Exhibit F to his affidavit, copies of various Las Vegas travel catalogues. These catalogues feature or refer to the Bellagio Property and are distributed to travel agencies and consumers.

[13] In support of its position that the evidence demonstrates use of the Mark in association with all of the Wares and Services, MRI cited *TSA Stores, Inc v Canada (Registrar of Trade-marks)* (2011), 91 CPR (4th) 324 (FCTD) in its written representations. In *TSA*, the Federal Court reversed in part the decision of the Registrar to expunge various SPORTS AUTHORITY trade-marks in association with retail store services. In that case, the owner operated a retail website; however, there was no evidence that it shipped its products to Canada and there was no evidence of sales to Canadians, whether in Canada or otherwise. The Court, however, made the following observations at paragraphs 16-17:

> 16 The word "services" is not defined in the Act. It has therefore been held that "services" should be given a liberal interpretation and that each case should be decided on its own facts (see *Kraft Ltd v Registrar of Trade-marks*, [1984] 2 FC 874, 1 CPR (3d) 457 at paras 8-9).
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> 17 It 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 (see *Société Nationale des Chemins de fer Français SNGC v Venice Simplon-Orient-Express Inc*, 9 CPR (4th) 443…).

[14] The Court went on to find that Canadians made use of the website and, in particular, identified the website's "Help Me Choose Gear" service, "Shoe Finder" service, "Store Locator" service and extensive sportswear terminology glossary as being of benefit to Canadians.

Accordingly, since the trade-marks in question appeared in connection with these "ancillary retail store services" on TSA's website, the Court concluded that there was evidence of use of the trade-marks in Canada during the relevant period [at paragraph 21]. In particular, the Court stated that "[i]n my view, visiting this service on the Website is akin to visiting a bricks and mortar store and benefitting from a discussion with a knowledgeable salesperson" [at paragraph 19].

[15] In the present case, MRI submits that, through the Bellagio Website, MRI offers hotel and casino reservation services in association with the Mark and provides detailed information about the casino and entertainment services as well as about the Bellagio Wares available on the Bellagio Property. Similar to language used in *TSA*, *supra*, MRI submits that using the 1-800 telephone number and the reservation services through the Bellagio Website "is akin to visiting a bricks and mortar location and benefitting from a discussion with a knowledgeable hospitality salesperson".

[16] With respect, I do not agree. The registrant needs to show that it performed or was prepared to perform the Services in Canada during the relevant period [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)]. Even if I were to generally agree with the reasoning in *TSA*, it is not applicable to the present case. The decision in *TSA* was with respect to the performance of retail store services in the context of a line of cases that had clearly established that a "bricks-and-mortar" presence in Canada is not necessary to establish use of a Mark in association with such services. For example, the operation of a retail website or 1-800 number can be sufficient [see, for example: *Law Office of Philip B Kerr v Face Stockholm Ltd* (2001) 16 CPR (4th) 105 (TMOB); *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD)]. However, although services are to be given a broad interpretation [*Venice Simplon-Orient-Express Inc v Société Nationale des Chemins de Fer Français SNCF* (2000), 9 CPR (4th) 443 (FCA)], even this has limits [see, for example: *Boutique Limité Inc v Limco Investments, Inc* (1998) 84 CPR (3d) 164 (FCA), in which providing refunds was insufficient to justify a registration of "retail women's clothing store services" in Canada]. As such, the issue in *TSA* was the threshold of services required to constitute the performance of "retail store services" in Canada.

[17] Unlike retail store services, where the Registrar and courts have recognized that technology has progressed to the point where one can enjoy the retail experience without ever having to leave one's home, there is no evidence before me that hotel services have made such progress. To put it more simply, in my view, a "bricks-and-mortar" presence in Canada is required for such hotel services. A hotel cannot be operated via the Internet or a 1-800 telephone number; it is contrary to common sense to equate the ability to make hotel reservations with the operation of a hotel. Indeed, I note the decision in *Motel 6 v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD) which explicitly states 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" [at page 57].

[18] Although not referenced by MRI in its written representations, I note that "hotel services" was interpreted broadly in *Borden Ladner Gervais LLP v WestCoast Hotels Inc* (2006), 53 CPR (4th) 361 (TMOB). However, in my view, notwithstanding statements in that case regarding whether reservation services constitute "hotel services", *WestCoast Hotels* turned on its particular facts. I note that the evidence showed that, beyond mere reservation services, "loyalty program" services were also performed and most significantly that "…it appears that at the tail end of the material period, Canadians could not only make hotel reservations in Canada but they could also stay at a hotel in Canada that used WESTCOAST as a secondary or house mark" [at page 367]. As such, I also do not consider *WestCoast Hotels* as applicable to the present case.

[19] In this case, MRI appears to be conflating the promotion of its hotel, casino, spa and other entertainment services with actual performance of such services. It is clear that the Mark is well known in Canada. However, the advertisement of one's services on a website does not constitute performance of such services. While promotion of the Bellagio Property may occur in Canada, it is not use of the Mark in Canada with respect to the Services unless MRI performs or is prepared to perform the Services in Canada. In this case, it is clear that the hotel and entertainment services of the Bellagio Property are performed in Las Vegas, not in Canada.

[20] In view of the foregoing, I am satisfied that MRI has demonstrated use of the Mark in association with services (1) only, namely "promotional and guest relations services namely hotel and casino reservation and booking services".

[21] With respect to services (2) and (3), there is no evidence before me that MRI or its predecessor-in-title performed or was able to perform the services in Canada during the Relevant Period. As such, I cannot conclude that MRI has demonstrated use in association with such services within the meaning of sections 4 and 45 of the Act. The registration will be amended accordingly.

Registration No. TMA355,865

[22] In response to the Registrar's notice with respect to registration No. TMA355,865, MRI filed affidavits of April Chaparian, Director of Intellectual Property at MRI, sworn on September 7, 2010, and Benjamin Chu, articling student at Cameron MacKendrick LLP, sworn on September 8, 2010. I note that the content of both affidavits is substantively similar to the affidavits furnished by Ms. Chaparian and Mr. Chu with respect to registration No. TMA540,882, described above.

[23] However, the only potentially relevant reference to the Wares in the affidavits is at paragraph 8 of Ms. Chaparian's affidavit, where she attests that "the Bellagio Property features several MRI gift shops which offer for sale and sell to visitors (including Canadian visitors) a variety of apparel for men and women, including clothing and sportswear, exclusive fragrances and bath products for men and women, as well as other novelties, all bearing the BELLAGIO trade-mark". However, it is well established that a sale to a Canadian in the United States does not amount to use of a trade-mark in the normal course of trade in Canada [see *Boutique Limitée*, *supra*, at paragraph 16]. Furthermore, the purchase of wares by a consumer outside of Canada and brought into Canada for personal consumption is not use in Canada of the trade-mark in association with such wares [see, for example: *Rosenhek & Machlovitch v California Swimwear Co* (1988), 23 CPR (3d) 359 (TMOB); *Gowling Lafleur Henderson LLP v Original Sacher-Torten Handel-und Produktionsgesellschaft mbH* (2003), 28 CPR (4th) 547 (TMOB)].

[24] MRI gives no evidence of sales of the Wares in Canada at any time. Furthermore, MRI gives no evidence of special circumstances to excuse the absence of use of the Mark in Canada during the Relevant Period. The registration will be expunged accordingly.

Disposition for registration No. TMA540,882

[25] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, registration No. TMA540,882 will be amended to delete services (2) and (3).

Disposition for registration No. TMA355,865

[26] As well, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, registration No. TMA355,865 will be expunged.

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Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office