

Federal Court



Cour fédérale

Date: 20190802

Docket: T-1752-18

Citation: 2019 FC 1042

Ottawa, Ontario, August 2, 2019

PRESENT: The Honourable Madam Justice Kane

BETWEEN:

LIVE! HOLDINGS, LLC.

Applicant

and

OYEN WIGGS GREEN & MUTALA LLP

Respondent

and

**PICKERING DEVELOPMENTS (BAYLY)
INC.**

Intervener

JUDGMENT AND REASONS

[1] Live! Holdings, LLC [Live or the Applicant], appeals the March 9, 2018 decision of the Registrar of Trade-marks [the Registrar]. The Registrar decided to expunge the registration of

Live's trade-mark, "LIVE" [the Mark], pursuant to section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [the Act] due to Live's failure to demonstrate use of the Mark in Canada.

[2] Live filed new evidence on this appeal. The Respondent, Oyen Wiggs Green & Mutala LLP is not participating in the appeal. Pickering Developments (Bayly) Inc. [Pickering or the Intervenor] was granted intervenor status by Order of Justice Walker in *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2018 FC 1049, [2018] FCJ No 1053 (QL). Pickering opposes this appeal and submits that the new evidence provided by Live does not demonstrate use of the Mark and that, therefore, the decision of the Registrar should stand.

[3] The key issue in this appeal is whether Live has established that it used the Mark in association with the approximately 35 services for which it was registered, despite that Live does not have any "bricks and mortar" facilities in Canada.

[4] For the reasons that follow, the appeal is dismissed. Live concedes that it did not use the Mark in association with several of the services for which it was registered. Live submits that it used the Mark in Canada in association with three categories of services: advertising and marketing services for others, entertainment services and hotel services. However, the evidence does not demonstrate that Live or any users licensed by Live used the Mark in Canada in those three categories. Live's submission that people in Canada received a tangible and meaningful benefit while in Canada—by accessing websites bearing the Mark, by buying tickets to events in the United States [US], which were advertised with the Mark, or by merely holding a reservation at a hotel in the US bearing the Mark—stretches the concept of a tangible and meaningful benefit

sufficient to constitute use in Canada beyond its logical limits. Live has not established special circumstances to explain or excuse its non-use of the Mark.

I. Background

[5] Live is a company based in Baltimore, Maryland. Mr. Taylor Gray provided the evidence for Live by way of affidavit. Mr. Gray describes Live as an affiliate of a group of privately held companies known as the Cordish Companies. The Cordish Companies develop, construct, manage, and operate large-scale commercial real estate projects with entertainment, gaming, restaurant, residential, and hospitality operations. Live does not develop, construct, manage, or operate the developments. As its name implies, it is a holding company.

[6] Live owned Canadian trade-mark registration no. TMA789, 912 [the Registration] for the Mark, LIVE. The Mark was registered for use in association with the following registered services:

Retail outlets featuring, gift, sporting goods and equipment, food, drugs, cosmetics, perfumes, furniture, housewares, linens; business management in the field of shopping centers, retail shopping outlets, marketplaces, residential facilities, hospitality facilities, commercial facilities, office facilities, entertainment facilities, restaurants and bars; art galleries; advertising and marketing services for others; on-line marketing services featuring residential, hospitality, office and commercial real estate and developments for others; shopping center services, namely rental of shopping center space; real estate management in the field of shopping centers, shopping outlets, marketplaces, residential facilities, hospitality facilities, commercial facilities, office facilities, entertainment facilities, restaurants and bars; leasing of building or portions thereof; residential leasing; office leasing; commercial leasing, condominium sales; hospitality leasing; real estate listing services; commercial, office, hospitality and residential development of land and facilities, namely planning and laying out of residential, office,

hospitality and commercial communities, areas and buildings; construction services, namely construction of residential, office, hospitality and commercial communities, areas and buildings; consulting in the area of real estate construction; real estate development and construction of commercial, residential, hotel, gaming and convention properties; entertainment services, namely night clubs; providing mixed-use entertainment facilities; karaoke clubs; comedy clubs; puppet or animation theaters; operating motion picture theaters, live performance theaters, dinner theaters, amusement arcades, providing virtual reality entertainment facilities; family recreation facilities, museums, health club facilities, casinos; restaurants; lounges; bar services; sports bars; hotel services, vacation spas; resorts; food and drink services; coffee shops; bistros; catering; provision of function, conference and convention facilities; health spas.

[7] Live was engaged with an affiliate, Woodbine Live GP, Inc., in the development of “Woodbine Live”, a gaming and entertainment project with multi-use facilities. This Toronto area project did not come to fruition and Live ended its involvement in 2013.

[8] On November 3, 2017, at the Respondent’s request, the Registrar issued a notice to Live pursuant to section 45 of the Act, requiring that it demonstrate use of the Mark in Canada during the three year period immediately preceding the date of the notice: November 3, 2014 to November 3, 2017 [the Relevant Period]. Live did not respond.

[9] On March 9, 2018, the Registrar advised Live that the Registration would be expunged pursuant to subsection 45(4) of the Act due to its failure to provide evidence demonstrating use of the Mark. Live did not appeal the Registrar’s decision within the time to do so. The Registration was expunged on May 9, 2018.

[10] Live now appeals the Registrar's decision pursuant to section 56 of the Act and was granted an extension of time to do so. Pickering Developments opposes the appeal.

II. The Evidence on Appeal

[11] Live relies on the affidavit of Mr. Gray sworn on October 31, 2018. Mr. Gray stated that he is Vice-President of Development of the Cordish Companies. He explained in cross-examination that he is not employed by Live, but by an affiliate of the Cordish Companies, CTR Management Inc. He did not provide details of the affiliation or any organizational chart. Mr. Gray's affidavit describes how the Mark was used in Canada in the Relevant Period.

[12] Mr. Gray stated that the Cordish Companies own and operate entertainment districts in the US. Several of these venues display the Mark as part of their name. The venues provide a variety of services and facilities, including hotels, conference facilities, offices, apartments, shopping outlets, health facilities, concert venues, casinos, restaurants, and bars. Exhibits to his affidavit include pictures of such venues with "Live" displayed in some fashion.

[13] Mr. Gray stated that "[a]mong the millions of [annual] visitors to Live!'s entertainment venues are numerous Canadians." He stated that Canadians buy tickets to events and receive loyalty offers from the Cordish Companies' gaming ventures. He stated that during the Relevant Period, at least 36 orders for tickets for concerts held at various Cordish Companies' US venues were delivered to Canadian addresses.

[14] Mr. Gray also stated that people with home addresses in Canada made at least 41 reservations at Live! Casino & Hotel in Hanover, Maryland, which is owned by the Cordish Companies and branded with the Mark. On cross examination, Mr. Gray acknowledged that the hotel in Hanover, Maryland did not exist during the Relevant Period. He suggested that the reservations may have been made at another hotel in Maryland, Live Lofts.

[15] Mr. Gray stated that the Mark is displayed on the hotels' websites and in booking confirmation emails received by customers. In addition, websites for several of the Cordish Companies' venues displayed the Mark during the Relevant Period. Screenshots of these websites taken in October 2018 (outside the Relevant Period) were submitted as exhibits. Mr. Gray explained that the screenshots were typical of those in the Relevant Period. Mr. Gray attested that Canadians visited the websites for these venues during the Relevant Period.

[16] Mr. Gray added that the Cordish Companies' mailing list includes approximately 1000 people with addresses in Canada. He stated that these people are members of the "Live! Rewards program" and can earn points in several ways, including by playing casino games at the casinos and hotels, dining in restaurants at the hotels or shopping at the "SHOP LIVE!" retail store (all of which are in the US). The points can be redeemed at and around the Cordish Companies' venues, all of which are in the US, including for discounts for food, beverages and services at affiliated venues in the US.

[17] Mr. Gray also stated that during the Relevant Period, the Cordish Companies sent out thousands of promotional emails or pieces of regular mail bearing the Mark to email or mailing addresses in Canada.

[18] Mr. Gray acknowledged that Live and the Cordish Companies did not have any developments or venues in Canada that offered any of the registered services. Mr. Gray explained that Live announced plans to develop Woodbine Live, a large-scale entertainment complex in the Toronto area around 2007. The project proposed to include a hotel, a casino, theatres, stores, restaurants, a skating park and canal, offices, and housing.

[19] Mr. Gray stated that Live's affiliate, Woodbine Live GP, Inc., entered into leases for space in the proposed development with Canadian food service and entertainment companies. He stated that the Mark appeared on the leases. Mr. Gray also asserted that Live "had direct control of the character and quality of the goods and services sold and offered by Woodbine Live GP, Inc." in association with the Mark.

[20] Mr. Gray explained that the Woodbine Live project was not built due to issues between Live's partner, Woodbine Entertainment Group, and the Ontario Lottery and Gaming Corporation [OLG]. Mr. Gray attested that the Cordish Companies bid for other developments in Canada in 2016 and 2017, but were not successful.

III. The Issues

[21] The appeal raises three key issues:

1. Whether the new evidence submitted by Live on this Appeal should be accepted;
2. Whether the new evidence demonstrates that Live or other licensed users of the Mark used the Mark in Canada in association with the registered services during the Relevant Period; and
3. Given that the Applicant acknowledges that the evidence does not demonstrate use in association with all of the services listed in the Registration, whether special circumstances explain and excuse the non-use.

[22] The determination of whether Live has demonstrated use of the Mark in Canada in the Relevant Period requires consideration of the state of the jurisprudence regarding use of a trademark in this age of electronic communication and commerce and online experiences that transcend geographic boundaries.

IV. The Standard of Review

[23] On an appeal from a decision of the Registrar where no new material evidence is adduced, the applicable standard of review is reasonableness. However, where additional evidence is adduced on appeal which would have materially affected the Registrar's decision, this Court must conduct a *de novo* review and determine whether an applicant has established use (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at paras 35 and 37, [2006] 1 SCR 772 [*Mattel*]; *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145 at para 51, 180 FTR 99).

[24] The Federal Court of Appeal explained the dual standard of review for appeals of decisions of the Registrar in *Saint Honore Cake Shop Limited v Cheung's Bakery Products Ltd*, 2015 FCA 12 at para 18, 132 CPR (4th) 258:

In principle, the standard of review to be applied in an appeal of a decision of the Board is reasonableness. However, when new evidence is adduced on appeal before the judge under section 56 of the Act and the judge comes to the conclusion that the new evidence would have affected the Board's finding 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. (CA)*, [2000] 3 F.C. 145 at para. 51).

[25] In the present case, Live did not provide any response or evidence to the Registrar. Therefore, the new evidence would have affected the Registrar's decision in that it would have informed the decision-making process. The new evidence of Mr. Gray, along with exhibits, is probative of the issues before the Court regarding use of the Mark in Canada. It also extends the record that was before the Registrar, given that there was no evidence before the Registrar. The Court will, therefore, conduct a *de novo* review. In accordance with subsection 56(5) of the Act, the Court may exercise any discretion vested in the Registrar.

V. Did Live – or others licensed by Live – use the Mark in Canada in association with the registered services during the Relevant Period?

A. *The Applicant's Submissions*

[26] Live submits that it used the Mark in Canada in three key categories of the registered services—hotel services, entertainment services and marketing and advertising services for others—and in several ancillary or related services in the Relevant Period.

[27] Live concedes that it did not use the Mark in association with some of the other services for which it is registered, including art galleries, karaoke clubs, comedy clubs, puppet theatres, operating live or motion picture theaters, museums, or health clubs.

[28] Live submits that displaying a trade-mark on a website demonstrates use where the services are either performed in Canada *or* are targeted at and offered to Canadians (relying on *HomeAway.com, Inc v Hrdlicka*, 2012 FC 1467 at para 22, [2012] FCJ No 1665 (QL) [*HomeAway*]; *UNICAST SA v South Asian Broadcasting Corporation Inc*, 2014 FC 295 at paras 46-47, 122 CPR (4th) 409 [*UNICAST*]). Live submits that although it has not had a physical presence in Canada since 2013, the Mark was displayed on websites which were accessed by many Canadians and offered services to Canadians, constituting use in Canada in the Relevant Period.

[29] Live further submits that taking a modern and pragmatic view, a bricks and mortar presence is not required to offer a service (relying on *Dollar General Corporation v 2900319 Canada Inc*, 2018 FC 778, 157 CPR (4th) 318 [*Dollar General*]; *Hilton Worldwide Holding LLP v Miller Thomson*, 2018 FC 895, 159 CPR (4th) 243 [*Hilton*]), *TSA Stores, Inc v Registrar of Trade-Marks*, 2011 FC 273, 199 ACWS (3d) 937 [*TSA Stores*]). The issue is whether people in Canada receive a benefit from the service.

[30] Live argues that booking or reservation services are part and parcel of the entertainment and hotel services (relying on *Hilton* at para 68). Live notes that people in Canada booked tickets

online to events at entertainment venues branded with the Mark and made reservations at the hotels and resorts in the US bearing the Mark.

[31] Live submits that a ticket delivered to people in Canada provides a benefit because it provides a high level of confidence that upon arrival at the venue, the ticket holder will be admitted.

[32] Live submits that “hotel services” are a package of services and the absence of some of the services does not mean that it has not demonstrated use in association with hotel services. Live points to the reservations made by people with addresses in Canada. Live relies on *Hilton* to argue that the reservation services are an aspect of “hotel services”. Live argues that online reservations made from Canada provide certainty that a room will be available upon arrival at the US venue and that this certainty is a benefit enjoyed in Canada. There is no need for the customer’s “head to hit the pillow” in order to gain the benefit of the hotel services.

[33] Live submits that the evidence also demonstrates use in association with “advertising and marketing services for others; on-line marketing services featuring... hospitality... for others”, because the venues’ websites refer to restaurants that are operated by businesses or persons other than Live.

[34] Live notes that 12,000 pieces of promotional material were sent to addresses in Canada. This material notified people in Canada of events at certain venues in the US and provided a link or other information to facilitate the ticket purchase through a ticketing platform.

B. *The Intervenor's Submissions*

[35] Pickering submits that Live has not shown use of the Mark in Canada for any of the registered services during the Relevant Period. First, the purported use was not by Live because Live is only a holding company, without any employees or operational functions. There is no evidence of a licence between Live and any "affiliate". Second, there is no evidence of use of the Mark in association with any of the registered services in Canada in the Relevant Period.

(1) No licensed user of the Mark

[36] Pickering submits that any use of the Mark by the Cordish Companies' "affiliates" does not constitute use by Live in the absence of a licence. Pickering argues that there is no evidence of any licences and no evidence by which a licence can be inferred.

[37] Pickering acknowledges that use of a trade-mark by a licensee has the same effect as use by the owner of the trade-mark if the owner exercises direct or indirect control of the quality or character of the goods or services, but submits that Live has not shown such control. Pickering submits that a corporate relationship or some common control between Live and the Cordish Companies is not sufficient to show that Live controlled the character or quality of the registered services, as required under section 50 of the Act.

[38] Pickering submits that Mr. Gray's assertion that Live exercised control over Woodbine Live GP, Inc. is not sufficient. First, if there was such control, it was not in the Relevant Period. Second, the development was never built and services were never offered by this partner.

[39] Pickering adds that none of the websites bearing the Mark indicate that the use of the Mark is licensed by Live.

[40] Pickering submits that the failure to establish that the Mark was used by licensees for the benefit of Live is fatal to the appeal.

(2) No evidence of use of the Mark in association with services in Canada

[41] Pickering submits that the evidence does not establish that Live used the Mark in association with the registered services in the Relevant Period. To show use, the registered services must be offered to people in Canada and people in Canada must receive a tangible and meaningful benefit without leaving Canada (relying on *Hilton*, at paras 92, 98). Use in Canada cannot be established through advertising alone; services must be performed in Canada (relying on *Porter v Don the Beachcomber*, [1966] Ex CR 982 (QL) at para 17, 48 CPR 280; *Supershuttle International, Inc v Fetherstonhaugh & Co*, 2015 FC 1259, 263 ACWS (3d) 459 [*Supershuttle*]).

[42] Pickering submits that there is no evidence that Live offers “advertising and marketing services for others” in Canada or anywhere. The advertising and marketing on Live’s website only benefits Live, not others. Pickering adds that making the public aware of Live is not a service.

[43] Pickering disputes that holding a ticket for an event or a reservation at a hotel in the US constitutes a tangible and meaningful benefit in Canada. Live has not demonstrated any tangible and meaningful benefits obtained in Canada from such reservations.

[44] Pickering further submits that “entertainment services” are specifically described in the registration and the performers and shows are not part of that description. The specific entertainment services are not provided by Live.

[45] With respect to “hotel services”, Pickering submits that Live’s reliance on *Hilton* is misplaced because *Hilton* can be distinguished on its facts. In that case, people in Canada who reserved a hotel room at a Waldorf Astoria hotel in the US could reap benefits from the Hilton loyalty program in Canada at other Hilton hotels.

[46] Pickering submits that there is no other evidence of use in association with hotel and resort services. Mr. Gray’s evidence on cross examination that 41 reservations were “likely” made at the Live Lofts Hotel (rather than the hotel in Hanover, Maryland that did not exist in the Relevant Period) is vague and unsupported.

C. *Live has not demonstrated use of the Mark by a licensee*

[47] In section 45 proceedings, a registered trade-mark owner must show that they used the trade-mark during the relevant period or that another person used the mark and this use accrued to the owner’s benefit (*Spirits International BV v BCF SENCRL*, 2012 FCA 131 at para 7, [2012] FCJ No 526 (QL)). Subsection 50(1) of the Act provides that use by a licensee is deemed to have the effect of use by the registered owner if the owner “has, under the licence, direct or indirect control of the character or quality of the goods or services”.

[48] Live has not provided evidence that it licensed the use of the Mark to affiliates of the Cordish Companies in relation to the venues and events in the US. Nor does the evidence of Mr. Gray provide a sufficient basis to infer that Live licensed the affiliates. In an organization described as a very large group of affiliated companies that take on mega-projects, it should be possible to cobble together some evidence of licences between the owner of the Mark and users of the Mark. Alternatively, there should be sufficient evidence to infer that licences existed and that Live exercised control over the character or quality of the services performed by the licensees. Live appears to expect the Court to make assumptions based on the use of the Mark by businesses in the US, as demonstrated by screenshots from websites and pictures of venues. Counsel for the Applicant stated that “the evidence is what it is”. This statement captures the problem faced by Live in this appeal because the evidence is not sufficient to support Live’s assertions of use of the Mark.

[49] Mr. Gray attested that Live develops and operates large-scale commercial real-estate projects which display the Mark either directly or through an affiliated company. On cross-examination, Mr. Gray clarified that Live does not develop, construct, manage, or operate the developments and businesses itself and has no operational functions or employees. Live provided no evidence of any licence agreements with affiliated companies who use the Mark.

[50] The jurisprudence has recognized that a licence to use a trade-mark can be inferred in appropriate circumstances. In *Stork Market Inc v 1736735 Ontario Inc (Hello Pink Lawn Cards Inc)*, 2017 FC 779 at para 20, 149 CPR (4th) 287 [*Stork Market*], Justice Southcott noted that “where the owner of a trade-mark also controls a closely held corporation that uses the mark, an

inference may be drawn that the corporation uses the mark under oral licence from the owner, with the owner asserting the requisite control over the character or quality of the wares or services”. Justice Southcott inferred an oral licence based on the evidence before him that the individual plaintiff started and single-handedly operated the corporation in question, using the trade-mark.

[51] Unlike the plaintiff in *Stork Market*, Live did not offer evidence to allow this type of inference. The only evidence is that of Mr. Gray, who stated that Live owns the Mark, which is used by different affiliates of the Cordish Companies. The Cordish Companies are owned primarily by family members who also own Live. However, Live has not identified the possible licensee(s)—the persons or businesses that own and operate the hotels, casinos, entertainment venues and other services—or the owners of these businesses using the Mark.

[52] Mr. Gray stated on cross examination, when asked what Live does or does not do and the source of his knowledge, “[y]ou know, not, very little, just other than my basic knowledge of the entity itself, is that it does very little”. This can be interpreted in two ways: as Mr. Gray stating that he knows very little about what Live does or that Live does very little. Either way, the evidence does not assist the Court in determining that the affiliates were licensed to use the Mark and that Live controlled the character or quality of the services provided by them.

[53] Even if the Court were to conclude that the Mark was used by affiliates with the permission of Live by some oral agreement, there is still no evidence of how Live exercised control of the quality or character of the services provided by users of the Mark.

[54] In *Empresa Cubana del Tabaco v Shapiro Cohen*, 2011 FC 102 at para 83, 383 FTR 164, the Court found that a trade-mark owner who appeals the Registrar's decision bears the burden of demonstrating that they exercised direct or indirect control of the character or quality of the service under licence. The Court added at paragraph 84:

There are three main methods by which registered owners of trade-marks can demonstrate the control required to benefit from the deeming provision in section 50(1) of the Act:

1. they can clearly swear to the fact that they exert the requisite control: see, for example, *Mantha & Associés/Associates v. Central Transport Inc.* (1995), 64 C.P.R. (3d) 354 (Fed. C.A.), at paragraph 3;
2. they can provide evidence that demonstrates that they exert the requisite control: see, for example, *Eclipse International Fashions Canada Inc. v. Shapiro Cohen*, 2005 FCA 64, at paragraphs 3-6; or
3. they can provide a copy of a license agreement that explicitly provides for the requisite control.

[55] Although Mr. Gray attested that Live had direct control over the character and quality of the goods and services offered by Woodbine Live GP, Inc. in association with the Woodbine Live project, this project terminated in 2013 before the Relevant Period began.

[56] Live has not provided any other evidence to show how it directly or indirectly controlled the character or quality of the services as registered, even before the Relevant Period, given that Woodbine Live was in a developmental phase. The only service noted was leasing of commercial space to food and retail tenants, none of which came to pass. This cannot be viewed as exercising control over the quality or character over the services for which the Mark was registered because those services were not provided.

[57] Live has not provided any licence agreements. Live has not provided any evidence demonstrating that it exercised control over the services provided by the users of the Mark. Nor has Live provided affidavit evidence swearing that such control exists with respect to the venues in the US which it claims use the Mark in association with the services specified in the Registration.

[58] Live has not demonstrated use of the Mark in association with any of the registered services because Live does not provide any services. Live has also not established that it licensed the use of the Mark to affiliates or others. However, if I am wrong in reaching this conclusion, the use of the Mark asserted by Live has also been considered.

D. *Live has not demonstrated use of the Mark in association with any of the registered services in Canada in the Relevant Period.*

(1) The Relevant Jurisprudence

[59] Live and Pickering point to the same jurisprudence, but disagree on how the jurisprudence applies to the facts.

[60] The purpose of section 45 proceedings is to remove “deadwood”, or registrations which have fallen into disuse, from the Register (*Sport Maska Inc v Bauer Hockey Corp*, 2016 FCA 44 at para 55, [2016] 4 FCR 3). The registered trade-mark owner must demonstrate use of the trade-mark in Canada, with respect to each of services specified in the registration, by or on behalf of the owner, during the three year period immediately preceding the date of the notice. The Courts have noted that this is a “use it or lose it” situation.

[61] In *Mattel*, Justice Binnie explained the principle at para 5:

Unlike other forms of intellectual property, the gravam[e]n 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)).

[62] Although the threshold to establish use of a Mark is not high, there must be some evidence to show use for each of the services registered. As noted in *Dollar General* at para 30:

Moreover, in expungement proceedings under section 45 of the *Act*, the burden on the registrant is not a heavy one. The evidence need not be perfect; it must only establish a *prima facie* case of “use” within the meaning of section 4 of the *Act* because the proceedings are meant to remove “deadwood” from the register and there is a need to maintain a sense of proportion and avoid evidentiary overkill. The evidence must be such that a conclusion of “use” would follow as a logical inference from the facts established, rather than from speculation, and such an inference can properly be drawn from the evidence as a whole.

[63] In *Cosmetic Warriors Limited v Riches, McKenzie & Herbert LLP*, 2019 FCA 48 at para 10, [2019] FCJ No 286, the Federal Court of Appeal noted that in section 45 proceedings before the Registrar, although the burden to show use has been described as “light”:

The evidence must nonetheless be sufficient to “inform the Registrar in detail of the situation prevailing with respect to the use of the trade-mark so that [the Registrar], and the Court on appeal, can form an opinion and apply the substantive rule set out in [subsection 45(3)]”: *John Labatt Ltd. v. Rainier Brewing Co.* (1984), 80 C.P.R. (2d) 228 at 235-236, 54 N.R. 296 (F.C.A.), excerpting from *Plough (Canada) Limited v. Aerosol Fillers Inc.* (1980), [1981] 1 F.C. 679 at 684, 53 C.P.R. (2d) 62 (C.A.).

[64] The jurisprudence has addressed the issue of use of a trade-mark in circumstances where there are no “bricks and mortar” operations in Canada.

[65] In *Société Nationale des Chemins de Fer Français SNCF v Venice Simplon-Orient-Express Inc*, [2000] FCJ No 1897 (QL), 9 CPR (4th) 443 [*Orient Express*], the issue was whether the trade-mark had been used in Canada in association with the performance of “a railway passenger service”. Although there were no trains in Canada, people in Canada could reserve and purchase tickets in Canada through agents in Canada.

[66] The Registrar had found that “travel services, namely railway passenger services” encompassed services such as “train ticketing and train reservations” which could be made in Canada. The Court found that the registrar’s broad interpretation of passenger rail services was reasonable and that booking reservations and tickets in Canada constituted performance in Canada of passenger rail services (*Orient Express*, at para 10). The Court based its finding on the broad interpretation of the wording of the service as registered, and did not address how the reservations constituted a tangible and meaningful benefit in Canada.

[67] In contrast, in *Supershuttle*, Justice Heneghan considered whether the owner had used the trade-mark in association with “airport passenger ground transportation services”. Supershuttle did not operate any ground transportation services in Canada but its online reservation system, which displayed the trade-mark, permitted people in Canada to book shuttle services at many airports outside Canada.

[68] Justice Heneghan considered the established principles, including that the term “services” should be given a liberal interpretation. However, Justice Heneghan qualified this principle, noting at para 39, “[a]t the same time, however, that liberal interpretation is not unlimited.”

Justice Heneghan stated at para 40:

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

[Emphasis added.]

[69] In *Supershuttle* Justice Heneghan concluded that the Registrar reasonably found that the trade-mark had not been used in Canada.

[70] In *TSA Stores*, Justice Simpson also noted the established principles, including that the term “services” should be given a liberal interpretation, that each case should be decided on its own facts, and that as long as some members of the public receive a benefit, it is a service (at paras 16-17).

[71] Justice Simpson concluded that the tools on the TSA’s website, which assisted customers in finding stores and determining what sports gear they needed, were ancillary services and part of “retail services”. Although there were no bricks and mortar retail stores in Canada, Justice Simpson found that the website services were akin to visiting a retail store and benefitted people in Canada (*TSA Stores*, at paras 19-21).

[72] Justice Simpson stated at para 21, “[a]ccordingly, since the Marks appear in connection with these ancillary retail store services on the Website, I have concluded that there is evidence of use in Canada in the Relevant Period.”

[73] In *Dollar General*, Justice Manson allowed the appeal of the Registrar’s decision which had expunged the trade-mark for use in association with “retail store services”. Justice Manson noted at para 13:

Subsection 4(2) of the *Act* provides that “a trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.” This Court has added that those services must be effectively offered to Canadians or performed in Canada (*UNICAST SA v South Asian Broadcasting Corporation Inc*, 2014 FC 295 [*Unicast*] at para 46).

[74] Justice Manson considered the jurisprudence, including that which had addressed the use of “retail store services”. This included *TSA Stores* and an earlier case, *Saks & Co v Canada (Registrar of Trade Marks)*, [1989] FCJ No 28 (QL), 24 CPR (3d) 49 (TD) [*Saks*]. In *Saks*, the Court held that retail store services could be performed in Canada without a bricks and mortar store. In reaching this conclusion, the Court considered several factors, including that Saks advertised in Canada by sending catalogues to customers, responded to telephone orders, and arranged for delivery of the products purchased by its customers in Canada.

[75] Justice Manson concluded that Dollar General provided retail services to people in Canada. The evidence established that in the relevant period, customers in Canada inquired about retail purchases from the website, specific sales were made to customers with billing addresses in Canada, sales volumes were significant given the nature of the products offered, the

website billing drop down menu included Canadian provinces and territories, and products could be delivered to the doors of customers in Canada via a third party shipper.

[76] In *Hilton*, Justice Pentney considered whether the Registrar’s decision, which found that the trade-mark “Waldorf-Astoria” had not been used in association with “hotel services” in Canada, was reasonable. Justice Pentney noted at para 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*].

[77] Justice Pentney reviewed the evolving jurisprudence, noting that the Courts have found that where a trade-mark owner enables people in Canada to benefit directly from the delivery of the service in Canada, it can establish use (*Hilton*, at paras 41-50). Justice Pentney noted at para 51 that “[t]hese 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.” Justice Pentney summarized at para 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.

[Emphasis added.]

[78] With respect to the meaning of “hotel services” Justice Pentney stated at para 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.

[79] However, Justice Pentney qualified the scope of “hotel services” at para 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.

[Emphasis added.]

[80] The principles drawn from the jurisprudence that are relevant for the determination of whether Live has demonstrated use of the Mark in the three categories it focuses on are summarized below:

- A registered trade-mark owner must demonstrate actual use of their trade-mark in Canada, with respect to each service specified in the registration, by or on behalf of the owner (i.e., “use it or lose it”).
- The threshold to establish use of a trade-mark is not high, but the evidence must permit a conclusion of use as a logical inference from the facts, rather than from speculation.

- The term “services” is to be given a liberal but not unlimited interpretation.
 - A case-by-case assessment is required to determine whether use has been established with regard to the words used in the registration to describe the services.
 - The mere advertising of services in Canada does not constitute use in Canada in association with a service. Some aspect of the services must be offered to people in Canada or performed or delivered in Canada.
 - Hotel reservation services could fall within the meaning of “hotel services” for the purpose of finding use if people in Canada enjoy some tangible and meaningful benefit.
- (2) There is no evidence of use of the Mark in Canada in association with the registered services

[81] In the present case, the Registration lists approximately 35 services (depending on how the long list is read with the ancillary services), including retail outlets, art galleries, construction services, operations of live theatres, museums, health clubs, entertainment services and hotel services. As noted, Live has focused on its use of the Mark with respect to three categories—marketing and advertising services for others, entertainment services, and hotel services—and ancillary services. Live concedes that it does not use the Mark for several other registered services, for example, retail outlets, art galleries, puppet theatres, museums, health clubs and vacation spas.

[82] The parties agree that a tangible and meaningful benefit to people in Canada must be shown to establish use. However, they disagree on whether people in Canada could tangibly and

meaningfully benefit from Live's advertising, online hotel reservation system, and booking services for entertainment.

[83] Live submits that it need not have any "bricks and mortar" facilities in Canada and that targeting and offering services to people in Canada is sufficient to constitute use. However, the jurisprudence relied on by Live does not support its position that the display of the Mark online and on other promotional material, without more, constitutes use. Further analysis of the nature of the use and whether there is a tangible and meaningful benefit to people in Canada is required.

(a) *Website display and advertising is not enough to show use*

[84] The evidence shows that the Mark was displayed in promotional material sent to Canada, on the websites of several venues, and on booking confirmations. Although the Mark also appeared on computer screens and advertising in Canada, no services were offered in Canada. Advertising in Canada or targeting services to people in Canada is not sufficient to show use in association with services where the services are offered, delivered or performed elsewhere.

[85] Live relies on *HomeAway*, where Justice Hughes stated at para 22 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." This statement read in isolation does not reflect the prevailing jurisprudence. It must be considered in its proper context as a conclusion arising from the facts of *HomeAway* and not as a general principle.

[86] In *HomeAway*, HomeAway advertised third parties' homes for rent on a US based website. HomeAway sought to expunge the respondent's registration for the same trade-mark that HomeAway used to advertise. People in Canada could advertise their Canadian properties on the US based website and anyone could visit the website and rent properties in Canada, among other places (*HomeAway*, at paras 25, 28). There was clearly a tangible benefit to people in Canada that could be experienced in Canada. Justice Hughes found use of the trade-mark in Canada based on the particular facts.

[87] In *UNICAST*, Justice Noël commented that Justice Hughes' statement at paragraph 22 of *HomeAway* must be considered in context. At paras 46-47, Justice Noël stated:

[46] However, this Court must side with the Respondent's interpretation of the decision and put this finding into context. In *HomeAway*, above, the trade-mark was used in association with services that were actually offered to Canadians over the web. 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 (see for example *Express File Inc. v HRB Royalty Inc.*, 2005 FC 542 at para 20, [2005] FCJ No 667).

[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.

[88] I share the concern noted by Justice Noël. If online activities accessible to people in Canada but originate from anywhere in the world can constitute use of a trade-mark in Canada, without any nexus to Canada or ability to provide a tangible and meaningful benefit to people in Canada, the notion of use would change significantly.

[89] In *UNICAST* at para 46, Justice Noël found that for the display of a trade-mark on a website to establish use, the associated services must be effectively offered through the website to consumers in Canada or performed in Canada. Similarly, in *Supershuttle*, Justice Heneghan found, at para 40, that the registered services must still be offered in Canada. More recently, in *Hilton*, Justice Pentney found that “it is essential that some aspect of the services must be offered directly to Canadians or performed in Canada” (at para 56) and that it must be demonstrated that people in Canada obtained “some tangible, meaningful, benefit” from the use of the Mark in association with the registered service (at para 90). In *TSA Stores* and *Dollar General*, the Court found that people in Canada had received a benefit from the services offered by the retailer, although there were no retail stores in Canada.

[90] The jurisprudence relied on by Live does not go so far as to abandon the need for a nexus to Canada and the requirement that the customer or user in Canada receives some meaningful and tangible benefit without leaving the country.

[91] The websites which display the Mark and advertise the venues in the US to people in Canada are not sufficient indicators, on their own, of use of the Mark in Canada. It is necessary to assess whether the evidence demonstrates that people in Canada received some tangible and meaningful benefit in the Relevant Period from Live's marketing and advertising services for others, entertainment services and hotel services.

[92] I cannot find that people in Canada received a tangible and meaningful benefit simply by accessing a website which made them aware of events or hotels in the US or by using online reservation portals that permit them to purchase tickets or book rooms for venues or hotels in the US.

(b) *Hotel services*

[93] Live notes that in *Hilton* the Court found that registration services may be considered ancillary or incidental services within the ordinary understanding of "hotel services" (at paras 76, 85-87). Live purports to adopt the description of "hotel services" set out by Justice Pentney at para 76 of *Hilton*. Regardless of whether this is the definitive interpretation of "hotel services" for trade-mark purposes, there are important distinctions between the facts of *Hilton* and the present case.

[94] Moreover, as noted above, Justice Pentney clarified that hotel services could include hotel registration services, "but only if it is demonstrated that people in Canada obtained some tangible, meaningful, benefit from such use" (*Hilton*, at para 90).

[95] Justice Pentney found at para 86 that hotel services include some services that can only be delivered in the hotel and other services which could be performed or enjoyed in Canada (*Hilton*, at para 86).

[96] Justice Pentney based this finding on the evidence which showed that there were several benefits that “a large number” of people in Canada took advantage of, including discounted rates in exchange for paying for rooms in advance and rewards points that could be redeemed at other Hilton hotels in Canada (*Hilton*, at paras 92-97). Justice Pentney concluded on the evidence before him that people in Canada did receive a meaningful benefit in Canada from the delivery of certain aspects of the hotel services (*Hilton*, at para 102). However, that same conclusion cannot be made in the present case.

[97] As Pickering noted, the only ancillary aspect of “hotel services” in Canada that Live can point to is the online reservation service. The evidence shows only that people in Canada could book rooms online for hotels in the US bearing the Mark. Unlike in *Hilton*, there are no rewards points that can be used in Canada. Mr. Gray explained that people could collect reward points from casino games at US venues and could redeem their rewards points for food, beverages, discounts for spa services or room upgrades, all at venues in the US. Rewards points could not be earned in Canada or redeemed in Canada. There is no evidence of a tangible, meaningful benefit enjoyed in Canada from making an online reservation.

[98] The present facts differ from *TSA Stores*, *Dollar General*, and *Hilton*, where the Court found that there was an aspect of the service delivered or performed in Canada—i.e. there was

some benefit enjoyed in Canada—although there were no bricks and mortar facilities or operations in Canada. The facts also differ from *HomeAway*, where the US based website allowed people in Canada to post and rent out their properties, allowed anyone to rent posted properties in Canada, and permitted people in Canada to find properties to rent outside of Canada.

[99] I find that simply holding a reservation for a hotel in the US is not a tangible and meaningful benefit enjoyed in Canada, despite that it may ensure that a room will be available upon arrival. The tangible benefit occurs only once the person leaves Canada and travels to the US and fulfills the reservation.

(c) *Entertainment services*

[100] Live's Mark was registered in association with "entertainment services, namely night clubs; providing mixed-use entertainment facilities". Mr. Gray's evidence does not refer to nightclubs. The evidence offered relates to advertising and facilitating reservations for concerts and other events, but did not show the Mark being displayed during the Relevant Period.

[101] Contrary to Live's submission that people in Canada benefit by obtaining information about events, reserving tickets, and knowing that they will be admitted to the entertainment event when they arrive at the venue in the US, this is not a tangible benefit enjoyed in Canada. For the same reasons noted above with respect to hotel services, I cannot find that there is a tangible benefit to a person who buys a ticket until that person actually leaves Canada and attends the event in the US.

(d) *Advertising and marketing services for others*

[102] The wording of the registration, “marketing and advertising services for others”, suggests that Live offers services for businesses other than its own. The only evidence is that Live or its affiliates who use the Mark advertised using websites and promotional material. If the affiliates were licensees, their use of the Mark in advertising for their own businesses is still not advertising services for others. If the affiliates are not licensees, their use could not accrue to Live in any event.

[103] There is no evidence of Live or affiliates offering advertising and marketing services for others to people in Canada. There is a distinction between showing use in association with a certain service through advertising and offering advertising as a service.

[104] In conclusion, the evidence does not demonstrate use of the Mark in Canada in association with the three categories of services highlighted by Live—advertising, entertainment, and hotel services— or for other services for which it was registered. Although the jurisprudence suggests a trend toward an expansive view of “use” and acknowledges that we must adapt to the realities of ecommerce, the basic principle remains that the use of a trade-mark in Canada requires that the registered services or wares result in a tangible and meaningful benefit to people in Canada. Based on the evidence relied on by Live, I cannot find that the purported use of the Mark was in association with services that have provided any tangible and meaningful benefit to people in Canada.

VI. Do special circumstances explain or excuse Live's non- use of the Mark?

A. *The Applicant's Submissions*

[105] Live submits that the evidence shows that the Mark was used in Canada in relation to the Woodbine Live project until at least 2013 in association with the following listed services:

“business management in the field of shopping centers, retail shopping outlets, marketplaces, residential facilities, hospitality facilities, commercial facilities, office facilities, entertainment facilities, restaurants and bars”, “shopping center services, namely rental of shopping center space; real estate management in the field of shopping centers, shopping outlets, marketplaces, residential facilities, hospitality facilities, commercial facilities, office facilities, entertainment facilities, restaurants and bars; leasing of building or portions thereof; residential leasing; office leasing; commercial leasing... hospitality leasing”, “commercial, office, hospitality and residential development of land and facilities”, “construction services”, and “consulting in the area of real estate construction; real estate development and construction of... properties.”

[106] Live submits that where it has not shown use since 2013 in association with the services associated with the Woodbine Live project, special circumstances excuse its non-use.

[107] Live submits that applying the three criteria set out in *Canada (Registrar of Trade Marks) v Harris Knitting Mills Ltd*, [1985] FCJ No 226 (QL), 4 CPR (3d) 488 (CA) [*Harris Knitting*], special circumstances exist to excuse its non-use of the Mark for several services.

[108] Live explains that the development of multi-use entertainment and casino mega-projects takes many years. The Woodbine Live project, which it spent millions of dollars to develop, did not proceed because of a dispute with a business partner and the OLG. The dispute was beyond

its control. Given the large-scale, expensive and sophisticated nature and the lengthy development process of Live's projects, it has been unable to secure a project in Canada since 2013. Live submits that it should not be penalized by expungement of the Mark for operating a business which can take many years to complete a project.

[109] Live submits that services and wares which are expensive and sophisticated may excuse non-use of a trade-mark (relying on *Country-Wide Automotive Ltd v CWA Constructions SA*, [1994] TMOB No 217 (QL), 57 CPR (3d) 435 at 438[*Country-Wide*]).

[110] Live notes that it bid on two other large scale casino-related projects in Canada without success, which demonstrates its intention to resume use of the Mark.

B. *The Intervenor's Submissions*

[111] Pickering submits that Live never used the Mark in Canada and that no special circumstances excuse Live's non-use of the Mark.

[112] Pickering submits that Live could not have possibly offered the services it purports to show use in association with, without a brick and mortar facility for Woodbine Live. Pickering notes that Live had only a scale model of the project and office space. The lease agreements referred to by Mr. Gray referred to the project "to be known as Woodbine Live!". Pickering submits that this was a concept and not a reality and Live cannot show use in association with the services related to that project.

[113] Pickering submits that Live does not provide an explanation which would constitute special circumstances, noting that business difficulties and large-scale projects are not exceptional in Live's line of business.

[114] Pickering further submits that Live has not indicated a serious intention to resume use of the Mark in Canada. Mr. Gray stated that Live had bid on two other casino-related projects, but did not provide any particulars. In addition, this would address only one aspect of the many services for which the Mark is registered. Pickering adds that an intention to resume use does not establish special circumstances on its own.

C. *Live has not established special circumstances that excuse its non-use of the Mark*

[115] Live has not established that its non-use of the Mark in Canada is due to special circumstances sufficient to excuse its non-use and warrant an exception from the expungement of the Mark.

[116] Subsection 45(3) states:

Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears to the Registrar that a trade-mark, either with respect to all of the goods or services specified in the registration or with respect to any of those goods or services, was not used in Canada at any time during the three year period immediately preceding the date of the notice and that the absence of use has not been due to special circumstances that excuse the absence of use, the registration of the trade-mark is liable to be expunged or amended accordingly.

[Emphasis added.]

[117] In *Scott Paper Limited v Smart & Biggar*, 2008 FCA 129 at paras 19-21, [2008] FCJ No 539 (QL) [*Scott Paper*], the Federal Court of Appeal noted that jurisprudence which has relied on the principles in *Harris Knitting* had put a “gloss” on it . The Court of Appeal examined the relevant passages in *Harris Knitting*, which addressed the jurisprudence upon which it was based and the wording of the relevant provision. The Court of Appeal noted in *Scott Paper* at para 22:

The conclusions to be drawn from this analysis are, it seems to me, the following:

- 1- The general rule is that absence of use is penalized by expungement.
- 2- There is an exception to the general rule where the absence of use is due to special circumstances.
- 3- Special circumstances are circumstances not found in most cases of absence of use of the mark.
- 4- The special circumstances which excuse the absence of use of the mark must be the circumstances to which the absence of use is due.

[118] The Court of Appeal explained that the fourth factor is consistent with the statutory language, stating at para 23, “[t]he point here is not the nature of the special circumstances, but simply that the special circumstances refer to the cause of the absence of use, and not to some other consideration.” The Court of Appeal added that the relevant inquiry into special circumstances is an inquiry into the reasons for the non-use (*Scott Paper*, at para 25).

[119] In *Scott Paper*, the Court of Appeal highlighted at para 31 that there is a distinction between explaining the absence of use and excusing the absence of use. The Court of Appeal noted that special circumstances refer to the explanation. If special circumstances are established, the Court must then address whether the special circumstances should excuse the absence of use

with regard to the relevant factors, including those set out in *Harris Knitting*: the duration of the absence of use, the likelihood it will last a long time, and whether the reasons for non-use were beyond the owner's control (*Harris Knitting*, at 493).

[120] Special circumstances mean circumstances that are uncommon, unusual or exceptional, i.e., those not found in most cases of non-use (*John Labatt Ltd v Cotton Club Bottling Co*, [1976] FCJ No 11 (QL) at para 29, 25 CPR (2d) 115; *Gouverneur Inc v The One Group LLC*, 2015 FC 128 at para 38, 132 CPR (4th) 380, rev'd 2016 FCA 106, 265 ACWS (3d) 193 on other grounds; *Harris Knitting*, at 492). Live did not provide any details of the “issues” with its business partner or the OLG that led to the demise of the Woodbine Live project. As noted by Pickering, the undisclosed issue with the OLG would pertain only to casino services and not any of the other 34 services. Moreover, Live's business is focused on large-scale, expensive projects. The challenges to which Live attributes its non-use of the Mark—disputes with business partners and regulatory bodies—would likely not be uncommon, unusual or exceptional in this line of business.

[121] Given the vagueness of the assertion that the termination of the project was due to issues beyond Live's control, it is not possible to find that there were special circumstances that would not be found in most other cases of non-use.

[122] Live's circumstances are not analogous to *Country-Wide*. Moreover, *Country-Wide* does not stand for a proposition that a trade-mark owner dealing with expensive and sophisticated wares need not show use of their trade-mark. In *Country-Wide*, the trade-mark owner

demonstrated a pattern of use in Canada over 25 years with gaps in between large sales of cable cars. The four year period of non-use of the trade-mark was relatively short in this context.

[123] Even if Live's explanation that the non-use of the Mark was caused by business difficulties could constitute special circumstances, the Court must also consider whether the circumstances should excuse the absence of use based on the factors from *Harris Knitting*.

[124] Given that Live registered the Mark in association with 35 services and that Live was engaged in the Woodbine Live project from 2007-2013, it is possible that Live offered some of the listed services in Canada (e.g. "consulting in the area of real estate construction" or "real estate development"). Mr. Gray's affidavit refers to leasing premises to food service and entertainment companies through Woodbine Live GP, Inc., which suggests that the services of "commercial leasing" were offered at some point before 2013 even though the project was never built. However, Live has not shown that the Mark was used at any time in association with most other registered services.

[125] Live did not explain why it could not have used its Mark in Canada in association with some of the many other registered services without mega-projects, its business partner or the OLG. Live simply responded that its business was mega-projects, which begs the question of why it would seek to register the Mark for use in association with such a vast array of services, several of which do not fit within the notion of a mega-project as described by Live.

[126] With respect to Live's intention to use or resume use of the Mark in Canada after 2013, Mr. Gray attested that Live bid on two projects, but did not provide any details. There is no evidence of any ongoing intention to use the Mark. Mr. Gray did not note any upcoming projects and acknowledged that Live's mega-projects can take up to nine years to develop. As noted by Pickering, an intention to resume use of the Mark is not sufficient on its own to constitute special circumstances or to excuse non-use.

[127] Overall, Live's bare assertions that the demise of the Woodbine Live project was beyond its control and that it has an intention to resume use of the Mark are not sufficient to find that special circumstances exist which should excuse the non-use of the Mark since at least 2013 for the services associated with Woodbine Live. Live's explanation that mega projects take up to nine years to develop and that the six year period of non- use of the Mark for the services associated with Woodbine Live is due to undisclosed issues with its partner and with OLG do not constitute special circumstances in this context. The evidence of intention to resume use of the Mark consists of bare assertions without details and there is no evidence of any ongoing intention to use the Mark.

[128] In conclusion, Live has not demonstrated any special circumstances excusing the non-use of the Mark in Canada.

VII. Conclusion

[129] Live has not demonstrated use of the Mark in Canada for any of the registered services in the Relevant Period. Nor has Live demonstrated that special circumstances exist to excuse its

non-use of the Mark. As a result, the decision of the Registrar—which found that the Registration of the Mark should be expunged—stands.

[130] The parties have agreed that costs of \$8,500.00 should be awarded to the successful party. Accordingly, Live shall pay \$8,500.00 to the Intervenor, Pickering. No costs are awarded to the Respondent.

JUDGMENT in file T-1752-18

THIS COURT'S JUDGMENT is that:

1. The Appeal of the decision of the Registrar of Trade-marks dated March 9, 2018 is dismissed.
2. The Applicant shall pay the Intervener costs in the amount of \$8,500.00.

“Catherine M. Kane”

Judge

ANNEX

LEGISLATIVE FRAMEWORK

Trade-marks Act, RSC 1985, c T-13 (relevant provisions)

Definitions

Section 2

use, in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with goods or services; (emploi ou usage)

When deemed to be used

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.

Registrar may request evidence of user

45 (1) The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the goods or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.

CADRE LÉGISLATIF

Loi sur les marques de commerce (L.R.C. (1985), ch. T-13) (dispositions applicables)

Définitions

Section 2

emploi ou usage À l'égard d'une marque de commerce, tout emploi qui, selon l'article 4, est réputé un emploi en liaison avec des produits ou services. (use)

Quand une marque de commerce est réputée employée

4 (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.

Le registraire peut exiger une preuve d'emploi

45 (1) Après trois années à compter de la date d'enregistrement d'une marque de commerce, sur demande écrite présentée par une personne qui verse les droits prescrits, le registraire donne au propriétaire inscrit, à moins qu'il ne voie une raison valable à l'effet contraire, un avis lui enjoignant de fournir, dans les trois mois, un affidavit ou une déclaration solennelle indiquant, à l'égard de chacun des produits ou de chacun des services que spécifie l'enregistrement ou que l'avis peut spécifier, si la marque de commerce a été employée au Canada à un moment quelconque au cours des trois ans précédant la date de l'avis et, dans la négative, la date où elle a été ainsi employée en dernier et la raison pour laquelle elle ne l'a pas été depuis cette date. Il peut cependant, après trois années à compter de la date de l'enregistrement, donner l'avis de sa propre

initiative.

Form of evidence

(2) The Registrar shall not receive any evidence other than the affidavit or statutory declaration, but may hear representations made by or on behalf of the registered owner of the trade-mark or by or on behalf of the person at whose request the notice was given.

Effect of non-use

(3) Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears to the Registrar that a trade-mark, either with respect to all of the goods or services specified in the registration or with respect to any of those goods or services, was not used in Canada at any time during the three year period immediately preceding the date of the notice and that the absence of use has not been due to special circumstances that excuse the absence of use, the registration of the trade-mark is liable to be expunged or amended accordingly.

Notice to owner

(4) When the Registrar reaches a decision whether or not the registration of a trade-mark ought to be expunged or amended, he shall give notice of his decision with the reasons therefor to the registered owner of the trade-mark and to the person at whose request the notice referred to in subsection (1) was given.

Action by Registrar

(5) The Registrar shall act in accordance with his decision if no appeal therefrom is taken within the time limited by this Act or, if an appeal is taken, shall act in accordance with the final judgment given in the appeal.

Forme de la preuve

(2) Le registraire ne peut recevoir aucune preuve autre que cet affidavit ou cette déclaration solennelle, mais il peut recevoir des observations faites — selon les modalités prescrites — par le propriétaire inscrit de la marque de commerce ou par la personne à la demande de laquelle l’avis a été donné.

Effet du non-usage

(3) Lorsqu’il apparaît au registraire, en raison de la preuve qui lui est fournie ou du défaut de fournir une telle preuve, que la marque de commerce, soit à l’égard de la totalité des produits ou services spécifiés dans l’enregistrement, soit à l’égard de l’un de ces produits ou de l’un de ces services, n’a été employée au Canada à aucun moment au cours des trois ans précédant la date de l’avis et que le défaut d’emploi n’a pas été attribuable à des circonstances spéciales qui le justifient, l’enregistrement de cette marque de commerce est susceptible de radiation ou de modification en conséquence.

Avis au propriétaire

(4) Lorsque le registraire décide ou non de radier ou de modifier l’enregistrement de la marque de commerce, il notifie sa décision, avec les motifs pertinents, au propriétaire inscrit de la marque de commerce et à la personne à la demande de qui l’avis visé au paragraphe (1) a été donné.

Mesures à prendre par le registraire

(5) Le registraire agit en conformité avec sa décision si aucun appel n’en est interjeté dans le délai prévu par la présente loi ou, si un appel est interjeté, il agit en conformité avec le jugement définitif rendu dans cet appel.

Licence to use trade-mark

50 (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the goods or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

Idem

(2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the goods or services is under the control of the owner.

Appeal

56 (1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

Procedure

(2) An appeal under subsection (1) shall be made by way of notice of appeal filed with the

Licence d'emploi d'une marque de commerce

50 (1) Pour l'application de la présente loi, si une licence d'emploi d'une marque de commerce est octroyée, pour un pays, à une entité par le propriétaire de la marque, ou avec son autorisation, et que celui-ci, aux termes de la licence, contrôle, directement ou indirectement, les caractéristiques ou la qualité des produits et services, l'emploi, la publicité ou l'exposition de la marque, dans ce pays, par cette entité comme marque de commerce, nom commercial — ou partie de ceux-ci — ou autrement ont le même effet et sont réputés avoir toujours eu le même effet que s'il s'agissait de ceux du propriétaire.

Licence d'emploi d'une marque de commerce

(2) Pour l'application de la présente loi, dans la mesure où un avis public a été donné quant à l'identité du propriétaire et au fait que l'emploi d'une marque de commerce fait l'objet d'une licence, cet emploi est réputé, sauf preuve contraire, avoir fait l'objet d'une licence du propriétaire, et le contrôle des caractéristiques ou de la qualité des produits et services est réputé, sauf preuve contraire, être celui du propriétaire.

Appel

56 (1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.

Procédure

(2) L'appel est interjeté au moyen d'un avis d'appel produit au bureau du registraire et à la

Registrar and in the Federal Court.

Notice to owner

(3) The appellant shall, within the time limited or allowed by subsection (1), send a copy of the notice by registered mail to the registered owner of any trade-mark that has been referred to by the Registrar in the decision complained of and to every other person who was entitled to notice of the decision.

Public notice

(4) The Federal Court may direct that public notice of the hearing of an appeal under subsection (1) and of the matters at issue therein be given in such manner as it deems proper.

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 in the Registrar.

Cour fédérale.

Avis au propriétaire

(3) L'appellant envoie, dans le délai établi ou accordé par le paragraphe (1), par courrier recommandé, une copie de l'avis au propriétaire inscrit de toute marque de commerce que le registraire a mentionnée dans la décision sur laquelle porte la plainte et à toute autre personne qui avait droit à un avis de cette décision.

Avis public

(4) Le tribunal peut ordonner qu'un avis public de l'audition de l'appel et des matières en litige dans cet appel soit donné de la manière qu'il juge opportune.

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.

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1752-18

STYLE OF CAUSE: LIVE! HOLDINGS, LLC. v OYEN WIGGS GREEN & MUTALA LLP AND PICKERING DEVELOPMENTS (BAYLY) INC.

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: JUNE 11, 2019

JUDGMENT AND REASONS: KANE J.

DATED: AUGUST 2, 2019

APPEARANCES:

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Mr. Matthew Frontini

FOR THE RESPONDENT

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