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LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2017 TMOB 65

Date of Decision: 2017-06-12

IN THE MATTER OF A SECTION 45 PROCEEDING

Norton Rose Fulbright Canada LLP/S.E.N.C.R.L., s.r.l.	**Requesting Party**
and	
Skyline International Development Inc.	**Registered Owner**
TMA687,959 for SKYLINE REIT	**Registration**

[1] At the request of Norton Rose Fulbright Canada LLP/S.E.N.C.R.L., s.r.l. (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on May 19, 2015 to Skyline International Development Inc. (the Owner), the registered owner of registration No. TMA687,959 for the trade-mark SKYLINE REIT (the Mark).

[2] The Mark is registered for use in association with the following services: "Acquisition, ownership, operation, management, investment and administration of real estate."

[3] The notice required the Owner to furnish evidence showing that the Mark was in use in Canada, in association with the services specified in the registration, at any time between May 19, 2012 and May 19, 2015. If the Mark had not been so used, the Owner was required to

furnish evidence providing the date when the Mark was last used and the reasons for the absence of use since that date.

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

> 4(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[5] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary and expeditious procedure for removing "deadwood" from the register. As such, the evidentiary threshold that the registered owner must meet is quite low [*Performance Apparel Corp v Uvex Toko Canada Ltd*, 2004 FC 448, 31 CPR (4th) 270]. A registered owner need only establish a *prima facie* case of use within the meaning of sections 4 and 45 of the Act [see *Diamant Elinor Inc v 88766 Canada Inc*, 2010 FC 1184 at paragraph 2].

[6] With respect to services, the display of a trade-mark on advertising is sufficient to meet the requirements of section 4(2) when the trade-mark owner is offering and prepared to perform those services in Canada [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)].

[7] In response to the Registrar's notice, the Owner furnished the affidavit of its Senior CEO, Michael Sneyd, sworn on August 13, 2015. Both parties filed written representations and were represented at a hearing held on March 6, 2017.

THE OWNER'S EVIDENCE

[8] In his affidavit, Mr. Sneyd states that the Owner has used "the SKYLINE trademark and tradename" in association with the registered services since 1998. Specifically, Mr. Sneyd asserts that, "in association with its trademark and trade name SKYLINE", the Owner acquired and owns over two million square feet of real estate investments, which the Owner manages and administers.

[9] With respect to the relevant period, Mr. Sneyd asserts that, "in the ordinary course of business", the "SKYLINE mark and SKYLINE REIT trade-mark" were used in association with the registered services. In particular, he states that the Owner has, "in association with its SKYLINE trademark", owned, operated, managed and administered "various real estate properties, including Deerhurst Resort, Horseshoe Resort, Blue Mountain Village and the King Edward hotel".

[10] More specifically, Mr. Sneyd states that, in early 2013, the Owner purchased "about half" of Blue Mountain Village, a recreational destination north of Toronto. He also states that the Owner "currently" manages the remaining half of the village's retail space, which is owned by a U.S.-based real estate investment trust.

[11] Mr. Sneyd further states that, in September 2014, the Owner started construction of new condominiums at Horseshoe Resort, an Ontario resort that the Owner purchased in 2008.

[12] With respect to the trade-mark SKYLINE REIT, Mr. Sneyd explains that REIT is "a well-known acronym which means 'Real Estate Investment Trust' and used to also refer to 'Real Estate Income Trust'". He clarifies that, in the Mark, the word "REIT" refers to "Real Estate Income Trust". He also notes that, in the subject registration itself, "the right to the exclusive use of REIT is disclaimed apart from the trade-mark".

[13] Mr. Sneyd further explains that the Owner "established SKYLINE REIT in early 2002 as a private real estate income trust for use in association with the [registered services]". Mr. Sneyd states that the Owner "plans to offer a further SKYLINE REIT public offering following up on its private SKYLINE REIT."

[14] Finally, Mr. Sneyd attests that the Owner became a public company in Israel on March 13, 2014 and is traded on the TASE exchange in Israel under the ticker symbol SKLN.TA. He explains that, following the filing of a prospectus, the Owner became a "reporting issuer" in Canada on May 14, 2014. As such, he attests that Skyline's company documents, since it became a public company, are available at *sedar.com*, the electronic filing system for disclosure documents of issuers across Canada.

[15] In support, Mr. Sneyd attaches the following exhibits to his affidavit:

- Exhibit A is a printout from the website *thefreedictionary.com*, which Mr. Sneyd attests shows the results of his search for "REIT" on this website. The webpage defines "REIT" as "real-estate investment trust"; as "a company that purchases and manages real estate or real estate loans, using money invested by its shareholders"; and as "an investment trust that owns and manages a pool of commercial properties and mortgages and other real estate assets; shares can be bought and sold in the stock market".

- Exhibit B consists of printouts from the website *skylineinvestments.com*. The name Skyline International Development appears in the header of the webpages. The website describes the Owner as "a leading owner, operator and developer of hospitality resorts and destination communities in Ontario". The website contains information on the Owner's history and assets, including references to the Owner's acquisition of, management of and investment in various Canadian properties.
  The "investor relations" page provides information on investing in the Owner. The home page makes references to the Owner being named among "Deloitte's Best Managed Companies in Canada" in 2013 and 2014 and "Hotelier's Top 50 Hotel Companies" in 2015. The SKYLINE INTERNATIONAL Logo appears at the top and bottom of the webpages, as follows:

SKYLINE
INTERNATIONAL

- Exhibit C consists of printouts from the Internet Archive at *web.archive.org*, showing archived webpages from *skylineinvestments.com* from March 20, 2015 and May 9, 2015. Exhibits B and C appear to include essentially the same information. In Exhibit C, the words SKYLINE INTERNATIONAL form part of a SKYLINE Logo with a square design element as follows:

SKYLINE
INTERNATIONAL

- Exhibit D is a printout of a 2012 article, from the Collingwood Enterprise Bulletin, on the Owner's upcoming Blue Mountain Village purchase.

- Exhibit E is a printout of a 2014 article, from *Canadian Lodging News*, about the Owner's ground breaking ceremony for construction of condominiums at Horseshoe Resort.

- Exhibit F is a printout of the Owner's company profile on the website *sedar.com*. The profile indicates that the Owner was formed in Ontario and has a Toronto mailing and head office address.

- Exhibit G is a printout from *sedar.com* listing the Owner's public documents available on that website. Handwritten arrows flag entries for a "Preliminary long form prospectus" (Preliminary Prospectus), filed on April 16, 2014, and a "Final long form prospectus" (Prospectus), filed on May 14, 2014. Mr. Sneyd indicates that these documents were filed with the Ontario Securities Commission.

- Exhibit H consists of excerpts from the Owner's "Preliminary Prospectus" and "Prospectus" from 2014. The first excerpted page of each document contains information on the availability of the Owner's securities. In particular, it is noted that there "is no market in Canada through which the securities of the [Owner] may be sold". The word SKYLINE appears as part of a SKYLINE Logo at the top of the page, as follows:

The second excerpt from each document lists the Owner's subsidiaries in 2012 and 2013: the list includes Skyline Real Estate Income Trust ("SREIT"). The word SKYLINE appears as part of a SKYLINE Logo at the top of each page as follows:

ANALYSIS — PERFORMANCE AND ADVERTISING OF THE REGISTERED SERVICES IN CANADA

[16] In his affidavit, Mr. Sneyd attests to the Owner's acquisition, ownership, operation, management and administration of various Canadian real estate properties during the relevant period. His statements are corroborated by the webpages and online articles attached as exhibits to his affidavit. Furthermore, the evidence as a whole shows that the Owner's activities in this regard constitute investment in real estate. Accordingly, I am satisfied that the Owner performed the registered services during the relevant period.

[17] In addition, for the limited purpose of section 45 proceedings, and in the absence of submissions on this point from the Requesting Party, I am prepared to infer that the Owner made such services available to members of the public, by allowing them to invest in the Owner itself, either as private investors or as public shareholders.

[18] With respect to the location of the services, an owner can be considered to provide services in Canada if the owner actively targets or offers those services to Canadians or if there is otherwise a sufficient nexus between the owner's services and Canada [see *Unicast SA v South Asian Broadcasting Corp*, 2014 FC 295]. In determining whether a sufficient nexus exists, a relevant factor to consider is whether the owner has a physical presence in Canada [*Unicast*, *supra*]. In the present case, although the Owner's shares are traded only on the Tel Aviv stock exchange, the Owner was incorporated in Ontario and became a reporting issuer there within the relevant period. Moreover, the evidence shows that much of the real estate in respect of which the Owner's services were performed during the relevant period was located in Ontario. As such, I accept that the Owner's services were performed *in Canada* during the relevant period.

[19] With respect to advertising, the exhibited webpages from *skylineinvestments.com* promotes "Skyline" and "Skyline International" as an owner, operator and developer of Canadian real estate. As noted above, the pages include references to the Owner's acquisition of, management of and investment in various Canadian properties. They also provide information on investing *in* the Owner as a means of benefiting from the Owner's activities. As such, I accept that the exhibited webpages advertise the registered services provided by the Owner.

[20] As for the prospectus pages, although the names of the Owner's subsidiaries perhaps suggest their areas of activity, the exhibited pages do not provide a clear description of the Owner's services. In particular, it is not clear what services, if any, are being advertised in connection with the reference to Skyline Real Estate Income Trust ("SREIT"). Moreover, Mr. Sneyd does not explain how, if at all, the exhibited prospectus pages were intended to advertise the Owner's private REIT as a service available during the relevant period. In this respect, I note Mr. Sneyd's statement that the Owner did not offer a public REIT during the relevant period.

[21] However, since I accept that the registered services were advertised on the webpages from *skylineinvestments.com*, the evidence with respect to the prospectus pages is not determinative.

[22] At the oral hearing, the Requesting Party submitted that advertising must be distributed in Canada in order to meet the requirements of section 4(2) of the Act. The Requesting Party focused on the exhibited prospectuses, arguing that they cannot be considered advertising in Canada because there is no evidence that they were actually viewed by Canadians, on the *sedar.com* website or otherwise. I note that the same can also be said of the exhibited pages from the Owner's website.

[23] The Owner, for its part, argued that the mere online availability in Canada of advertisements intended to be accessed by the Canadian public suffices to constitute advertising.

[24] Although I agree with the Requesting Party that documents posted online must be "distributed to" or accessed by prospective customers in order to constitute advertising, the threshold for establishing use in section 45 proceedings is quite low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)] and there is no one particular type of evidence required [*Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD) at 486]. With respect to online advertising, evidence from which it can reasonably be inferred that customers accessed the webpages in question *can* suffice [see *Ridout & Maybee LLP* v *Residential Income Fund LP*, 2015 TMOB 185].

[25] In the present case, although the Owner did not provide access data or other particulars for the exhibited webpages, I am prepared to infer that at least some Canadians would have viewed the pages in question, given the Owner's prominence as a Canadian real estate developer, as attested to by Mr. Sneyd and as corroborated by the webpages describing the Owner's activities. I am therefore satisfied that the exhibited webpages were "distributed" in Canada during the relevant period.

[26] With respect to the prospectuses, given that the Owner's sole "customers" for the registered services appear to be investors and prospective shareholders, it is also reasonable to infer that at least some Canadians would have viewed the prospectuses that were made available online, for investment information purposes. Whether prospective investors would have viewed the particular excerpted pages in evidence is more speculative; however, as I am prepared to accept that advertising of the registered services was "distributed" through the Owner's website, *skylineinvestments.com*, during the relevant period, the question as it relates to the prospectus pages is not determinative.

[27] In summary, I am prepared to accept that the Owner performed the registered services in Canada, and that the exhibited webpages from *skylineinvestments.com* advertised such services in Canada, during the relevant period.

ANALYSIS — DISPLAY OF THE MARK AS REGISTERED

[28] The remaining issue in this case is whether the Mark as registered was displayed in the advertisement or performance of the Owner's services.

[29] As noted above, the Owner furnished evidence demonstrating display of various SKYLINE Logos at the top and bottom of the exhibited webpages and at the top of the exhibited prospectus pages. Two of the prospectus pages also refer to Skyline Real Estate Income Trust ("SREIT") within a list of the Owner's subsidiaries.

[30] The Requesting Party questions whether any of the foregoing constitutes display of the Mark *as registered*. In that respect, the question to be asked is whether the trade-mark "was used in such a way that the mark did not lose its identity and remained recognizable in spite of the

differences between the form in which it was registered and the form in which it was used" [*Canada (Registrar of Trade Marks) v Cie internationale pour l'informatique CII Honeywell Bull, SA* (1985), 4 CPR (3d) 523 (FCA) at paragraph 5]. In deciding this issue, one must look to see whether the "dominant features" of the trade-mark have been maintained and whether "the differences are so unimportant as not to mislead an unaware purchaser" [*Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA) at paragraph 38].

[31] Both parties made extensive representations in this regard.

The Requesting Party's Position

[32] The Requesting Party submits that the evidence does not show the Mark as registered, but rather, the trade-mark SKYLINE or the corporate name Skyline Real Estate Income Trust.

[33] In this respect, the Requesting Party first submits that the dominant features of the Mark have not been preserved in the SKYLINE Logos, given that the Mark is composed of only two words, and use of one without the other changes the overall impression and meaning of the Mark. With respect to the descriptive character of the second word, REIT, the Requesting Party questions whether an average consumer would equate that word with a real estate income/investment trust. In any event, the Requesting Party submits that REIT is an integral and dominant element of the Mark, regardless of any descriptive meaning it may have as an acronym. At the oral hearing, the Requesting Party drew attention to several cases in the jurisprudence, where the Registrar found a trade-mark's descriptive elements to constitute dominant features.

[34] With respect to Skyline Real Estate Income Trust ("SREIT"), the Requesting Party submits that this reference would be seen as a corporate name and not as display of the trade-mark SKYLINE REIT. The Requesting Party notes in particular that the reference appears in a list of subsidiaries and is not set apart from the surrounding text.

The Owner's Position

[35] For its part, the Owner submits that the dominant portion of the Mark is SKYLINE alone. The Owner submits that omission of the word REIT constitutes a minor deviation from the Mark

as registered, in light of Mr. Sneyd's evidence that the word REIT is descriptive in relation to the registered services and that this descriptive meaning is well known. This is further supported by the disclaimer of REIT in the subject registration.

[36] Accordingly, the Owner's position is that SKYLINE and SKYLINE REIT would not be perceived as two separate trade-marks. Likewise, the Owner submits that any added elements in the SKYLINE Logos constitute minor variations that do not alter the Mark's identity.

[37] In its written submissions and at the oral hearing, the Owner highlighted a number of cases in the jurisprudence where the addition, subtraction or substitution of a descriptive element was found not to alter a trade-mark's dominant features.

[38] In this respect, the Owner considers it irrelevant that it did not actually offer a public REIT during the relevant period. As to whether the Mark as registered accurately described the Owner's services during the relevant period, and the effect that any such potential misdescriptiveness may have on the dominance of the REIT element, the Owner considers such questions to be outside the scope of section 45 proceedings. According to the Owner, for the purpose of the present proceeding, the fact that SKYLINE was displayed in association with the registered services, which *can* be provided in the form of a REIT, is sufficient to demonstrate use of the Mark.

[39] With respect to the references to Skyline Real Estate Income Trust ("SREIT"), the Owner submits that trade-mark use and trade name use are not necessarily mutually exclusive, given that an owner's name can be used for the purpose of distinguishing its services from those performed by others.

Display of the SKYLINE Logos

[40] On balance, I agree with the Owner that the word SKYLINE is the dominant feature of the Mark and that the SKYLINE Logos constitute minor variations from the Mark as registered.

[41] Given that REIT is a dictionary word meaning "real estate investment trust", I accept that it is descriptive of the nature of the registered services, namely real estate investment services and related services performed in the context of real estate investment. Furthermore, since it

appears from the evidence that the owner's "customers" are investors, I am prepared to infer that they would perceive the term REIT as being merely descriptive in the context of the registered services, and not as a coined word. As such, the Mark does not lose its identity and remains recognizable in the SKYLINE Logos, despite the omission of the descriptive term REIT. Similarly, in particular given the placement and size of the word SKYLINE in the SKLYINE Logos, I accept that the additional descriptive terms such as INTERNATIONAL or DESTINATION COMMUNITIES constitute minor deviations from the Mark as registered. Finally, I do not consider the additional design element in some of the SKYLINE Logos alters the Mark's identity.

[42] As noted above, the Requesting Party drew attention to several cases where the dominant features of a trade-mark included descriptive elements. However, the assessment as to which elements of a trade-mark are "dominant features" and whether a trade-mark was "used in such a way that the mark did not lose its identity" are questions of fact. In this respect, the nature of the registered goods and services and the context and manner in which the trade-mark is displayed must be considered [see *Gowling Lafleur Henderson LLP v Padcon Ltd*, 2014 TMOB 125].

[43] In the present case, I am satisfied that the dominant feature of the Mark as registered is SKYLINE and that display of the SKYLINE Logos at the top and bottom of the exhibited webpages promoting the registered services constitutes display of the Mark as registered for the purpose of this proceeding.

[44] Furthermore, having already concluded that the exhibited webpages from *skylineinvestments.com* advertise the registered services in Canada, I accept that display of the SKYLINE Logo at the top and bottom of these webpages constitutes *use* of the Mark in association with such services during the relevant period.

Display of "Skyline Real Estate Income Trust ("SREIT")"

[45] In view of the foregoing, it is not necessary to determine whether display of "Skyline Real Estate Income Trust ("SREIT")" in the exhibited prospectuses constitutes display of the Mark as registered. As noted by the Requesting Party, this reference appears in a list of subsidiaries in the middle of a prospectus. If there is a discernible trade-mark displayed in that

context, it is not clear whether it would, for example, be considered to include the coined acronym, "SREIT", in the same size and font as the word SKYLINE. Furthermore, as noted above, it is not clear what services are being advertised from the mere display of the subsidiary's name in the exhibited prospectus excerpt. As such, I have difficulty accepting the display of "Skyline Real Estate Income Trust ("SREIT")" as display of the Mark in the advertisement or performance of the registered services.

[46] However, as I have already accepted that display of the SKYLINE Logo on the exhibited webpages constitutes display of the Mark in association with the registered services during the relevant period, the issue is moot.

DISPOSITION

[47] In view of all of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with the registered services within the meaning of sections 4(2) and 45 of the Act.

[48] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with section 45 of the Act, the registration will be maintained.

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

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

HEARING DATE: 2017-03-06

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