



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 43

Date of Decision: 2021-03-09

IN THE MATTER OF A SECTION 45 PROCEEDING

9326-3044 Québec inc.

Requesting Party

and

**Windy Gates, Soho, Inc. (a New York
Corporation)**

Registered Owner

TMA669,176 for BALTHAZAR

Registration

INTRODUCTION

[1] At the request of 9326-3044 Québec inc. (whose name has since been changed to Groupe Le Balthazar inc.) (the Requesting Party), the Registrar of Trademarks issued a notice under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on August 29, 2017, to Windy Gates, Soho, Inc. (a New York Corporation) (the Owner), the registered owner of registration No. TMA669,176 for the trademark BALTHAZAR (the Mark).

[2] The Mark is registered for use in association with the following services: “Restaurant and bakery” (the Services).

[3] The notice required the Owner to show that the Mark had been used in Canada in association with the Services at any time between August 29, 2014 and August 29, 2017 and, if not, the date when it was last in use and the reason for non-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 trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[5] It is well established that mere assertions of use are not sufficient to demonstrate use in the context of section 45 proceedings [*Plough (Canada) Ltd v Aerosol Fillers Inc* (1980), 53 CPR (2d) 62 (FCA)]. Although the threshold for establishing use in these proceedings is low [*Woods Canada Ltd v Lang Michener* (1996), 71 CPR (3d) 477 (FCTD)] and evidentiary overkill is not required [*Union Electric Supply Co Ltd v Canada (Registrar of Trade Marks)* (1982), 63 CPR (2d) 56 (FCTD)], sufficient facts must still be provided by the owner from which the Registrar can draw conclusions and render a decision concerning use of the trademark during the relevant period [*Borden Elliot Scott & Ayleen v House of Kwong Sang Hong International Ltd*, 2004 FC 554].

[6] With respect to services, the display of a trademark on advertising is sufficient to meet the requirements of section 4(2) when the trademark 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 the absence of use, pursuant to section 45(3) of the Act, a trademark is liable to be expunged, unless the absence of use is due to special circumstances.

[8] In response to the Registrar’s notice, the Owner submitted the affidavit of Roberta Delice, President of the Owner, sworn March 28, 2018 in New York, New York.

[9] Both parties submitted written representations; only the Requesting Party attended an oral hearing.

OVERVIEW OF THE OWNER'S EVIDENCE

[10] The Delice affidavit can be summarized as follows:

- The Owner owns and operates a restaurant in New York City and a bakery in New Jersey, United States of America, in association with the Mark, but has no brick-and-mortar establishment in Canada [paras 4 and 5].
- The Owner's restaurant is "among the best-known" restaurants in New York City and has been featured in popular culture (e.g. novels and autobiographies) and in publications circulated in Canada during the relevant period [paras 5, 6 and 7; Exhibits B and C].
- The Mark has been displayed on the Owner's websites *balthazarny.com* and *balthazarbakery.com* and at the Owner's establishments on signage, menus, drink coasters and other business materials [paras 7, 9 and 10; Exhibits D and E].
- The core paragraphs of Ms. Delice's affidavit with respect to the alleged use of the Mark in Canada in association with the Owner's Services are reproduced below:

7. [...] The [Owner] used the Mark during the Relevant Period by advertising, offering and providing its Services to Canadian customers, who contacted the [Owner], whether online, by telephone, or in person, to reserve a table at the Owner's restaurant, or to place an order at the Owner's bakery. These persons then paid for the Services following their meal or online, by telephone, or in person when ordering from the [Owner]'s bakery. The [Owner] extensively advertised and promoted its Services using the Mark in Canada during the relevant period through articles published in Canadian magazines and newspapers, e-mails blasts sent directly to persons in Canada, and its websites, which persons in Canada visited regularly during the Relevant Period.

11. Persons in Canada regularly visit the [Owner]'s websites to reserve a table at the [Owner]'s restaurant, book a private event at the [Owner]'s restaurant, order and have delivered a wide array of baked goods, purchase gift cards, or learn more about the [Owner]'s advertised Services, and did so during the Relevant Period.

- For example, between August 2016 and August 2017, 3,149 customers from Canada contacted the Owner, whether online, by telephone, or in person, to reserve a table, and subsequently dine at the Owner's restaurant, generating over USD\$600,000 in revenue [para 13; Exhibit F].

ANALYSIS

[11] The main issue in the present case is whether the Owner, in the absence of a brick-and-mortar establishment in Canada, has nevertheless shown use of the Mark in association with the Services in Canada.

[12] It is the Owner's position that it has demonstrated that the scope of the terms "restaurant" and "bakery" in ordinary commercial use at the relevant time encompassed restaurant reservation services, the issuance of related gift cards, and the taking of orders for baked goods online, by telephone, or in person, and that persons in Canada benefitted from these services during the relevant period.

[13] In contrast, the Requesting Party submits that the terms "restaurant" and "bakery" must be limited to a strict definition of these terms as defined in common parlance dictionaries which refer only to physical establishments. Since the Owner has no physical establishment in Canada, the Requesting Party submits that the registration should be expunged. In the alternative, the Requesting Party submits that the Owner has not shown use of the Mark in Canada in association with any of its alleged incidental or ancillary services in accordance with sections 4 and 45 of the Act and that the registration should be expunged.

[14] It is well-established that services are generally granted a generous or broad interpretation [*Aird & Berlis v Virgin Enterprises Ltd* (2009), 78 CPR (4th) 306 (TMOB)], and include those services which may be considered "primary", "incidental" or "ancillary" [*Kraft Ltd v Registrar of Trade Marks* (1984), 1 CPR (3d) 457 (FCTD)].

[15] When assessing services, it has also been held that each case must be assessed on its own particular facts and that as long as some members of the public, consumers or purchasers, receive a benefit from the activity, it is a service [*Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2019 FC 1042, affirmed 2020 FCA 120 (*Live! Holdings*)].

[16] It is therefore possible for a Canadian customer to remain in Canada and nevertheless receive, or benefit from, a service offered by an entity otherwise operating in the United States.

However, in such cases, the trademark owner must demonstrate a certain level of interactivity with Canadian customers in order for there to be a benefit in Canada sufficient to support its registration. The benefit must be a tangible, meaningful benefit enjoyed in Canada from the services relied upon by the owner [see *Hilton Worldwide Holding LLP v Miller Thomson*, 2018 FC 895, affirmed 2020 FCA 134 (*Hilton*) and *Live! Holdings*, supra, for recent Federal Court of Appeal treatment of services where the trademark owner has no physical presence in Canada].

[17] A sufficient level of interactivity with Canadians has been found where a trademark owner operates a retail website and ships goods purchased via the website to Canada, where the website shows prices in Canadian dollars, the option of shipping to Canada or other indicators that the website is directed to Canadian customers [see *Saks & Co v Canada (Registrar of Trade Marks)* (1989), 24 CPR (3d) 49 (FCTD) and *Dollar General Corporation v 2900319 Canada Inc*, 2018 FC 778], or where the website offers ancillary services which are equivalent to what one might find in a brick-and-mortar establishment [see *TSA Stores, Inc v Registrar of Trade-Marks*, 2011 FC 273 at para 19, where the Federal Court concluded that visiting the website was “akin to visiting a bricks and mortar store and benefiting from a discussion with a knowledgeable salesperson”].

[18] In the present case, the “primary” services offered by the Owner can only be enjoyed at its restaurant in New York City and its bakery in New Jersey. However, having regard to the foregoing jurisprudence, I am not convinced by the Requesting Party’s submission that the Owner has limited its Mark to a strict definition of “restaurant and bakery” which refers only to physical establishments.

[19] I will therefore turn to the Owner’s evidence of “incidental” and “ancillary” services to determine whether these conferred a tangible, meaningful benefit to persons in Canada.

Table reservations

[20] As indicated above, Ms. Delice asserts that “Canadian customers”/“customers from Canada” contacted the Owner, whether online, by telephone or in person, to reserve a table at the Owner’s restaurant, and subsequently dined at the Owner’s restaurant. As Exhibit F, Ms. Delice

attaches a chart setting out the number of international travelers by country and indicates that between August 2016 and August 2017, Canadians represented 2.66 % of the Owner's volume of traffic at its BALTHAZAR restaurant during that period.

[21] However, as noted by the Requesting Party, the statements that "Canadian customers"/"customers from Canada" contacted the Owner to make reservations at its restaurant are vague and ambiguous and do not necessarily mean that such reservations were made *from Canada*, as Canadians could very well have contacted the Owner while they were in New York City. Furthermore, even if reservations were made from Canada, the evidence of record does not explain the tangible, meaningful benefit in Canada of making a reservation for a table at the Owner's restaurant in the United States.

[22] Indeed, I find no evidence of a tangible and meaningful benefit in the present case as was found by the Federal Court in *Hilton, supra* [see para 102 where the Court found benefit, for instance, in the online reservation service with discounted room rates available for pre-paid rooms paid for by Canadians in Canada, as well as the Hilton rewards points received with hotel bookings]. While the Owner's restaurant website screenshots show "Reservations" and "Reserve Online" buttons, the evidence does not show how customers making a reservation received benefits of the kind considered sufficient in *Hilton*. As such, I find that the present situation is analogous to the one in *Live! Holdings, supra*, where it was found that the tangible benefit of hotel booking only occurs once a person leaves Canada and travels to the United States to fulfill the reservation.

Gift cards

[23] As indicated above, Ms. Delice asserts that persons in Canada regularly visit the Owner's websites to purchase gift cards and did so during the relevant period. However, as noted by the Requesting Party, she does not provide any sales figures or invoices for gift cards sold to persons in Canada, through its website or otherwise. Furthermore, the Owner's exhibited "Gift Cards" webpage indicates that gift cards purchased online cannot be shipped internationally. Instead, the

webpage invites customers to contact the restaurant directly in order to have a gift card sent abroad.

[24] In any event, as with table reservations, the evidence of record does not explain the tangible, meaningful benefit enjoyed in Canada from purchasing a gift card, such as promotional offers or some kind of preferential treatment. As such, I find the present situation is analogous to the one in *Pain & Ceballos LLP v Crab Addison, Inc*, 2017 TMOB 158 at para 42, where it was found that the mere purchase of gift cards which can only be redeemed outside Canada does not provide any tangible, meaningful benefit in Canada.

Delivering baked goods

[25] As indicated above, Ms. Delice asserts that “Canadian customers” contacted the Owner, whether online, by telephone or in person, to order baked goods. However, as discussed above, this statement is vague and ambiguous as Canadians could very well have contacted the Owner while they were in New York City.

[26] Furthermore, while Ms. Delice asserts that persons in Canada regularly visit the Owner’s website to order and have delivered baked goods, she does not provide any sales figures or invoices for baked goods sold to persons in Canada, through its website or otherwise.

[27] In this regard, I note that the exhibited bakery website screenshots suggest that baked goods can only be delivered in Manhattan, but not shipped elsewhere. Indeed, a webpage identifies the Owner’s “delivery zone” (between three streets in Manhattan and the Hudson River) and indicates that deliveries can be made anywhere in Manhattan, but those made outside the delivery zone are subject to a \$20 administrative fee. Similarly, with respect to the webpage offering baked goods for Easter, a customer can select to pick up the order or have it delivered. Next to the delivery option, a notice reads: “available only in Manhattan”. Further, a webpage in the Wholesale Division of the Owner’s bakery website advises: “We’re sorry, but we don’t ship baked goods”. It therefore appears that Canadians are unable to place an order on the bakery website and have it shipped to Canada and I note the Requesting Party’s observation that it is unlikely that the \$20 fee would be sufficient to offset the cost of shipping (presumably

perishable) baked goods from the Owner's bakery in New Jersey to Canada within a reasonable time.

Booking private events

[28] As indicated above, Ms. Delice asserts that persons in Canada regularly visit the Owner's websites to book private events and did so during the relevant period. However, she does not provide invoices, sales figures, or examples of events that were so booked. In addition, as with the aforementioned gift cards and baked goods, the Owner's evidence does not indicate how persons in Canada could use the website to book private events.

[29] In this regard, I note that the "Private Events" webpage does not allow customers to book a private event, but only offers them a form to submit their contact information. Likewise, the Private Events webpage does not provide any menus, themes, prices or any guidance which enable a customer to make decisions regarding their event.

[30] In any event, as with table reservations, the evidence of record does not explain the tangible, meaningful benefit enjoyed in Canada from booking a private event at the Owner's establishment in the United States.

Learning about the Owner's Services

[31] As indicated above, Ms. Delice asserts that persons in Canada also visited the Owner's websites to "learn more about the [Owner's] advertised Services". However, she does not explain the benefit received by Canadians in doing so.

[32] Indeed, as per my findings made above, nothing in the evidence provided by the Owner shows, or reasonably suggests, that Canadians could receive any tangible and meaningful benefit from the Owner's websites, or that the Owner's Services were readily available to persons in Canada. Other than possibly making table reservations, persons in Canada had only the ability to passively view content on the Owner's websites. This does not constitute use of a trademark in Canada [see Federal Court of Appeal decision in *Hilton, supra*, at para 147].

[33] Lastly, to the extent the evidence may indicate advertising of the Owner's Services in Canada (*e.g.* the e-mail blasts, website visits, articles and columns published in magazines and newspapers, and unspecified "tens of thousands of dollars" of advertisements and promotions), the mere advertisement of services, where no aspect of the services themselves are performed or delivered in Canada, does not constitute use within the meaning of the Act [see *Wenward and Hilton, supra*].

DISPOSITION

[34] In view of all the foregoing, I am not satisfied that the Owner has shown use of the Mark in association with any of the Services within the meaning of sections 4 and 45 of the Act. Furthermore, there is no evidence of special circumstances excusing non-use of the Mark before me.

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

Annie Robitaille
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2021-01-27

APPEARANCES

No one appearing

For the Registered Owner

Jean-Philippe Mikus

For the Requesting Party

AGENTS OF RECORD

Smart & Biggar LLP

For the Registered Owner

Fasken Martineau DuMoulin LLP

For the Requesting Party