



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2017 TMOB 46
Date of Decision: 2017-04-28

IN THE MATTER OF A SECTION 45 PROCEEDING

2900319 Canada Inc.

Requesting Party

and

Dollar General Corporation

Registered Owner

TMA785,040 for DOLLAR GENERAL

Registration

[1] At the request of 2900319 Canada Inc. (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on October 21, 2014 to Dollar General Corporation (the Owner), the registered owner of registration No. TMA785,040 for the trade-mark DOLLAR GENERAL (the Mark).

[2] The Mark is registered for use in association with “Retail variety store services”.

[3] The notice required the Owner to furnish evidence showing that the Mark was in use in Canada, in association with the services specified in the registration, at any time between October 21, 2011 and October 21, 2014. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

[4] The relevant definition of “use” in association with services is set out in section 4(2) of the Act as follows:

4(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.

[5] 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 section 45 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 services specified in the registration during the relevant period.

[6] With respect to services, the display of a trade-mark on advertising is sufficient to meet the requirements of section 4(2) when the trade-mark owner is offering and prepared to perform those services in Canada [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)]. In other words, advertising in Canada alone is insufficient to demonstrate use; at the very least, the services have to be available to be performed in Canada. By way of example, use of a trade-mark on advertising in Canada of services only available in the United States does not satisfy the provisions of section 4(2) of the Act [*Porter v Don the Beachcomber* (1966), 48 CPR 280 (Ex Ct)].

[7] In response to the Registrar's notice, the Owner furnished the affidavit of its Senior Director of E-Commerce, Linda Tilt, sworn on May 15, 2015. Both parties filed written representations, but only the Owner was represented at a hearing, held on January 27, 2017.

The Owner's Evidence

[8] In her affidavit, Ms. Tilt states that the Owner has been operating retail stores since 1939 and currently operates over 11,700 such stores in the United States. She further states that, since 2011, the Owner has operated an e-commerce website located at www.dollargeneral.com. Ms. Tilt specifies that the Owner offers "products such as food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares and seasonal items" in its retail stores and on its website.

[9] Ms. Tilt attests that, during the relevant period, the website received approximately 184,586 visitors "identified as residents of Canada" by the Owner's "web analytics". She also

provides a regional breakdown of such visits, indicating that they came from each Canadian province and territory.

Evidence of sales to Canadians

[10] Ms. Tilt asserts that the Owner sold products under the Mark to residents of Canada in the normal course of trade during the relevant period. She explains that such sales were made through the website, which she describes as allowing residents of Canada to review product details, pricing and availability; to review information about online ordering; to make online purchases of products; and to charge those purchases to their credit cards.

[11] To illustrate, Ms. Tilt provides, at Exhibits B-1 and B-2 to her affidavit, various screenshots showing “the steps a resident of Canada goes through when making a retail purchase ... on the Dollar General website”. Ms. Tilt attests that the same steps were in place during the relevant period. Most of the exhibited screenshots are from the website: they include webpages offering products for sale and webpages with online forms for entering payment and shipping particulars.

[12] I note that the first webpage at Exhibit B-1 displays a variety of products in different categories and includes a “Search” button. This webpage also displays links to specific website features, with titles such as “GET COUPONS”, “Tips & Ideas” and “GET RECIPES”. Other webpages at Exhibit B-1 feature specific products, and include product images, product descriptions, and lists of similar products.

[13] Ms. Tilt emphasizes that Canadians making purchases from the website were able to provide a Canadian billing address by selecting a Canadian province or territory from a pull-down menu on the online billing form. Indeed, the form depicted in the exhibited screenshots has a pull-down menu for a list of countries that includes Canada and a pull-down menu for a list of Canadian provinces and territories (in addition to U.S. states). The form also includes a field for entry of a “Zip/Postal Code”.

[14] Exhibit B-1 further includes printouts of two e-mails from the Owner – one confirming an order and one confirming a shipment – as well as a printout from the UPS website with

shipment tracking information. Based on the billing address, it appears these documents were sent to a Canadian customer.

[15] From these exhibits, it is apparent that the Owner only delivers its products to addresses in the United States. Indeed, during the oral hearing, the Owner conceded that it did not ship products to Canada during the relevant period.

[16] However, in her affidavit, Ms. Tilt indicates that customers could nevertheless have their purchases delivered to Canada by using a “trans-shipper” company, such as Bongo International, which arranges international shipping for retail purchases. Specifically, Ms. Tilt provides, at Exhibit C to her affidavit, a September 2013 invoice/packing slip for various products the Owner shipped to Bongo International for a customer with a Canadian billing address. Furthermore, at Exhibit D, Ms. Tilt attaches a webpage from Bongo International’s website, describing that company’s package receiving and shipping services for “international shoppers”, including Canadian shoppers purchasing from U.S. retail sites.

[17] Ms. Tilt attests that online retail sales of DOLLAR GENERAL products to “residents of Canada” during the relevant period exceeded US\$5,000. She specifies that such sales were to customers with either a Canadian billing address or a “.ca” e-mail address. In support, she attaches at Exhibit E to her affidavit approximately 20 invoice/packing slips, dated during the relevant period, showing sales of various products by the Owner to customers with a Canadian billing address. Although one of the packing slips shows a Canadian shipping address, at the oral hearing, the Owner conceded that this is an anomaly and that the address was not among its shipping destinations. I also note that some of the slips include a personalized “message” for the recipient, such as a birthday greeting, the significance of which will be discussed below.

[18] As further evidence of the Owner’s sales to Canadian customers, Ms. Tilt provides, at Exhibits F and G to her affidavit, internal spreadsheets listing various products sold during the relevant period, together with shipping dates, recipient location information, customer billing information and customer e-mail addresses. The document at Exhibit F lists products sold to customers with a Canadian billing address; the document at Exhibit G lists products sold to customers with a .ca e-mail address.

[19] I note that the Mark appears throughout the foregoing exhibits, most notably at the top of each webpage and e-mail, as well as on the packing slips.

Evidence of “additional interactivity” with Canadians

[20] Apart from her evidence with respect to sales, Ms. Tilt provides examples of what she describes as “additional interactivity” between the Owner and Canadians visiting the Owner’s website.

[21] First, Ms. Tilt attaches, at Exhibit H to her affidavit, six e-mails from the Owner’s Customer Support Service, responding to inquiries received from individuals with Canadian addresses. Ms. Tilt confirms that each inquiry was sent through the website. The e-mails are dated within the relevant period and reference “Customer Support at www.dollargeneral.com”. Essentially, the e-mails all indicate that the Owner only ships to the United States, but accepts debit and credit card payments “from over 80 Countries”. One of the e-mails adds that all pricing displayed on the website is in U.S. currency and that select items are available in bulk.

[22] Next, at Exhibit I to her affidavit, Ms. Tilt attaches a screenshot titled “Welcome to the DG Email program!” Ms. Tilt attests that this “welcome” message is sent to consumers who sign up to receive promotional e-mails from the Owner. She attests that, during the relevant period, approximately 1,300 individuals with a .ca e-mail address opted in to receive such e-mails. The message indicates that participants will receive “Current Ads”, “Coupons”, “Online Sales” and “many other savings opportunities”.

[23] I note that the welcome message invites recipients to “download the Dollar General app”. Ms. Tilt explains that customers can download this app to their mobile devices to “engage in retail shopping” with the Owner. She attests that approximately 2,500 “new users in Canada” downloaded the mobile app during the relevant period. At Exhibit J to her affidavit, she attaches two screenshots from the app. The first screenshot shows the privacy policy, while the second shows a screen with the heading “FASHION AT DOLLAR GENERAL” above various menu options, including buttons for “Shop”, “current ads”, “SEE ALL STYLES”, “MOBILE COUPONS” and “DG DIGITAL COUPONS”.

[24] Furthermore, Ms. Tilt explains that the Owner’s website has a “Store Locator” functionality that enables Canadian customers to input their postal code or city to determine the nearest DOLLAR GENERAL store. She attests that 83 of the Owner’s retail stores are located within ten miles of the Canada-U.S. border and that many Canadian residents shopped in those stores during the relevant period. She provides a list of those 83 store locations at Exhibit K to her affidavit. In particular, at Exhibit L, she provides a map of the region surrounding Niagara Falls, showing markers for the DOLLAR GENERAL store locations in that area.

[25] As an example of how the Store Locator works, attached at Exhibit M is a webpage printout, which she attests shows the result obtained when ‘Windsor, Ontario’ is inputted into the Store Locator. The webpage lists 21 stores with a Michigan address and includes a map with markers for stores near the Detroit-Windsor border. Ms. Tilt confirms that the Store Locator functionality was in place during the relevant period.

[26] Again, I note that the Mark appears throughout these exhibits. For example, “DOLLAR GENERAL” appears at the top of the “welcome” message for the Owner’s promotional e-mail program, at the top of the mobile app screens, and in the header for the Store Locator webpage.

Analysis

[27] In this case, I am prepared to accept that, during the relevant period, the Mark was displayed in the advertising and performance of the Owner’s services. However, as conceded by the affiant, the Owner does not operate any “brick-and-mortar” stores in Canada. The issue, then, is whether the Owner performed – or advertised and was able to perform – the registered services *in Canada*. In other words, the question is whether the activities described in the evidence constitute the performance of the registered “retail variety store services” in Canada.

[28] In their submissions, both parties propose that *Lapointe Rosenstein LLP v The West Seal, Inc*, 2012 TMOB 114, 103 CPR (4th) 136, articulates an appropriate approach when assessing whether certain activities constitute retail store services in the absence of a brick-and-mortar store in Canada.

[29] In *West Seal*, the Registrar indicated that, for an online retailer’s activities to support a registration for retail store services, the combination of such activities must demonstrate “a

certain level of interactivity with potential Canadian customers” in order for there to be a “benefit to Canadians sufficient to support such a registration” [at paragraph 27; see also *MJB Marketing Inc v Provide Gifts, Inc*, 2013 TMOB 46, 113 CPR (4th) 440 at paragraph 30].

[30] However, as discussed below, the parties differ in applying this approach to the facts in the present case.

Requesting Party’s position

[31] The Requesting Party’s primary position appears to be that the Owner’s activities do not support a Canadian registration for retail store services, because the activities do not enable customers to take possession of any purchases *in Canada*.

[32] In this respect, the Requesting Party quotes *MJB Marketing* for the proposition that it would seem a fundamental aspect of “retail store” services that such services include the ability to take delivery or possession of one’s purchases. In that decision, the Registrar commented that customers who walk into a brick-and-mortar establishment in Canada, where they can examine goods on display and speak with staff about product selection – but ultimately cannot take any purchased products with them or at least have such purchases delivered to them – are arguably not dealing with a retailer [*MJB Marketing, supra*, at paragraph 29].

[33] In further support, the Requesting Party refers to several cases involving registrations for retail store services, where the registered owner in each case did not operate any “brick-and-mortar” stores in Canada. As noted in the Requesting Party’s representations, these cases have generally turned on evidence that the owners delivered or were able to deliver their products to Canada during the relevant period.

[34] In particular, the Requesting Party’s representations refer to the decisions in *Law Office of Philip B Kerr v Face Stockholm Ltd* (2001), 16 CPR (4th) 105 (TMOB) and *Grafton-Fraser Inc v Harvey Nichols and Company Limited*, 2010 TMOB 218, 89 CPR (4th) 394.

[35] In *Face Stockholm*, the Registrar found that the registered owner offered its products through its own website and that a Canadian customer could order such products from Canada. The key element in confirming that the owner’s “retail cosmetic and beauty product store

services” were performed in Canada appears to have been the fact that invoices bearing the owner’s name were taken to confirm delivery of the owner’s products to Canada.

[36] Conversely, in *Harvey Nichols*, despite evidence that Canadians accessed the registered owner’s retail website during the relevant period, the registration for “retail department store services” (and related goods) was expunged, in part because there was no evidence of purchase or delivery in Canada during the relevant period. In reaching this conclusion, the Registrar noted that screen captures of the owner’s website did not contain any indicia to suggest that the retail department store services were available to consumers in Canada, such as displaying prices in Canadian dollars, including contact information in Canada or for Canadians, or displaying shipping policies and information for goods to Canada.

[37] The Requesting Party also references the earlier case of *Cassels, Brock & Blackwell v Sharper Image Corp* (1990), 33 CPR (3d) 198 (TMOB). In that decision, based on factors considered in the similar Federal Court case of *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD), the Registrar articulated relevant factors for establishing performance of retail store services in Canada “from” the United States as follows [at paragraph 5]:

- the retailer responded to mail and telephone orders from Canada;
- the retailer advertised goods in Canada by sending catalogues to Canadian customers;
- there was a toll-free number for Canadians to purchase goods by telephone;
- the retailer’s goods and services were advertised regularly in Canada through magazines that had a large Canadian circulation; and
- the retailer arranged for delivery to Canada of the items ordered.

[38] As noted in the Requesting Party’s representations, these factors were applied to an online retailing scenario in *West Seal, supra*. In that decision, the Registrar considered such factors in light of the *Face Stockholm* and *Harvey Nichols* decisions, and determined that the key factor appears to be “whether the retailer arranged for delivery to Canada of the items ordered”.

[39] The Requesting Party emphasizes that, in the present case, the Owner does not deliver any purchased products to Canada. With respect to the Owner’s evidence that its customers

could have their purchases delivered to Canada by using a “trans-shipper” company, such as Bongo International, the Requesting Party argues that “it is the customer that has responsibility for this aspect of the ‘retail variety store services’”.

[40] With respect to any “additional interactivity” between the Owner and customers in Canada, the Requesting Party questions the probative value of the evidence. In particular, the Requesting Party makes several comments suggesting that the evidence fails to show interactivity directed at Canadian customers. The Requesting Party further argues that the Owner’s services are “merely self-promotion activity” and do not “meet the definition of ‘retail variety store services’ in Canada”.

[41] As such, the Requesting Party submits that the evidence does not establish any “interactivity between [the Owner] and a Canadian consumer that would support a showing of use of the trademark in association with the [registered] services in the normal course of trade.”

The Owner’s position

[42] At the hearing, the Owner confirmed and conceded that it does not provide or arrange delivery in Canada for products purchased through its website, nor did it do so during the relevant period. However, the Owner submits that such delivery or arrangements are not required – in fact or in law – for a trade-mark to be used in association with retail store services in Canada.

[43] In this respect, the Owner first submits that allowing a customer to arrange its own delivery through a third-party “trans-shipper” is equivalent to providing or arranging delivery in Canada, because the customer is able to obtain the full benefit of purchase and delivery without ever having to leave Canada. The Owner submits that placing “undue weight” on such factors as the particular delivery method, or who effects delivery, “inappropriately and unnecessarily limits a company’s chosen business method of offering such services”.

[44] In any event, the Owner also submits that sales in Canada – with or without delivery – are not even required to maintain a registration for retail store services, when the services provided to Canadians online provide a sufficient “degree of interactivity” and benefit on their own.

[45] In support, the Owner cites *TSA Stores, Inc v Canada (Registrar of Trade-marks)*, 2011 FC 273, 91 CPR (4th) 324, reversing 2010 TMOB 9, CarswellNat 581. 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. Although the registered owner operated a retail website, there was no evidence that the owner sold its products to customers in Canada. Nevertheless, the Court found that Canadians made use of and benefited from the website's features. In particular, the Court referred to the detailed product descriptions, guidance on identifying suitable products, information on product care, specialized glossary and store locator available via the website. The Court stated that visiting the owner's retail website was "akin to visiting a bricks and mortar store and benefitting from a discussion with a knowledgeable salesperson". Accordingly, the Court concluded that display of a trade-mark in connection with these "ancillary retail store services" constituted use in association with retail store services in Canada [at paragraph 21].

[46] In the present case, the Owner takes the position that the combination of services offered via its retail website and mobile app offers "sufficient" interactivity with and benefit to Canadians to support a registration for retail store services in Canada. In particular, the Owner argues that its website offers a "retail store service experience", given visitors' ability to purchase products. At the oral hearing, the Owner submitted that, given its evidence of actual sales to Canadians through the website, the present case for maintaining the registration is actually stronger than in *TSA*.

[47] The Owner also draws attention to its other forms of "interactivity" with Canadians. In this respect, the Owner cites *TSA* and *Kraft Ltd v Registrar of Trade-marks*, [1984] 2 FC 874, for the proposition that services are to be given a broad and generous interpretation, without distinguishing between "primary", "incidental" or "ancillary" services; so long as Canadians receive a benefit from the activity, it is a service. The Owner highlights the following "benefits" that its website and mobile app offer in Canada:

- The ability to purchase products. As evidence that this service is directed towards interactions with Canadian customers, the Owner points to the inclusion of Canadian

provinces and territories, among other references to Canada, in the online form for entering a billing address.

- The ability to send a customized greeting or other note to the recipient of the purchased goods.
- The ability to find one's closest U.S. store. In this respect, the Owner notes that the website's Store Locator accepts the entry of Canadian cities and postal codes.
- The ability to receive product descriptions and recommendations of similar, related products, using the website's "Search" function.
- The ability to receive other information, for example, current savings advertisements, "Tips & Ideas for saving", "frugal advice" and recipes.
- The ability to access and print coupons.
- The ability to correspond by e-mail with the Owner's Customer Support Service.
- The ability to sign up for promotional e-mails and to download a mobile shopping app. The Owner submits that the evidence of Canadian subscriptions and downloads in this respect constitutes "strong and persuasive evidence that these are retail store services ... which are of clear benefit to Canadians."

[48] At the oral hearing, the Owner also drew attention to the evidence of website visits from every province and territory of Canada during the relevant period, as a further element that distinguishes and strengthens its case.

Conclusion

[49] Notwithstanding the parties' positions, and although the case was not cited by either party, I find pertinent the following comments of the Federal Court in *UNICAST SA v South Asian Broadcasting Corporation Inc*, 2014 FC 295, 122 CPR (4th) 409, a decision on an application for expungement of a registration for the trade-mark RED FM under section 57 of the Act:

[46] As rightly put by the Respondent in its factum, there is “an important distinction between services performed in Canada and services performed outside Canada, perhaps for Canadians.” Although it is true that subsection 4(2) provides that a “trade-mark is deemed to be used in association with services if it is used or displayed in the performance [...] of those services”, the Courts and tribunals, including the Trade-marks Opposition Board, have nonetheless added that such services must be effectively offered to Canadians or performed in Canada

[47] To go against this logical interpretation of the law would lead to some twisted and unfortunate consequences none of which could have been Parliament’s intent in drafting the Act. For example, should we follow the Applicant’s point of view, any foreign trade-mark holder could request and obtain the expungement of a *bona fide* Canadian trade-mark based on previous use through the Web even if this foreign trade-mark owner had basically nothing to do with Canada and no physical presence in the country. How could it be logical to interpret the applicable legal scheme as putting every single Canadian trade-mark owner at risk of having its trade-mark taken away by another trade-mark that has no nexus to Canada? Should Canadian companies be expected to protect themselves from every company around the world which has a website that is accessible in Canada? Could this even be possible to achieve? It would be illogical and impossible to take this approach.

[48] What is more, the Respondent quite rightly submits that this situation would be unthinkable should the roles in these proceedings be reversed. Would a Canadian trade-mark owner have the right to request from a foreign trade-mark owner that they stop using their trade-mark if this foreign owner’s presence in Canada is limited to the Internet? In particular, should this Court uphold the RED FM trade-mark as valid, could the Respondent then request from the Applicant that it stops streaming its programming online because one of the listeners could potentially be Canadian? Again, this suggestion is preposterous. The notion of performing the services is essential.

[50] In *UNICAST*, the party seeking expungement was a Swiss company that claimed to provide radio broadcasting services to Canadians through its website. In determining whether the Swiss company’s “broadcast undertaking” was “carried on in whole or in part in Canada”, the Court considered a number of criteria, including whether the company actively targeted Canadian audiences in its programming, for example, by taking steps towards gathering Canadian listeners, other than streaming its programming online. The Court also drew a distinction between “radio broadcasting” and “transmission of sound, information and messages through computers to Canadians”; while the Swiss company’s services in Canada did not constitute “radio broadcasting”, they could constitute “transmission of sound, information and messages”.

[51] Although the services in *UNICAST* are not perfectly analogous with the present “retail variety store services”, I consider the Court’s distinction of services performed in Canada and

actively targeting Canadians versus services performed outside Canada but accessible to Canadians to be relevant to this case. It also seems appropriate to distinguish the provision of “retail variety store services” from, for example, the provision of information about a retail variety store.

[52] Applying the Court’s approach to the present case, given the nature and purpose of a variety store, and given that the Owner did not even ship its goods to Canada, I have difficulty concluding that the Owner performed “retail variety store services” in Canada during the relevant period. I prefer the view that such services were performed in the United States, albeit for Canadians who visited.

[53] Although services are to be given a “broad and generous” interpretation, the jurisprudence acknowledges that interpreting services broadly has its limits. Notably, in *Boutique Limité Inc v Limco Investments, Inc* (1998), 84 CPR (3d) 164, the Federal Court of Appeal considered merely offering refunds or extending credit to Canadians for purchases made in the United States to be insufficient to justify a registration for “retail women’s clothing store services” in Canada.

[54] Furthermore, in *Supershuttle International, Inc v Fetherstonhaugh & Co*, 2015 FC 1259, CarswellNat 8336, in upholding the Registrar’s decision that reservation and ticketing do not constitute “airport passenger ground transportation services”, the Federal Court acknowledged that services “are to be given a liberal interpretation”, but noted “...that liberal interpretation is not unlimited” [at paragraph 39].

[55] Rather, per section 30 of the Act, services are to be stated in ordinary commercial terms and whether a trade-mark has been used in association with the registered services is to be determined on a case-by-case basis [see *Express File Inc v HRB Royalty Inc*, 2005 FC 542, 39 CPR (4th) 59]. As such, registered services should be interpreted in accordance with common sense and given their ordinary meaning.

[56] In the present case, requiring that customers be able to take delivery or possession of their purchases is consistent with the plain meaning of “retail variety store services”. In my view, if a company claims to provide “retail variety store services” in Canada, the average consumer will

expect to be able to pay for and receive goods in Canada. If goods can only be obtained by travelling to the United States, or through the additional services of a shipping agent, then the retail store services are not performed *in Canada*.

Sales to Canadians

[57] As noted above, the Owner argues that allowing Canadian purchasers to arrange their own delivery through a third party is sufficient for a finding that retail store services are available to be performed in Canada. However, even if I accept that the Owner's customers were able to obtain delivery of their purchases in Canada through a trans-shipper during the relevant period, there is no evidence that any trans-shipper acted as the Owner's agent or was in any other way connected with the Owner during that period. As submitted by the Requesting Party, it is the Canadian customers themselves who are responsible for the delivery of any goods into and within Canada. Therefore, this aspect of the retail store service is performed by the customers themselves – with or without the assistance of a third party – and not by the Owner.

[58] Thus, the issue here is not *how* or *through whom* the Owner offers delivery of goods to Canada but, rather, the fact that the Owner does not offer delivery of goods into Canada at all. In this respect, a company's "chosen business method" potentially goes to the heart of whether or not it performs or is able to perform its services in Canada. In this case, the Owner has chosen to offer delivery of goods only within the United States. The fact that its U.S. deliveries might – without the Owner's involvement or even knowledge – eventually end up in Canada does not assist the Owner's case.

[59] As such, I am not prepared to accept that a sale to a Canadian who requests delivery to a trans-shipper in the United States – or who requests delivery to any other U.S. recipient – constitutes performance of retail variety store services *in Canada*.

"Additional interactivity" with Canadians

[60] As noted above, the Owner submits that, even in the absence of delivery of goods to Canada, a registration for retail store services can be maintained when an online retailer provides other forms of "interactivity" and benefit to Canadians. In this respect, the Owner takes the

position that there should be no distinction between “primary”, “incidental” or “ancillary” services.

[61] That position has its roots in the following passage from *Kraft* [at 461]:

I can see nothing in [the section 4(2)] 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 and I see nothing in the Act which requires the Registrar to reject Kraft’s statement of its services as “providing coupon programs pertaining to a line of food products”.

[62] As can be seen from this passage, the issue in *Kraft* was whether “providing coupons pertaining to a line of food products” was a service, even though it was “ancillary” to the sale of food products. Though it well may, the issue was not whether the provision of coupons constituted the performance of “retail store services”. The point in *Kraft* was that distinguishing between “primary” services and services that are “incidental” or “ancillary” to the sale of goods is unnecessary in determining what constitutes a “service” under the Act.

[63] As such, and in view of the Federal Court’s more recent comments in *UNICAST*, the argument that any potentially useful feature of a retail website or shopping app constitutes performance of retail store services is unconvincing.

[64] In this respect, I first note that courts have generally taken a dim view of token commercial activity designed to protect intellectual property rights [see, for example, *Plough, supra*, at paragraph 10]. Accordingly, a registration should not be maintained in respect of “retail store services” simply because the services actually available in Canada are tangentially related. To do so would give the registered owner trade-mark rights in respect of services that it does not actually perform in Canada, contrary to the approach taken by the Federal Court in *UNICAST*. Where a trade-mark owner performs services in another jurisdiction and wishes to register its trade-mark for the same services in Canada, the owner should generally mirror the performance of those services in Canada; merely casting the shadow of those services is insufficient [see *Stikeman Elliott LLP v Millennium & Copthorne International Ltd*, 2015 TMOB 231,

CarswellNat 10512; and *Fetherstonhaugh & Co v Supershuttle International, Inc*, 2014 TMOB 155, 128 CPR (4th) 469, aff'd 2015 FC 1259, CarswellNat 8336].

[65] Applying these principles to the present case, I am not satisfied that the Owner's "interactivity" with Canadians offers a sufficient benefit in the nature of "retail variety store services" in Canada to justify maintaining the registration at issue.

[66] For example, although the Owner's means of accepting payment for purchased goods may be directed towards Canadian customers, offering Canadians the ability to select and pay for products online does not constitute performance of retail store services in Canada. Here, the Owner appears to conflate requesting and paying for a service with receiving the performance or benefit of that service in Canada.

[67] Indeed, the Federal Court of Appeal's decision in *Boutique, supra*, indicates that there is a distinction between the actual performance of a service and financial transactions relating to payment for the service. As noted above, the Federal Court of Appeal found that engaging in such financial transactions with Canadians in respect of U.S. purchases does not justify a registration for "retail women's clothing store services" in Canada [at paragraphs 15–16].

[68] Similarly, much of the information provided to Canadians through the Owner's website and app appears to consist of promotional content, including information about the nature and availability of various aspects of the Owner's services, as well as displaying and describing products available for purchase and U.S. delivery. In characterizing such information as a "benefit" in the nature of retail store services, the Owner appears to conflate the advertising of its goods and services with the actual performance of the registered services.

[69] As a further example, with respect to the Owner's Store Locator, I am not prepared to accept that providing information on the location of U.S. brick-and-mortar stores constitutes the performance of retail store services in Canada. Essentially, this activity informs potential customers as to where, in the United States, retail variety store services may be obtained. It does not constitute the actual performance of the services themselves.

[70] Additionally, with respect to the provision of coupons, even if this activity constituted use of the Mark in association with "retail variety store services", the benefit of the Owner's

coupons is not provided in Canada, as a customer can only exchange the coupons for goods in the United States. Given the nature of coupons, I am not prepared to accept that access to coupons in Canada, for goods that can only be obtained in the United States, is sufficient to support a registration for “retail variety store services” in Canada.

[71] In summary, to the extent that a Canadian customer derives some form of “benefit” from the other website and app “interactivity” features evidenced by the Owner, I do not consider such features – even in combination – to offer a benefit in the nature of “retail variety store services” in Canada that would justify maintaining the registration at issue.

[72] Accordingly, I am not satisfied that the Owner has demonstrated use of the Mark in association with the registered services within the meaning of sections 4(2) and 45 of the Act. Furthermore, the Owner furnished no evidence of special circumstances excusing the absence of such use.

Disposition

[73] In view of all 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, the registration will be expunged.

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

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

Hearing Date: 2017-01-27

APPEARANCES

A. Kelly Gill

For the Registered Owner

No one appearing

For the Requesting Party

AGENTS OF RECORD

Gowling WLG (Canada) LLP

For the Registered Owner

Oliver Hunt

For the Requesting Party