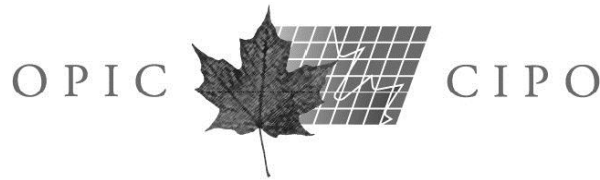


TRADUCTION/TRANSLATION



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

Citation: 2010 TMOB 79
Date of Decision: 2010-06-08

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Bennett Jones LLP against registration
No. TMA507,227 for the trade-mark COMPLIMENT in
the name of Accor, a *société anonyme***

[1] At the request of Bennett Jones LLP (the Requesting Party), the Registrar forwarded a notice under section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) on June 21, 2006, to Accor, a *société anonyme* (the Registrant), the registered owner of registration No. TMA507,227, for the trade-mark COMPLIMENT (the Mark) registered in association with the following wares and services:

[TRANSLATION]

WARES: Magnetic or electronic credit cards, prepaid cards, electronic access and control cards and badges; data support media, including: magnetic or optical cards and disks; print products, including: magazines, newspapers, prospectuses, guides, brochures; tokens, cards, tickets, coupons, stationery and office supplies (except for furniture), including: albums, agendas, calendars, stickers, posters, business cards, notebooks, binders, pencils, folders, file folders, erasers, letterhead, pens, pen holders, lead holders, pencil sharpeners.

SERVICES: (1) Advertising; business management; organization of client loyalty program transactions; distribution of promotional material, including: distribution of leaflets, prospectuses, print advertising, brochures, pamphlets and newspapers; distribution of samples; sales promotion services; organization of commercial or promotional exhibitions or events.

(2) Insurance services, assistance services, including: in case of vehicular breakdown (repair), in case of vehicular breakdown (towing), and legal assistance services, credit services for individuals, savings management services, debit and credit card

management, issue of travellers cheques and tokens of value, issue, distribution and compensation services for all modes of payment, including: tickets, bills, credit cards, tokens of exchange or value; organization of lotteries; telecommunications services, computerized communication services, electronic messaging services, computer-assisted text and image transmission services; passenger transport by air, land and sea; assistance in case of vehicular breakdown (towing), information services, travel organization and reservation; vehicle rental; travel and tourism agency (except for the reservation of hotels and boarding houses); reservation of seating for events; sports activities, including: organization of meets, tournaments, sports championships, sports lessons, cultural activities, including: organization of arts, education and cultural exhibits and festivals; organization of cultural or educational exhibits; organization and management of seminars, conventions and conferences, organization of contests for educational or entertainment purposes, publishing of books, guides and brochures, amusement park animation; hotel and restaurant (food) services; hotel and boarding house reservation services, hotel and restaurant (food) information services; thalassotherapy services; convalescent and nursing homes, beauty and hair salons; rental of access time to a central database service; management of exhibition sites (the Wares and Services).

[2] Section 45 of the Act requires the registered owner of a trade-mark to show that it was in use in Canada in association with each of the wares and/or services specified in the registration at some time during the three-year period immediately preceding the date of the notice and, if not, to furnish the date when it was last so in use and the reason for the absence of such use since that date. Therefore, the relevant period in this case is from June 21, 2003, to June 21, 2006.

[3] Use in association with wares and services is described in section 4 of the Act as follows:

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

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(3) A trade-mark that is marked in Canada on wares or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be used in Canada in association with those wares.

[4] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary and expeditious procedure for clearing the register of any “deadwood”; that is why the burden is not a heavy one. In the words of Mr. Justice Russell in *Uvex Toko Canada Ltd. v. Performance Apparel Corp.* (2004), 31 C.P.R. (4th) 270:

We know that the purpose of s. 45 proceedings is to clean up the "dead wood" on the register. We know that the mere assertion by the owner that the trade mark is in use is not sufficient and that the owner must "show" how, when and where it is being used. We need sufficient evidence to be able to form an opinion under s. 45 and apply that provision. At the same time, we need to maintain a sense of proportion and avoid evidentiary overkill. We also know that the type of evidence required will vary somewhat from case to case, depending upon a range of factors such as the trade mark owners' business and merchandising practices.

[5] In reply to the notice from the Registrar, the Registrant filed an affidavit of Catherine Bertini, Director of Legal and Corporate Affairs for the Registrant, dated December 22, 2006, accompanied by Exhibits CB-1 to CB-3 inclusive. Only the Requesting Party filed written submissions. A few days before the hearing, in which both parties participated, the Registrant sought leave to file as additional evidence the affidavit of Hervé Grain, dated March 31, 2010.

[6] The Registrant rightly objected to this application. During the hearing, I refused the Registrant's application on the grounds that the *Practice in Section 45 Proceedings* specifically provides that "[t]he Registrar will generally not grant a request for a retroactive extension of time pursuant to s. 47(2) of the Act for filing additional evidence after the requesting party has filed its written representations." In this case, not only did the Registrant fail expressly to request a retroactive extension of time pursuant to subsection 47(2) of the Act and to pay the requisite fees, but the reasons invoked by the Registrant to justify the late filing of this affidavit are insufficient. Accordingly, Mr. Grain's affidavit will not be considered for the purposes of my analysis and will be returned to the Registrant under separate cover.

[7] During the hearing, the Registrant stated that it would make no submissions with respect to the following wares and services:

[TRANSLATION]

WARES: Prepaid cards, electronic access and control cards and badges; data support media, including: magnetic or optical cards and disks; print products, including: magazines, newspapers, prospectuses, guides, brochures; tokens, cards, tickets, coupons, stationery and office supplies (except for furniture), including: albums, agendas, calendars, stickers, posters, business cards, notebooks, binders, pencils, folders, file folders, erasers, letterhead, pens, pen holders, lead holders, pencil sharpeners.

SERVICES: (1) Advertising; distribution of promotional material, including: distribution of leaflets, prospectuses, print advertising, brochures, pamphlets and newspapers; distribution of samples; sales promotion services; organization of commercial or promotional exhibitions or events.

(2) assistance services, including: in case of vehicular breakdown (repair), in case of vehicular breakdown (towing), and legal assistance services, savings management services, organization of lotteries; telecommunications services, computerized communication services, electronic messaging services, computer-assisted text and image transmission services; passenger transport by air, land and sea; assistance in case of vehicular breakdown (towing), vehicle rental; reservation of seating for events; sports activities, including: organization of meets, tournaments, sports championships, sports lessons, cultural activities, including: organization of arts, education and cultural exhibits and festivals; organization of cultural or educational exhibits; organization and management of seminars, conventions and conferences, organization of contests for educational or entertainment purposes, publishing of books, guides and brochures, amusement park animation; hotel and restaurant (food) services; thalassotherapy services; convalescent and nursing homes, beauty and hair salons; rental of access time to a central database service; management of exhibition sites.

The Registrant reluctantly admitted that no evidence of use of the Mark in association with these wares and services had been filed, adding, however, that [TRANSLATION] “extrapolations could be made” from the evidence of use submitted by Ms. Bertini. As my analysis will show, I am of the view that such extrapolations cannot be made in the circumstances, particularly because the Registrant avoided explaining from which parts of the evidence extrapolations could be drawn regarding which wares and services. Accordingly, these wares and services shall be expunged from the register.

[8] Considering in greater detail the evidence filed by the Registrant, Ms. Bertini states in her affidavit that the Registrant was a [TRANSLATION] “European and world leader in the travel, hotel and tourism industries with its two major international vocations: hotels and services to public bodies and businesses”. Ms. Bertini adds on this point that the Registrant has a presence in almost 100 countries, including, during the relevant period, Canada.

[9] Ms. Bertini states that on June 30, 2006, the Registrant was operating 16 hotels in Canada (including *Sofitel Montréal*), which were an integral element of the Registrant’s business. She states that as part of its loyalty and advertising strategy, the Registrant had, in Canada, since as early as 2001, implemented a global loyalty program through cards, coins, cheques and points bearing the word “COMPLIMENTS”. I should note from the outset that all of the evidence filed

by the Registrant involves the mark “COMPLIMENTS” in the plural rather than the Mark “COMPLIMENT” as registered. Ms. Bertini first addresses this issue in paragraph 3 of her affidavit when she refers to [TRANSLATION] “the COMPLIMENT mark in its COMPLIMENTS form”.

[10] The Requesting Party submits that use of this different Mark cannot substitute for use of the Mark as registered, which the Registrant denies. I agree with the Registrant that the difference from the registered Mark can be characterized as minor; the Mark COMPLIMENT remains recognizable as such and retains its identity [see leading cases *Canada (Registrar of Trade Marks) v. Cie Int pour l'Informatique CII Honeywell Bull SA* (1985), 4 C.P.R. (3d) 523 (F.C.A.) and *Promafil Canada Ltée v. Munsingwear Inc.* (1992), 44 C.P.R. (3d) 59 (F.C.A.), as well as the following decisions discussing the addition or omission of a plural “s”: *Swabey Ogilvy Renault v. Entreprises Krasnow Ltée/Krasnow Entreprises Ltd.* (1997), 83 C.P.R. (3d) 259 (T.M.O.B.); *Osler, Hoskin & Hartcourt v. Sears Canada Inc.* (2001), 11 C.P.R. (4th) 275 (T.M.O.B.); *Axa Assurances Inc. v. Charles Schwab & Co., Inc.* (2005), 49 C.P.R. (4th) 47 (T.M.O.B.); *Ridout & Maybee LLP v. Walgreen Co.* (2005), 52 C.P.R. (4th) 64 (T.M.O.B.); et *Boy Scouts of Canada v. Aleksasuk* (2006), 56 C.P.R. (4th) 459 (T.M.O.B.)]. Contrary to the Requesting Party’s submissions, the fact that the Registrant filed a separate application for the registration of the Mark COMPLIMENTS cannot be held against the Registrant in the context of these proceedings.

[11] With respect to the Registrant’s loyalty program, Ms. Bertini states that COMPLIMENTS gift vouchers give their beneficiaries access to more than 2500 of the Registrant’s hotels throughout the world. These gift vouchers cover, in whole or in part, the cost of a hotel stay or to related services, including travel agency, restaurant and rental services.

[12] Ms. Bertini further states in her affidavit that there are also programs involving membership cards, loyalty cards and prepaid cards, all bearing the COMPLIMENTS mark, allowing users to subscribe to one or more services offered by the Registrant (or participating businesses) in the restaurant, hotel or assistance areas. The COMPLIMENTS mark is also affixed to credit cards that can be used to pay for various services offered by the Registrant or by third party participants.

[13] I should note at this stage that there is nothing in the Registrant's evidence enabling me to infer that the hotel services and so-called travel agency, restaurant and rental services, etc., offered by the Registrant or third party participants (who are not named) are rendered in Canada in association with the COMPLIMENTS mark, the COMPLIMENTS mark being attached solely to the Registrant's loyalty program, which consists of a [TRANSLATION] "means of exchange".

[14] Ms. Bertini states in paragraph 9 of her affidavit that during the relevant period, the Registrant advertised in Canada, in the normal course of trade, its COMPLIMENTS mark in association with [TRANSLATION] "its insurance services, prepaid or credit card management services, issue of travellers cheques or tokens of value, issue, distribution and compensation services for all modes of payment such as credit cards, cheques, tokens of exchange or value, as well as fidelity cards bearing the COMPLIMENTS mark." This general statement by Ms. Bertini does not by itself constitute evidence of use of the Mark. This statement must be supported by specific facts demonstrating the use of the Mark in association with these services [see *Aerosol Fillers Inc. v. Plough (Canada) Ltd.* (1981), 53 C.P.R. (2d) 62]. Ms. Bertini's statement is nevertheless relevant in that it is completely silent about the wares and services listed above in paragraph 7 of this decision. As indicated above, there is nothing in the evidence of use before me to indicate the use of those wares and services.

[15] Focusing more specifically on the services alleged in paragraph 9 of Ms. Bertini's affidavit, reproduced above, various invoices, submitted in a bundle as Exhibit CB-3, which supposedly establish the use of the COMPLIMENTS mark in Canada in association with these services. These invoices were issued by the company *Accentiv'House* (or *Accentiv'*), which Ms. Bertini describes as a wholly owned subsidiary of the Registrant acting as an operator/advisor in the field of relational marketing, and which, in that capacity, manages the Registrant's COMPLIMENTS loyalty program with a licence from and under the supervision of the Registrant with respect to the services in association with which the COMPLIMENTS mark is used.

[16] Although Ms. Bertini states that [TRANSLATION] "these invoices are a representative but certainly not exhaustive sample" of the use of the COMPLIMENTS mark in association with these services, it appears after checking with the agent representing the Registrant during the

hearing that they relate solely to the reimbursement of the COMPLIMENTS “Travel” and “Hotel” gift vouchers used at the *Sofitel Montréal* hotel during the relevant period.

[17] The gift vouchers referred to in the CB-3 invoices are also reproduced in the excerpts of the Registrant’s websites “www.accorhotels.com” and “www.accor.com” (redirected to “www.compliments.fr”) submitted as Exhibit CB-2, which Ms. Bertini describes as being representative of the websites that had been available and accessible to the Canadian public during the relevant period.

[18] More specifically, these excerpts briefly describe the Registrant’s global hotel loyalty program which provides COMPLIMENTS points and services. COMPLIMENTS “Travel” and “Hotel” gift vouchers are reproduced and described therein as being directly accepted in more than 2500 of the Registrant’s hotels to redeem in whole or in part the products and services provided by hotels belonging to the “Compliments® Accor Hotels” network.

[19] These excerpts also include various examples of membership cards, loyalty cards and prepaid cards. While the COMPLIMENTS mark does appear on some of these, I note that one is for “Accor Brazil” hotels and can only be redeemed at hotels in Brazil. The COMPLIMENTS – AMERICAN EXPRESS credit card is described as an international card (available only to clients with a bank account in France or Germany) that enables holders to earn “COMPLIMENTS points” on every purchase made in one of the Registrant’s establishments as well as businesses accepting American Express.

[20] The Registrant’s global loyalty program is also described in Exhibit CB-1 filed in support of Ms. Bertini’s affidavit, which seems to consist of an internal presentation explaining the Registrant’s loyalty strategy. The global loyalty program is briefly described therein, as well as the various cards adapted to its clients’ consumption profiles and a common loyalty program currency (“COMPLIMENTS Points”).

[21] Ms. Bertini concludes her affidavit by stating that the credit cards, gift vouchers, exchange tokens and cards bearing the COMPLIMENTS mark could, during the relevant period, be and were used for all services offered by the Registrant in Canada. She states [TRANSLATION]

“that they are a means of exchange and that it is impossible to determine for precisely which services they were used.”

[22] This represents all the evidence of use submitted by the Registrant.

[23] In light of this evidence and given the wording of the Wares, I am of the view that the use of the Mark in Canada has not been established in association with any of the Wares. Focusing more particularly on the wares identified as [TRANSLATION] “magnetic or electronic credit cards” (the only wares remaining after striking out the wares listed in paragraph 7 of my decision), the evidence in the record does not lead me to infer that such cards were transferred in the normal course of trade in Canada within the meaning of section 4 of the Act.

[24] As discussed above, the COMPLIMENTS – AMERICAN EXPRESS credit card is available only to clients with a bank account in France or Germany. The fact that holders of this credit card may have used the card in the Registrant’s hotels in Canada during the relevant period does not establish in this case that the COMPLIMENTS mark has been used in association with the cards as “wares” within the meaning of section 4 of the Act, as opposed to “credit card services”.

[25] As for the Services, all of the Registrant’s evidence relates to a loyalty program and not to any insurance services, travel agency services, etc., offered in association with the COMPLIMENTS mark.

[26] More specifically, I conclude from my analysis of the Registrant’s evidence that its loyalty program is primarily offered through membership cards, loyalty cards, prepaid cards, credit cards and gift vouchers used in hotels that are part of the “Compliments® Accor Hotels” network.

[27] Looking at Canada in particular, I am of the view that the COMPLIMENTS mark was used throughout the relevant period in association with the “gift voucher” aspect of the program, which is supported by the CB-3 invoices filed in evidence by Ms. Bertini. I am also of the view that the evidence in the record establishes as a whole the use of the COMPLIMENTS mark in association with the “membership cards”, “loyalty cards”, “debit cards” and “credit cards” aspects (reproduced in Exhibits CB-1 and CB-2) of the program. I find it reasonable to rely on

Ms. Bertini's statements that the various cards were used in Canada during the relevant period in the context of the Registrant's fidelity program. Based on the evidence in the record, it is reasonable to find that Canadians or foreign visitors staying in the Registrant's hotels, including the *Sofitel Montréal* hotel, used one or more of these cards in conjunction with the Respondent's gift vouchers during the relevant period.

[28] In light of the above and given the wording of the Services, I am of the view that the whole of the evidence demonstrates that the Registrant used the Mark in Canada in association with the following services:

[TRANSLATION]

organization of client loyalty program transactions; issue of tokens of value, issue, distribution and compensation services for all modes of payment, including: credit cards, tokens of exchange or tokens of value; financial and monetary services, namely, issue of tokens of value, credit card and loyalty card services, issue, distribution and compensation services for all modes of payment, namely, credit cards, tokens of exchange or tokens of value

[29] I am of the view that the Registrant's "gift vouchers" may be considered "tokens of exchange or tokens of value". As it does not fall within the scope of these proceedings to change the wording of the Services, I shall maintain the apparent redundancies in the description that precedes and limit myself to striking out the services in association with which the use of the Mark has not been demonstrated.

[30] To conclude, I would add that no special circumstances apply to this case that justify the failure to use the Mark in association with the wares and services for which no use has been demonstrated. The Registrant did not submit that the non-use of the Mark in association with these wares and services was attributable to special circumstances, nor does any of the evidence support such a thesis.

[31] Pursuant to the authority delegated by virtue of subsection 63(3) of the Act, the registration shall be amended to strike out the wares and services for which use of the Mark has not been established. The registration shall only be upheld for the following services pursuant to section 45 of the Act:

[TRANSLATION]

organization of client loyalty program transactions; issue of tokens of value, issue, distribution and compensation services for all modes of payment, including: credit cards, tokens of exchange or tokens of value; financial and monetary services, namely, issue of tokens of value, credit card and loyalty card services, issue, distribution and compensation services for all modes of payment, namely, credit cards, tokens of exchange or tokens of value

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