



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 83

Date of Decision: 2021-04-30

IN THE MATTER OF A SECTION 45 PROCEEDING

Henri Simon (Simon & Associés)

Requesting Party

and

RIU HOTELS, S.A.

Registered Owner

TMA506,625 for RIU & DESIGN

Registration

[1] This decision involves a summary expungement proceeding with respect to registration No. TMA506,625 for the trademark RIU & DESIGN, reproduced below (the Mark), owned by RIU HOTELS, S.A (the Owner):



[2] The Mark consists of a line drawing of a stylized crown above a dark rectangle containing the word RIU in block letters. It is registered for use in association with the following services:

- (1) Hotel reservation services.
- (2) Hotel and restaurant services.

[3] On July 18, 2017, at the request of Henri Simon (Simon & Associés) (the Requesting Party), the Registrar of Trademarks sent the Owner a notice under section 45 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). The notice required the Owner to furnish evidence showing that the Mark was in use in Canada, in association with each of the services specified in the registration, at any time between July 18, 2014 and July 18, 2017. If the Mark had not been so used, the Owner was required to furnish evidence providing the date when the Mark was last in use and the reasons for the absence of such use since that date. In the absence of use, pursuant to section 45(3) of the Act, a trademark registration is liable to be expunged.

[4] I note that the Requesting Party indicated in its initial request that it was only seeking expungement of the Mark in respect of the goods “restaurant services”. The Requesting Party maintained this position throughout the proceeding. However, when issuing the notice under section 45 of the Act, the Registrar considered there to be no authority under this provision, as it then read, to restrict the notice to certain services in the manner requested. Accordingly, the notice covers the entire registration, and it was therefore incumbent upon the Owner to furnish evidence with respect to each of the services listed in the registration.

[5] The 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.

[6] The display of a trademark on advertising is sufficient to meet the requirements of section 4(2) of the Act when the trademark owner is offering and prepared to perform the advertised services in Canada [*Wenward (Canada) Ltd v Dynaturf Co* (1976), 28 CPR (2d) 20 (TMOB)]. In other words, advertising in Canada alone is insufficient; at the very least, the services also have to be available to be performed in Canada.

[7] 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 is quite 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 Registrar of Trade Marks* (1982), 63 CPR (2d) 56 (FCTD)],

sufficient facts must still be provided to permit the Registrar to arrive at a conclusion of use of the trademark in association with each of the services specified in the registration during the relevant period [see *John Labatt Ltd v Rainer Brewing Co* (1984), 80 CPR (2d) 228 (FCA)].

[8] In response to the Registrar's notice, the Owner filed the affidavit of Armin Roland Kaestner sworn on February 16, 2018, in the Dominican Republic. Both parties filed written representations but only the Requesting Party was represented at an oral hearing.

THE OWNER'S EVIDENCE

[9] In his affidavit, Mr. Kaestner identifies himself as a Vice President of RIU HOTELS, S.A. LTD., also doing business as RIU and/or RIU HOTELS & RESORTS. He states that this Spanish hotel chain has 105 hotels in 19 countries and is "the owner (or Registrant) of" the Mark, which is its main brand.

[9] I note that, on the Register, the owner and registrant of the Mark is identified simply as RIU HOTELS, S.A. It is therefore not clear whether Mr. Kaestner's addition of "LTD" to that name denotes a different entity or merely specifies that the registrant is a limited company. For the purposes of this proceeding, given that Mr. Kaestner refers to RIU HOTELS, S.A. LTD as the owner and registrant of the Mark, and in the absence of any submissions to the contrary by the Requesting Party, I accept that RIU HOTELS, S.A. LTD and the Owner are the same entity.

[10] In his affidavit, Mr. Kaestner asserts the Owner's "continuous use of the Mark in Canada in the normal course of trade in association with "Hotel reservation services and Hotel and restaurant services". However, only this bare assertion at the end of his affidavit appears to relate to the services "(2) Hotel and restaurant services". Otherwise, the content of his affidavit appears directed at the services "(1) Hotel reservation services".

[11] In this respect, Mr. Kaestner states that the Owner operates a website at *riu.com*, through which travellers from around the world, including Canada, book their vacations. He states that the Owner used the Mark on this website in association with "hotel reservation services" during the relevant period. Based on internal analytics reports, he attests to over one million Canadians accessing the website each year from 2014 to 2016.

[12] As Exhibit B to his affidavit, Mr. Kaestner attaches screen captures from the Internet Archive at *www.archive.org*, showing archived versions of the *riu.com* homepage from July 19, 2014, January 2015, November 2015, February 2016, October 2016, and June 2017. Each version of the homepage provides a reservation interface, which Mr. Kaestner attests Canadians have used to book hotels. A variation of the Mark is displayed at the top of each homepage, next to the words “RIU Hotels & Resorts In the world’s best destinations”. This variation of the Mark features a slightly different style of line drawing and lettering than the Mark as registered, with both the crown and the word RIU presented on a dark square background, as shown below (the Square Logo):



[13] Mr. Kaestner confirms that the screen captures are representative of the Mark’s display on the *riu.com* website from 2014 to 2017.

[14] Mr. Kaestner further states that it is typical in the travel industry for hotels and resorts to partner or collaborate with travel agencies to secure reservations. He confirms that Canadian travellers can book with the Owner through the assistance and guidance of a Canadian travel agent and specifies that, in this regard, the Owner has associated itself with Sunwing Vacations Inc./Vacances Sunwing Inc. (Sunwing), a Canadian travel agency that arranges vacation packages for Canadians.

[15] As the first page of Exhibit H to his affidavit, Mr. Kaestner attaches a screen capture of a December 2014 press release from the Owner’s website announcing the launch of its travel agent certification program in Canada. According to the press release, this program provides tools and resources for “selling” RIU properties located in Mexico, North & Central America, and the Caribbean, and a section of the program is dedicated to “Sunwing / Signature, RIU’s exclusive partner in Canada”. The press release also mentions that the certification program is part of the Owner’s existing travel agent loyalty club program, and provides graduate benefits such as a RIU Specialist Diploma and digital welcome kit with logos for e-mails and business cards, as well as a credit for a two-night stay and other special loyalty club promotions.

[16] Mr. Kaestner notes that Sunwing issues a brochure entitled “SIGNATURE VACATIONS” every winter season, featuring information and advertisements designed to secure Canadian bookings for various hotels, including the hotels and resorts of the Owner. Mr. Kaestner states that this brochure is distributed in paper form—with over 400,000 copies circulated to Canadians each season from 2013/14 to 2017/18—and is also available for Canadians to download on Sunwing’s website at *signaturevacations.com*. As Exhibits C to G to his affidavit, Mr. Kaestner attaches excerpts from this brochure for each winter season from 2013/14 to 2017/18. He does not specify whether the edition promoting the winter 2017/18 season was published prior to July 18, 2017; however, I accept that at least the editions for the three winters from 2014/15 to 2016/17 fall within the relevant period.

[17] Each of the brochures from the relevant period displays several variations of the Mark in association with promotional descriptions of the Owner’s hotels and resorts, as well as price ranges based on departures from Toronto. For example, one of the pages of the 2016/17 edition (Exhibit F) displays a variation of the Square Logo next to a description of two RIU hotels; this variation of the logo includes the words “Hotels & Resorts” in fine print immediately below the word RIU. I note that the page describes the two hotels as featuring specialty restaurants among their services and facilities and also promotes the fact that all “Signature Vacations guests” enjoy exclusive perks, including unlimited dining at specialty restaurants. Similarly, a page in the 2014/15 edition (Exhibit D) displays the same variation of the logo, next to a description of the meals available at some of the hotels’ restaurants, and a subsequent page displays this variation of the logo next to three photographs of RIU hotels under the description “Enjoy a perfect vacation with our 24 hr All Inclusive program where you can choose from a variety of restaurants, bars, activities and entertainment for the entire family.... Because everything you desire for your vacation is only at RIU Hotels.”

[18] Other variations of the Mark featured in the brochures include a version of the Square Logo referencing RIU PALACE, which appears to be a category of resort within the RIU line, and a logo featuring the expression RIU[®]-topia, which apparently refers to a series of inclusions for “Signature Vacations guests”, notably unlimited dining at specialty restaurants, various amenities, and discounts on certain activities.

[19] In addition, Mr. Kaestner provides evidence regarding Canadians' visits to and reviews of the Owner's hotels, in the form of screen captures and website printouts attached as Exhibits H to J to his affidavit. These materials include the following documents: press releases from November 2014 and May 2017 posted on the Owner's website, announcing that a number of RIU hotels have been chosen as "favorites" by Canada's online travel community on the Canadian travel review website *monarc.ca* (Exhibit H); printouts from the website at *monarc.ca*, describing its methodology for collecting authentic reviews and displaying Canadians' reviews of a RIU Palace hotel, including 12 reviews from the relevant period (Exhibit I); and printouts from the travel review website at *tripadvisor.ca*, which feature a series of posts made by Canadian contributors in 2016 about whether Sunwing is the only Canadian travel agent for RIU hotels (Exhibit J). I note that only one of the *tripadvisor.ca* contributors mentions actually having booked RIU hotels (directly on their website) and this post does not specify whether the booking was done during the relevant period.

ANALYSIS

[20] The Owner has furnished evidence showing how the Mark was displayed during the relevant period in *advertising* the registered services in Canada.

[21] In this respect, I accept that display of the Square Logo, either without additional wording or with the words "Hotels & Resorts" within the square, constitutes display of the Mark. Applying the principles set out in *Canada (Registrar of Trade Marks) v Cie International pour l'informatique CII Honeywell Bull SA* (1985), 4 CPR (3d) 523 (FCA); *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA); and *Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 (TMOB), I find that the dominant features of the Mark—being the combination of the word RIU with the particular crown design—have been preserved in the Square Logo and stand out from the words "Hotels & Resorts". When those words are present, they are considerably smaller than the word RIU and merely descriptive of the nature of the registered services. I consider the slight difference in the style of lettering and line drawing and the extension of the background from a rectangle to a square to be of minor importance. Thus, the Mark has not lost its identity and remains recognizable. In view of this finding, it is not necessary to consider the other versions of the Square Logo displayed in the brochures.

[22] However, as noted above, the display of a trademark on advertising alone is insufficient to demonstrate use; at the very least, the services also have to be available to be performed in Canada.

[23] In this regard, the Federal Court in *Marineland Inc v Marine Wonderland & Animal Park Ltd* (1974), 16 CPR (2d) 97 (FCTD) reasoned that, where performance of the services can only be completed abroad, the sale of admission vouchers in Canada cannot be considered performance of the services in Canada. In *Motel 6 Inc v No. 6 Motel Ltd.* (1981), 56 CPR (2d) 44 (FCTD), the Federal Court held that where a trademark is associated with advertising in Canada for motel services that can only be benefitted from outside of Canada, use of the trademark in association with motel services has not been shown. Similarly, in *Porter v Don the Beachcomber* (1966), 48 CPR 280 (Ex Ct), it was held that display of a trademark on advertising in Canada for restaurants located in a different country does not constitute use of the trademark in association with restaurant services within the meaning of the Act.

[24] More recently, the Federal Court in *Unicast SA v South Asian Broadcasting Corp*, 2014 FC 295, 122 CPR (4th) 409, noted that there is “an important distinction between services performed in Canada and services performed outside Canada, perhaps for Canadians” [at para 46]. This decision was cited by the Federal Court in *Supershuttle International, Inc v Fetherstonhaugh & Co*, 2015 FC 1259, for the proposition that, although “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” [*Supershuttle* at para 40].

[25] The principle expressed in *Unicast* was recently cited by the Federal Court in the context of hotel and entertainment services in *Live! Holdings, LLC v Oyen Wiggs Green & Mutala LLP*, 2019 FC 1042 [aff’d 2020 FCA 120]. In that case, the Federal Court cautioned that “[t]o 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”, notably “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” [*Live! Holdings* at para 87, citing *Unicast* at para 47]. That this is a “legitimate concern” was recognized by the Federal Court of Appeal in

Hilton Worldwide Holding LLP v Miller Thomson, 2020 FCA 134 at para 144 [hereinafter *Hilton(FCA)*], aff'g 2018 FC 895 [hereinafter *Hilton(FC)*].

[26] Moreover, although evidence that advertising targets consumers in Canada *may* be a persuasive indicator that the services are available to be performed in Canada [see *Hilton(FCA)* at para 150], even targeting to people in Canada is not sufficient “where the services are offered, delivered or performed elsewhere” [*Live! Holdings* at para 84].

[27] In the present case, the registration covers two categories of services: “Hotel reservation services” and “Hotel and restaurant services”. Although the Requesting Party’s submissions focus on “restaurant services”, as noted above, the section 45 notice issued in this case is not restricted. Accordingly, I will assess the evidence of use in respect of each of the categories of registered services in turn.

Hotel reservation services

[28] Mr. Kaestner makes a clear assertion of use of the Mark in Canada in association with hotel reservation services. His assertion is supported by (i) representative screen captures of the Mark displayed on the Owner’s website next to a reservation interface that Mr. Kaestner attests Canadians have used to book hotel reservations; and (ii) excerpts from brochures issued by the Owner’s Canadian travel agent displaying the Mark in advertising the agent’s vacation packages available for RIU hotels.

[29] Mr. Kaestner confirms that, during the relevant period, the website was accessed by millions of Canadians and the brochure distributed to hundreds of thousands of Canadians. The Requesting Party notes that the reference to “Canadians” is ambiguous as it does not necessarily imply that the Canadians are located in Canada at the relevant point in time. However, I find it reasonable to infer that at least some of the millions of Canadians accessing the website would have done so from Canada and that at least some of the hundreds of thousands brochures distributed by a Canadian travel agency, advertising vacation packages with departures from Canada, would have been distributed in Canada. Accordingly, I accept that the Owner’s website and Sunwing’s brochures constitute advertising of reservation services in Canada.

[30] With respect to the reservation services being performed or at least available to be performed in Canada, although Mr. Kaestner attests that Canadians have used the reservation interface on the Owner's website to book hotels, he does not specify whether they did so during the relevant period. As pointed out by the Requesting Party, an online reservation interface may be limited to certain jurisdictions and thus might not necessarily have been available from Canada at all times. Nor does Mr. Kaestner confirm that any Canadians took advantage of the ability to make bookings from Canada through a travel agent during the relevant period. While the reviews on the *monarc.ca* website would seem to indicate that at least some Canadians stayed at the Owner's hotels during the relevant period, there is no information as to how their reservations were made and whether the reservations were made *from Canada*.

[31] Nevertheless, given that at least one *tripadvisor.ca* contributor, in answering a post seeking Canadian travel agents for RIU during the relevant period, indicates having already booked directly on RIU's website, and given that the Owner's travel agency partner Sunwing is a Canadian agency that was targeting Canadian travellers during the relevant period, I am prepared to accept that both the online reservation interface and booking through the assistance of a travel agent were at least *available* from Canada during the relevant period.

[32] Accordingly, I find that the Owner was advertising and prepared to provide hotel reservation services in Canada during the relevant period, and that these services could be enjoyed without leaving Canada, either directly by using the Owner's online reservation interface or through the assistance of the Canadian travel agency associated with the Owner.

[33] In view of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in Canada in association with "hotel reservation services" during the relevant period.

Hotel and restaurant services.

[34] With respect to "hotel and restaurant services", I acknowledge that, in certain cases, statements of services may contain "overlapping and redundant terms in the sense that the performance of one service would necessarily imply the performance of another" [as expressed in *Gowling Lafleur Henderson LLP v Key Publishers Co*, 2010 TMOB 7 at para 15]. However, it does not necessarily follow that the services "hotel reservation services" and "hotel services" are

equivalent. For example, if a travel agency reserves flights and hotel accommodations for clients in the course of its independent travel arrangement business, without being the intermediary of any particular airline or hotel company, then the travel agency would not be considered to provide “hotel services” (or aviation services, entertainment services, or the like), despite the fact that it provides “reservation services” [see *Hilton(FC)* at para 99, citing *Marineland, supra*]. Therefore, in the present case, although I have found the Owner’s evidence sufficient for a conclusion of use of the Mark in association with “hotel reservation services” in Canada, it remains necessary to determine whether the Owner can also be considered to have used the Mark in association with “hotel and restaurant services” in Canada.

[35] Whether a given activity constitutes performance of a given registered service must be decided “on a case-by-case basis” [*Express File Inc v HRB Royalty Inc*, 2005 FC 542, 39 CPR (4th) 59 at para 23]. The required case-by-case assessment involves an analysis of the scope of the service referred to in the trademark registration and the nature of the benefits delivered to people physically present in Canada [*Hilton(FC)* at para 51]. The question is whether some members of the public, consumers, or purchasers receive a “material benefit” in Canada sufficient to constitute “use” of the trademark in this country [*Hilton(FCA)* at para 116]. In this respect, some aspect of the services must be available in Canada and customers or users in Canada must receive some “meaningful and tangible benefit” from the services without leaving the country [*Live! Holdings* at paras 80, 90].

[36] In determining which activities are encompassed by the registered services, regard must be had to the words used in the registration to describe the services [*Live! Holdings* at para 80]. The words used must be interpreted in accordance with ordinary commercial usage, understood from the perspective of both the consumer and the trademark owner, and with reference to the evidence provided on this point [*Hilton(FC)* at paras 75, 85]. A case will often turn on its own individual facts and the quality of the evidence provided [*Hilton(FCA)* at paras 146, 152]. The threshold to establish use of a trademark is not high, but the evidence must permit a conclusion of use as a logical inference from the facts, rather than from speculation [*Live! Holdings* at para 80].

[37] For example, in *Hilton(FCA)*, there was evidence to the effect that it is customary in the hotel industry for the term “hotel services” to include “reservation services, booking and payment services”, which are “integral to the provision of hotel services” and without which hotels “could not operate” [at paras 93, 132]. Moreover, the Federal Court of Appeal confirmed that, through these integral services, as well as a loyalty program in which individuals could enroll from within Canada, Canadians took a number of meaningful benefits over and above the eventual enjoyment of their stay in the hotel, including discounted room rates in exchange for pre-payment, loyalty program rewards points that could be redeemed at other hotels in Canada, and e-mail booking confirmations [at paras 125-136]. Evidence as to the number of reservations made by customers with Canadian addresses who stayed at the hotels, and the revenue generated by those stays, showed that a large number of people in Canada took advantage of the available benefits [*ibid.*]. As the trademark at issue in that case was displayed on the owner’s website used to make reservations, as well as on e-mails, booking confirmations, and enrollment documents received by customers in Canada, the Federal Court of Appeal found that the owner had established use of its trademark in Canada during the relevant period.

[38] By contrast, in *Stikeman Elliott LLP v Millennium & Copthorne International Limited*, 2015 TMOB 231, given the plain meaning of the statement of services and the furnished evidence, it was found that the “reservation services” available in Canada were only tangentially related to the owner’s “hotel services” and therefore did not assist in establishing use of the mark at issue in association with “hotel services” [at paras 42-47, distinguished in *Hilton(FCA)* at para 131].

[39] Furthermore, in *Live! Holdings*, the Federal Court found that people in Canada did not receive a tangible and meaningful benefit from an aspect of the owner’s “hotel services” simply by accessing a website that makes them aware of hotels or events abroad, or by using an online reservation portal that permits them to book rooms or purchase tickets for hotels or venues abroad [at paras 92-99]. In this respect, the Federal Court held that simply holding a reservation for a hotel in a foreign country is not a tangible and meaningful benefit of the “hotel services” enjoyed in Canada; while a reservation may ensure that a room will be available upon arrival, the tangible benefit occurs only once the person leaves Canada, travels to the foreign destination, and fulfills the reservation [at para 99].

[40] In the present case, Mr. Kaestner asserts use of the Mark in Canada in the normal course of trade in association with “Hotel and restaurant services”, but without explaining what these services comprise. The evidence shows that people in Canada could book hotel rooms online or through the assistance of the travel agency associated with the Owner. It also appears from this travel agency’s brochures that unlimited dining at specialty restaurants within the Owner’s RIU hotels and resorts may be available in certain vacation packages offered to the agency’s “Signature Vacations guests”.

[41] However, there is no indication of how, through the reservation services provided online or with the assistance of travel agents, any tangible and meaningful benefits in the nature of “hotel services” or “restaurant services” were delivered in Canada. For the same reasons the Federal Court noted above with respect to “hotel services”, even if reservations can be considered an aspect of “restaurant services” and it is possible to make such reservations from Canada, I cannot find that a person who simply makes a reservation for a restaurant located abroad receives a tangible and meaningful benefit from this aspect of the “restaurant services” until that person leaves Canada and actually attends at the restaurant.

[42] Accordingly, I am not satisfied that the Owner has demonstrated use of the Mark in Canada in association with “hotel and restaurant services” during the relevant period. Furthermore, there is no evidence before me of special circumstances excusing the absence of such use.

DISPOSITION

[43] In view of all the foregoing, I am only satisfied that the Owner has demonstrated use of the Mark in association with the Services “hotel reservation services” within the meaning of sections 4 and 45 of the Act. 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 amended to delete “(2) Hotel and restaurant services” from the statement of services:

[44] The amended statement of services will be as follows:

(1) Hotel reservation services.

Oksana Osadchuk
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2020-11-26

APPEARANCES

No one appearing

For the Registered Owner

Henri Simon

For the Requesting Party

AGENTS OF RECORD

Macrae & Co.

For The Registered Owner

Henri Simon (Simon & Associés)

For The Requesting Party