Federal Court of Appeal | Cour d'appel fédérale

Date: 20190627

Docket: A-325-18
A-369-18

Citation: 2019 FCA 193

Present: **LOCKE J.A.**

BETWEEN:

MILLER THOMSON LLP

Appellant

and

HILTON WORLDWIDE HOLDING LLP

Respondent

Dealt with in writing without appearance of parties.

Order delivered at Ottawa, Ontario, on June 27, 2019.

REASONS FOR ORDER BY: LOCKE J.A.

Federal Court of Appeal  Cour d'appel fédérale

Date: 20190627

Docket: A-325-18
A-369-18

Citation: 2019 FCA 193

Present: **LOCKE J.A.**

BETWEEN:

MILLER THOMSON LLP

Appellant

and

HILTON WORLDWIDE HOLDING LLP

Respondent

REASONS FOR ORDER

LOCKE J.A.

[1] This decision arises in the context of an appeal by Miller Thomson LLP of a decision of the Federal Court which set aside a decision of the Registrar of Trade-marks that in turn expunged the registration of the trademark WALDORF-ASTORIA belonging to the respondent, Hilton Worldwide Holding LLP (Hilton). Because Hilton was successful, and its trademark registration was maintained, the Federal Court found it unnecessary to address another contested issue: Hilton's alternative request under subsection 57(1) of the *Trade-marks Act*, R.S.C. 1985, c.

T-13, that the services identified in the registration be amended to more properly reflect the services actually offered in Canada (the Alternative Request).

[2] Miller Thomson's appeal challenges the Federal Court's decision but, not surprisingly, does not address Hilton's Alternative Request. In the present appeal, that issue was raised for the first time in Hilton's memorandum of fact and law dated March 29, 2019. In response, Miller Thomson moved to strike the paragraphs therein that refer to the Alternative Request. Miller Thomson argued that the relief sought in the Alternative Request could not be granted without a cross-appeal by Hilton.

[3] On May 23, 2019, Laskin J.A. agreed with Miller Thomson and granted the motion to strike. He found that, under rule 341(1)(b) of the *Federal Courts Rules*, SOR/98-106, Hilton was not entitled to seek any different disposition of the order under appeal without a cross-appeal. In paragraph 5 of his Order, Laskin J.A. added:

> This order is without prejudice to the respondent's entitlement to move for an order that would permit it to pursue the alternative claim referred to above in a manner that accords with the Rules.

[4] Hilton now follows up on this paragraph 5 with a motion for:

> 1. An order granting Hilton an extension of time of ten days from the disposition of the within motion to serve and file a Notice of Cross-Appeal pursuant to Rule 341(1)(b) of the *Federal Courts Rules* substantially in the form attached hereto as Schedule "A" (the "Cross-Appeal");
>
> 2. An order that the Appeal Book filed by the Appellant Miller Thomson LLP ("Miller Thomson") on the appeals filed by Miller Thomson, in Consolidated Court File nos. A-325-18 and A-369-18 (the "Consolidated Appeal"), shall be used on the Cross-Appeal;

> 3. An order that Hilton serve and file its Memorandum of Fact and Law for the Cross-Appeal within 30 days from the disposition of the within motion;
>
> 4. An order that Miller Thomson serve and file its Memorandum of Fact and Law on the Cross-Appeal within 30 days from service of Hilton's Memorandum of Fact and Law;
>
> 5. An order that the Cross-Appeal be heard at the same time as the Consolidated Appeal.
>
> 6. An order that costs of this motion be reserved to the panel hearing the Consolidated Appeal and Cross-Appeal.
>
> 7. Such further and other relief as this Honourable Court may permit.

[5] The parties' arguments on this motion concentrate on the factors to be considered when determining whether an extension of time should be granted. The parties appear to agree on the factors to be considered, but disagree on how those factors should be applied.

[6] Rule 8 of the *Federal Courts Rules* provides for extensions of time. The test for an extension of time has been discussed in many cases but is helpfully set out in paragraphs 61 and 62 of *Canada (Attorney General) v. Larkman*, 2012 FCA 204:

> [61] The parties agree that the following questions are relevant to this Court's exercise of discretion to allow an extension of time:
>
> (1) Did the moving party have a continuing intention to pursue the application?
>
> (2) Is there some potential merit to the application?
>
> (3) Has the [responding party] been prejudiced from the delay?
>
> (4) Does the moving party have a reasonable explanation for the delay?
>
> See *Grewal v. Canada (Minister of Employment & Immigration)*, [1985] 2 F.C. 263 (C.A.); *Muckenheim v. Canada (Employment Insurance Commission)*, 2008 FCA 249 at paragraph 8.

> [62] These questions guide the Court in determining whether the granting of an extension of time is in the interests of justice: *Grewal*, *supra* at pages 277-278. The importance of each question depends upon the circumstances of each case. Further, not all of these four questions need be resolved in the moving party's favour. For example, "a compelling explanation for the delay may lead to a positive response even if the case against the judgment appears weak, and equally a strong case may counterbalance a less satisfactory justification for the delay": *Grewal*, at page 282. In certain cases, particularly in unusual cases, other questions may be relevant. The overriding consideration is that the interests of justice be served. See generally *Grewal*, at pages 278-279; *Canada (Minister of Human Resources Development) v. Hogervorst*, 2007 FCA 41 at paragraph 33; *Huard v. Canada (Attorney General)*, 2007 FC 195, 89 Admin LR (4th) 1.

[7] Hilton argues that each of the four enumerated factors favours granting the requested extension of time to serve and file its notice of cross-appeal, and that doing so is in the interests of justice.

[8] Miller Thomson does not take issue with the first and third of the enumerated factors (continuing intention to pursue the appeal and absence of prejudice to Miller Thomson), but argues that Hilton has failed to establish either (i) potential merit to its Cross-Appeal, or (ii) a reasonable explanation for its delay.

[9] I agree with Hilton that each of the four enumerated factors favours granting the requested extension of time, and that doing so is in the interests of justice. I address the issues raised by Miller Thomson in the paragraphs below.

I. Potential Merit to the Cross-Appeal

[10] Miller Thomson argues that Hilton lacks standing to make an application under subsection 57(1) of the *Trade-marks Act* because it is not a "person interested" as contemplated therein. Without standing, Miller Thomson argues, Hilton cannot succeed in the Cross-Appeal.

[11] The term "person interested" is defined as follows in section 2 of the *Trade-marks Act*:

person interested includes any person who is affected or reasonably apprehends that he may be affected by any entry in the register, or by any act or omission or contemplated act or omission under or contrary to this Act, and includes the Attorney General of Canada; (*personne intéressée*)	**personne intéressée** Sont assimilés à une personne intéressée le procureur général du Canada et quiconque est atteint ou a des motifs valables d'appréhender qu'il sera atteint par une inscription dans le registre, ou par tout acte ou omission, ou tout acte ou omission projeté, sous le régime ou à l'encontre de la présente loi. (*person interested*)

[12] Miller Thomson relies on the following passage from *Mihaljevic v. British Columbia* (1990), 34 C.P.R. (3d) 54 at 56 (F.C.A.) [*Mihaljevic*], to support its argument that Hilton is not a person interested:

> A person is interested within the meaning of section 2 if there is a reasonable apprehension that he will suffer a prejudice of some sort if a trade-mark is not removed from the register. In the present case, whether or not the respondent's trade-marks remain on the register, the appellant's situation will remain the same: he will be unable to use his mark because the expungement of the respondent's trade-marks will not affect the existence of the official mark "Expo". The presence of the respondent's trade-marks on the register does not diminish or limit in any way the rights of the appellant which would not be greater if those trade-marks were struck. (Miller Thomson's emphasis)

[13] Miller Thomson argues that Hilton, as owner of the trademark registration in question, would never be able to establish that it would suffer any kind of prejudice if the registration is not expunged.

[14] But Miller Thomson fails to consider *Mihaljevic* in its context of an application by someone other than the owner of the registration in question. This is an important distinction from the facts in the present case, and a potential basis for concluding that *Mihaljevic* does not have the effect of denying standing for Hilton in the Cross-Appeal.

[15] Miller Thomson also argues that section 41 of the *Trade-marks Act* provides the only way that Hilton can request amendment to the services listed in its registration. Though section 41 does indeed contemplate a request by the owner to amend its trademark registration, Miller Thomson cites no authority for its contention that this provision applies to trademark owners to the exclusion of subsection 57(1). I see nothing in either provision that clearly directs such an interpretation.

[16] Without deciding the issue of standing, I conclude that there is some potential merit to Hilton's claim that it has standing under subsection 57(1).

II. Reasonable Explanation for the Delay

[17] Miller Thomson argues that Hilton's evidence is insufficient to establish a reasonable explanation for its delay in commencing the Cross-Appeal. Miller Thomson notes that the only evidence that Hilton relies on to explain its delay is an affidavit of Christian Eriksen dated May

30, 2019, and that Mr. Eriksen provides no basis for his professed belief that relief pursuant to subsection 57(1) of the *Trade-marks Act* could be sought without a cross-appeal. Citing rule 81(1) of the *Federal Courts Rules*, Miller Thomson argues that Mr. Eriksen's statements on the reason for the delay in seeking to cross-appeal should be disregarded.

[18] Rule 81(1) of the *Federal Courts Rules* provides as follows:

81 (1) Affidavits shall be confined to facts within the deponent's personal knowledge except on motions, other than motions for summary judgment or summary trial, in which statements as to the deponent's belief, with the grounds for it, may be included.	**81** (1) Les affidavits se limitent aux faits dont le déclarant a une connaissance personnelle, sauf s'ils sont présentés à l'appui d'une requête – autre qu'une requête en jugement sommaire ou en procès sommaire – auquel cas ils peuvent contenir des déclarations fondées sur ce que le déclarant croit être les faits, avec motifs à l'appui.

This provision must be read in the context of concerns about hearsay. It contemplates requirements for reliance on affidavit evidence that is not based on personal knowledge.

[19] But in the present case, Mr. Eriksen states that he has been instructing counsel for Hilton in this proceeding since its beginning, and accordingly has personal knowledge of the matters to which he deposes in his affidavit (para 2). One of these matters to which he deposes is his belief, until Laskin J.A.'s Order indicating the contrary, that Hilton was entitled to make the Alternative Request without a cross-appeal (para 12). Though Mr. Eriksen might have been cross-examined on the reasonableness of this belief, this is not a matter of hearsay. Hearsay exists where the evidence of relevance is the information the affiant has heard or been told. But in this case the relevant information is not what Mr. Eriksen believed (that a cross-appeal was not needed), but

rather the fact that he believed it. Given Mr. Eriksen's unchallenged statement that he has personal knowledge of the matters to which he deposes, I am not convinced that there is any basis to disregard any part of Mr. Eriksen's affidavit under rule 81(1).

[20] Though Hilton might have provided more information to support the reasonableness of Mr. Eriksen's belief that a cross-appeal was not needed to pursue the Alternative Request, I am satisfied that Hilton has provided a reasonable explanation for its delay in commencing the Cross-Appeal.

III. Conclusion

[21] I am satisfied that each of the four enumerated factors to be considered when determining whether an extension of time should be granted favours Hilton's requested extension of time. Also, I am convinced that the interests of justice favour the request.

[22] In view of this conclusion, and in the absence of objection by Miller Thomson to most of the other relief sought in the present motion, that relief will also be granted.

[23] Finally, I will grant Hilton's request that the costs of the present motion be reserved to the panel hearing the Consolidated Appeal and Cross-Appeal.

"George R. Locke"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-325-18 A-369-18
STYLE OF CAUSE:	MILLER THOMSON LLP v. HILTON WORLDWIDE HOLDING LLP

MOTION DEALT WITH IN WRITING WITHOUT APPEARANCE OF PARTIES

REASONS FOR ORDER BY:	LOCKE J.A.
DATED:	JUNE 27, 2019

WRITTEN REPRESENTATIONS BY:

David M. Reive Aiyaz A. Alibhai	FOR THE APPELLANT
Jonathan G. Colombo Amrita V. Singh	FOR THE RESPONDENT

SOLICITORS OF RECORD:

Miller Thomson LLP Toronto, ON	FOR THE APPELLANT
Bereskin & Parr LLP Toronto, ON	FOR THE RESPONDENT