

Date: 20080721

Docket: T-1041-05

Citation: 2008 FC 876

BETWEEN:

FAIRMONT RESORT PROPERTIES LTD.

Applicant

and

FAIRMONT HOTEL MANAGEMENT, L.P.

Respondent

REASONS FOR ORDER

GIBSON J.

INTRODUCTION

[1] These reasons follow the hearing of an application pursuant to subsection 57(1) of the *Trade-marks Act*¹ (the “Act”), by Fairmont Resort Properties Ltd. (the “Applicant”), to strike three (3) registrations from the Trade-marks Register, originally registered to Fairmont Hotel Management, L.P (the “Respondent” or “Fairmont Hotels”). The hearing was held at Calgary, Alberta on the 9th, 10th and 11th of June, 2008.

THE REGISTERED TRADE-MARKS AT ISSUE

[2] The trade-marks at issue (collectively the “Hotel Marks”) are the following:

¹ R.S.C. 1985, c. T-13.

Trade-mark	Owner	Registration no./Application no.	Basis of Application
FAIRMONT	Fairmont Hotels Inc.	Registration No. 529347	- Used in U.S.A since 1907. - Registered in U.S.A. on April 30, 1974 under Trade-mark No. 0983,000
	Fairmont Hotels Inc.	Registration No. 529346	- Used in U.S.A. since 1907. - Registered in U.S.A. on April 23, 1974 under Trade-mark No. 0982,668
	Fairmont Hotels Inc.	Registration No. 529 345	- Used in the U.S.A. since 1907 - Registered in the U.S.A. on April 23, 1974 under Trade-mark No. 0982,669

While originally registered in the name of the Respondent, the *Hotel Marks* were assigned to Fairmont Hotels Inc. as of the 1st of September, 2005. Each of the *Hotel Marks* is registered in respect of “hotel services associated with a chain of luxury hotels”.

THE PARTIES

a) The Applicant

[3] The Applicant was incorporated in Alberta on the 5th of February, 1979 as 200959 Holdings Ltd., for the purpose of marketing timeshare units constructed by Fairmont Hot Springs Resort Ltd. After two (2) intermediate name changes, its name was changed to Fairmont Resort Properties Ltd. on the 1st of August, 1985 with the filed consent of Fairmont Hot Springs Resort Ltd., a company under common ownership and control with the Applicant at that time. By some time in 1996, the Applicant became fully independently owned from Fairmont Hot Springs Resort Ltd.

[4] Starting in 1979, Fairmont Hot Springs Resort Ltd., and later the Applicant, developed four (4) timeshare resort properties in, or in proximity to, Fairmont, or Fairmont Hot Springs, British

Columbia, known respectively as Fairmont Vacation Villas at Mountainside, Fairmont Vacation Villas at Riverside, Fairmont Vacation Villas at Hillside and Fairmont Vacation Villas at Riverview. The Applicant, at least as at the 8th of July, 2005, owned and managed Fairmont Vacation Villas at Riverside, Fairmont Vacation Villas at Hillside and Fairmont Vacation Villas at Riverview in association with the unregistered trade-marks FAIRMONT VILLAS and FAIRMONT VACATION VILLAS and the trade-name FAIRMONT RESORT PROPERTIES LTD. The original development, Fairmont Vacation Villas at Mountainside, was, at that date, managed by another company but the Applicant continued to handle sales and transfers of the timeshare units in that development.

[5] The President of the Applicant attests that, once again as at the 8th of July 2005, the Applicant spent approximately \$3 million per year in marketing its properties through extensive direct mailings, telemarketing, magazine and newspaper advertising and internet web site operations. It also participated extensively in “coupon book” promotions. As at the same date, it employed more than eighty (80) employees at its Fairmont, British Columbia location and had annual revenues of over \$10 million for more than fifteen (15) years and total sales of time share units of about \$200 million Canadian dollars.

[6] The Applicant cites numerous instances of confusion in the minds of third parties between its operations and those of Fairmont Hotels.

[7] The Applicant does not allege, and has provided no evidence to support the proposition, that it has conducted its business in association with the single word “Fairmont” in any form, used in a trade-mark sense.

b) The Respondent

[8] The Respondent is a wholly-owned subsidiary of Fairmont Hotels & Resorts Inc. It has a principle place of business in San Francisco, California. Fairmont Hotels & Resorts Inc. is a Canadian corporation, the shares of which are listed and traded on the NEW YORK STOCK EXCHANGE and the TORONTO STOCK EXCHANGE. Through the Respondent, Fairmont Hotel Management, L.P., Fairmont Hotels & Resorts Inc. claims to be North America’s largest luxury hotel management company. It is headquartered in Toronto, Ontario. Directly and through its subsidiaries, as at the 24th of October, 2005, its portfolio consisted of eighty-eight (88) “luxury and first class properties” with approximately thirty-three thousand (33,000) rooms in Canada, United States, Mexico, Bermuda, Barbados, United Kingdom, Monaco, Kenya and the United Arab Emirates. Its portfolio in Canada, as at the same date, is listed in Schedule B to these reasons.

THE BACKGROUND

a) Fairmont Hot Springs

[9] Fairmont Hot Springs, also often referred to only as Fairmont, is an unincorporated community and resort site or region in the Columbia River valley in British Columbia. It first attracted attention as a potential resort center in the early 1900s based in part on its natural hot springs which continue to form part of the Fairmont Hot Springs Resort Ltd. property. The original

resort property and facilities, consisting of approximately two thousand (2,000) acres, were purchased by the Wilder family in 1957. That family continued to operate the resort property as recently as January, 2007.

b) Fairmont Hot Springs Resort Ltd.

[10] Fairmont Hot Springs Resort Ltd. was incorporated by the Wilder family and partners to operate and further development of the resort. That company continued as at January, 2007 to operate the resort. At that time, the resort included accommodation and conference and spa facilities with related restaurant and lounge facilities, a natural hot spring pool complex, championship golf courses, a ski complex including a deluxe ski lounge, a recreational vehicle park, stables, tennis courts and other sporting amenities. The resort is supported by a private sewage treatment plant and private water utility, an air strip and a developed town site. At January, 2007, Fairmont Hot Springs Resort Ltd. employed over two hundred thirty (230) full time employees, hosted an estimated seven hundred and fifty thousand (750,000) persons per year from worldwide locations and reported annual sales revenues in excess of twelve million dollars (\$12,000,000). It conducts extensive print advertising.

c) Fairmont Hot Springs Timeshares

[11] The extensive timeshare facilities in or proximate to Fairmont Hot Springs were earlier commented on in the description of the activities of the Applicant. The development of the timeshare facilities originated with Fairmont Hot Springs Resort Ltd. It was Fairmont Hot Springs Resort Ltd. that originally secured incorporation of a separate body to develop and operate the

timeshare facilities. It was Fairmont Hot Springs Resort Ltd. that consented to the change to the current name of the Applicant which, at the time, was wholly owned by Fairmont Hot Springs Resort Ltd., alone or in combination with its shareholders. It was Fairmont Hot Springs Resort Ltd., and perhaps its shareholders, that eventually sold its interest in the Applicant to create the separately owned entity the business of which is described above.

d) Fairmont Hotels

[12] The Fairmont Hotel chain originated with the Fairmont Hotel on Knob Hill in San Francisco. It was the vision of two (2) San Francisco women, Tessie and Virginia Fair. “Fairmont”, in the context of the hotel, and thus in the context of the current hotel and resort operations, is alleged to have been a “coined” word created from the surname of the Misses Fair and a description of Knob Hill as a “mont” or mount.

[13] The Fairmont in San Francisco was purchased by an American entrepreneur in 1945. From the base of that acquisition, the entrepreneur began the assembly of the portfolio of hotel properties which he chose to identify as the “Fairmont” hotel chain.

[14] In the fall of 1999, Canadian Pacific Hotels acquired the U.S. based Fairmont hotel chain and, after a series of corporate restructurings, Fairmont Hotels & Resorts Inc. became the parent corporation of Fairmont Hotel Management, L.P., the Respondent, and Fairmont Hotels Inc., among other corporate entities.

[15] In 2004, Fairmont Hotels & Resorts Inc. earned revenue of approximately \$323.6 million, U.S., from its hotel and resort operations in Canada and spent in excess of \$15 million Canadian dollars on advertising and marketing its hotel and resort operations around the world with 40% (forty percent) of that amount spent in Canada.

e) **An agreement between Fairmont Hotels & Resorts Inc. and Fairmont Hot Springs Resort Ltd.**

[16] On the 31st of March, 2000, by agreements copies of which are before the Court, Fairmont Hot Springs Resort Ltd. transferred to Fairmont Hotels Inc., a subsidiary and associated corporation of Fairmont Hotels & Resorts Inc. and Fairmont Hotel Management, L.P., the Respondent, all the right, title and interest of Fairmont Hot Springs Resort Ltd. in and to its trade-marks, if any, together with the good will associated therewith. It also agreed to withdraw and discontinue its opposition in the Canadian Trade-marks Office to the registration of the *Hotel Marks*. In return, Fairmont Hotels Inc. granted Fairmont Hot Springs Resort Ltd. a licence in respect of all of the assigned marks.

THE EVIDENCE BEFORE THE COURT

[17] The Applicant filed three (3) affidavits on this application. The Respondent filed six (6) affidavits. A substantial portion of the affidavit evidence, supported by related exhibits, is reflected in these reasons under the headings “The Registered Trade-marks at Issue”, “The Parties” and “The Background”.

[18] The Applicant filed the affidavit of Collin Knight, the President of the Applicant as at the 8th of July, 2005, the date he swore his affidavit. At that time, Mr. Knight had held his position as President of the Applicant for “about sixteen years”. Mr. Knight attested briefly as to the development of the four (4) timeshare resort properties in, or proximate to, Fairmont, British Columbia in which the Applicant participated and remains interested. He attested that, as at some time in 1996:

...the current shareholders of the Applicant acquired all the shares of the Applicant, including those held by the shareholders of Fairmont Hot Springs Ltd.

presumably a reference to Fairmont Hot Springs Resort Ltd. He attested:

No licence or control over, or restriction on, the use of any of the names comprising the word “Fairmont” by the Applicant was imposed at any time by Fairmont Hot Springs Ltd.

[19] Mr. Knight attested as to the current, as at the date of swearing of his affidavit, operations of the Applicant, including as to the ability of “owners” of timeshare units to exchange their timeshare units for time in about two thousand (2,000) other timeshare units in resorts in sixty-eight (68) different countries.

[20] Mr. Knight further attested to the Applicant’s expenditures on marketing timeshare interests, as to the value of its total sales of timeshare units and as to its marketing position as the “...largest and most successful timeshare developer in Canada.”

[21] Finally, Mr. Knight attested at some length to the “numerous instances of confusion” between the trade-marks and the trade name of the Applicant and the *Hotel Marks*.

[22] He concluded his affidavit with the following paragraph:

It is currently common for those in the hotel business to also be in the timeshare business. The Marriott, Hilton, Hyatt, Sheraton, Ramada and Four Seasons hotel chains have all entered into the timeshare business. Fairmont Hotel[s] and Resorts first entry into the timeshare business is in Acapulco, Mexico. I know that there has been discussions by Fairmont Hotels and Resorts to enter into the timeshare business in Canada.

[23] Mr. Knight provided no evidence whatsoever to support the allegations in this closing paragraph of his affidavit.

[24] The Applicant's second affidavit was sworn by Margaret M. Cardell, who attested that, as at the 11th of August, 2005, the date she swore her affidavit, she was Director of Marketing for the Applicant and that she had been an independent contractor or employee of the Applicant for over twenty-one (21) years. Ms. Cardell attested at some length as to experiences of confusion that she was aware of between the Respondent's interests and those of the Applicant and as to the advertising and marketing activities of the Applicant.

[25] Finally, the Applicant filed the affidavit of Jeffrey W.T. Robinson who was, at the 9th of August, 2005, a law student employed by the firm of solicitors then representing the Applicant. Mr. Robinson exhibited to his affidavit an informal map, drawn from the internet, of a portion of the Columbia River Valley in British Columbia, locating "Fairmont" and "Fairmont Hot Springs" in that valley, incidentally, in close proximity to a community identified as "Fairmont Springs", and brief excerpts from the "Telus Pages" of the 2000/2001 Cranbrook/Kimberley Area directory which included listings for the Fairmont Hot Springs region. These listings include eleven (11) entries for

businesses carried on under names commencing with the word “Fairmont”, with the entry for Fairmont Hot Springs Resort Ltd. being prominent, as is the listing for Fairmont Bungalows, and with all other “Fairmont” business entries, including that of the Applicant, being in small type.

[26] Mr. Knight and Ms. Cardell were cross-examined on their affidavits, Mr. Robinson was not.

[27] The Respondent filed affidavits of five (5) affiants, with one (1) of those affiants, Mr. Thomas C. Griffiths, filing two (2) affidavits.

[28] Mr. Griffiths swore his affidavits on the 24th of October, 2004 and on the 29th of January, 2007. In each affidavit, he described himself as Assistant Secretary of Fairmont Hotels & Resorts Inc.

[29] In his first affidavit, Mr. Griffiths described what he entitled “The Fairmont Legacy” which, according to his attestation, extended back “for over 117 years.” That “legacy” is briefly summarized earlier in these reasons as commencing with the opening for business of the Fairmont San Francisco hotel in 1907.

[30] Mr. Griffiths attests as to the Canadian registered trade-marks of the Respondent, or its associates, and as to the assignment of trade-mark rights to Fairmont Hotels Inc. from Fairmont Hot Springs Resort Ltd. of any trade-mark rights it might have had. He attests as to trade-mark registration applications filed by the Respondent or its associates by reason of that assignment and

as to the opposition to those trade-mark applications filed by the Applicant. He also attests as to an application by the Applicant to compel a change of the Fairmont Hotel and Resorts Inc. corporate name. That application was contested and remained outstanding at the date on which Mr. Griffith's first affidavit was sworn.

[31] Finally, in his first affidavit, Mr. Griffiths responds to the allegations of confusion contained in the Applicant's affiants' affidavits in the following terms:

I am advised that in the time period between 2000 and 2005, Fairmont (presumably the Respondent and its associates) has received a number of phone calls, letters or other communications in which there was confusion between Fairmont and FRP (presumably the Applicant) or FHSR (presumably Fairmont Hot Springs Resort Ltd.). For example, one such inquiry was made on January 5, 2005, when Fairmont received a phone call from an individual inquiring whether Fairmont managed the Lake Okanogan Resort in Kelowna, B.C. Fairmont has never managed this hotel/resort; however, FRP operated and/or continues to operate a houseboat business in the Kelowna area that is causing confusion with the Fairmont trademarks.

As a further example, I am advised that Fairmont has received complaints from people in connection with Fairmont Vacation Villas a.k.a. FRP. One such complaint was made in August 2004, where the complainant had been operating under the misunderstanding that Fairmont was in some way affiliated with Fairmont Vacation Villas. The individual complained about, among other things, poor service.

[32] In his second affidavit, Mr. Griffiths returns to what he describes in that affidavit as "the Fairmont legacy – United States". Finally, he turns to advertising associated with and flowing from that legacy, or perhaps contributing to the creation of the legacy, which, he attests, has appeared "...in both local and international market places." He annexes a selection of such advertising in exhibits to his affidavit.

[33] The Respondent's second affiant is Terrance J. McManus who was, at the time he swore his affidavit, the 24th of October, 2005, counsel to a firm of lawyers in Ottawa. Mr. McManus had, at that time, long experience in the practice of law in Ontario. He attests that, in and around the 1st of April, 2000, he travelled with a colleague to Fairmont Hot Springs, British Columbia "...to conduct a due diligence investigation with respect to the representations and warranties as to trade-mark use made by Fairmont Hot Springs Resort Ltd....in its Agreement with Fairmont Hotels Inc....". Mr. McManus attests at some length as to background information that he and his colleague gained in the course of that visit.

[34] Sharon O'Connor attested in an affidavit sworn the 24th of October, 2005 as to information obtained from various websites including those of Fairmont Hotels & Resorts, Fairmont Vacation Resort Properties Ltd., presumably the Applicant, Fairmont Hot Springs Resort Ltd., a website regarding accommodations for the Kootenay Rockies region of British Columbia, and the like.

[35] Carol W. Seable swore her affidavit on the 22nd of January, 2007. She attests that she was then the President of Fairmont Hot Springs Resort Ltd. and had held that title since 1995. Mrs. Seable attests at some length to the history of Fairmont Hot Springs and Fairmont Hot Springs Resort dating back to 1887 when George Geary homesteaded what was, at the time she swore her affidavit, part of the lands used by Fairmont Hot Springs Resort Ltd. to operate the Fairmont Hot Springs Resort. Mrs. Seable attests that resort-like usages that can be traced forward to those of the current Fairmont Hot Springs Resort Ltd. can be traced back to at least 1923 when:

...a cement swimming pool was constructed to harness the hot mineral water bubbling naturally to the surface of the bedrock of Mr. Holland's property. The

swimming pool measured 40 x 60 feet and was located in the same spot as the pool complex at the Fairmont Hot Springs Resort today.

[36] Mrs. Seable also attests to the circumstances surrounding the agreement entered into between Fairmont Hot Springs Hotel Ltd. and Fairmont Hotels Inc. regarding the assignment of trade-marks and licensing back.

[37] Finally, Mrs. Seable supports the findings contained in the affidavit of Terrence J. McManus.

[38] The final affidavit filed on behalf of the Respondent was sworn by Jeffery Ian Barlow, on the 8th of December, 2006. Mr. Barlow attests that he has been working in the travel industry, both in the United Kingdom and later in Canada, since 1957. He attests that he has "...dealt with and continue[s] to deal with travel agents across Canada."

[39] Mr. Barlow attests as to travel industry resources and practices from the 1960s to 1980s when the vast majority of international travel arrangements were made through travel agents, with such arrangements including hotel reservations. He attests as to the importance to travel agents in that period of publications made available to them providing hotel listings grouped by major cities in the United States, Canada, Mexico and the rest of the world. He attests as to his experience in the use of the foremost of those publications which he refers to as "The Index" and "The Guide" both of which included extensive references to the then U.S. based Fairmont chain of "luxury class hotel[s]".

[40] Mr. Barlow strongly urges that the “Fairmont brand” would have been well known to Canadian travel agents, and thus, to Canadian business travellers through their agents, “[over] the past 50 years...”.

[41] Much of Mr. Barlow’s attestation is on information and belief. In effect, he attests as an expert in the travel agency business. Unfortunately, although Mr. Barlow was cross-examined on his affidavit, no effort was made to qualify him as an expert and therefore to put him at liberty to attest on information and belief. More will be said about this later in these reasons.

[42] Each of the Respondents’ affiants was cross-examined on his or her affidavit or affidavits.

THE ISSUES

[43] The Applicant and the Respondent each elaborated the issues before the Court on this application. Although they used different terminology, I am satisfied that there was no substantive difference between the parties as to the issues. I would summarize the issues in the following terms:

- a) first, is the Applicant a “person interested” and does it thus have standing to bring this application under subsection 57(1) of the *Act*;
- b) second, is the “information and belief” testimony of Mr. Barlow admissible and if so, what weight should be given to it;
- c) third, where does the burden of proof lie on an application such as this, what is the nature of that burden and what is the effect of registration pursuant to subsections 17(1) and (2) and section 19 of the *Act*;
- d) fourth, were the *Hotel Marks* and each of them, registrable at the date of registration;
- e) fifth, were each of the *Hotel Marks* distinctive at the time this proceeding was commenced; and
- f) finally, was the Respondent the person entitled to secure the registration of the *Hotel Marks* and each of them.

THE LEGISLATIVE SCHEME

[44] The *Trade-marks Act* is a complex statute, many provisions of which are applicable to the issues here before the Court. The applicable provisions are set out in full in Schedule A to these reasons. For ease of reference, the provision of the *Act* under which this application was commenced is also set out here:

57. (1) The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

(2) No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.

57. (1) La Cour fédérale a une compétence initiale exclusive, sur demande du registraire ou de toute personne intéressée, pour ordonner qu'une inscription dans le registre soit biffée ou modifiée, parce que, à la date de cette demande, l'inscription figurant au registre n'exprime ou ne définit pas exactement les droits existants de la personne paraissant être le propriétaire inscrit de la marque.

(2) Personne n'a le droit d'intenter, en vertu du présent article, des procédures mettant en question une décision rendue par le registraire, de laquelle cette personne avait reçu un avis formel et dont elle avait le droit d'interjeter appel.

It was not alleged on behalf of the Respondent that subsection 57(2) of the *Act* has any application on the facts of this matter and I am satisfied that it has no application. The Applicant did not oppose the registration of the *Hotel Marks*, or any of them. Thus, the Applicant was not a person who had express notice of the registration of the *Hotel Marks* or who had a right of appeal from the registration of those marks.

ANALYSIS

a) “Person interested”

[45] Subsection 57(1) of the *Act*, reproduced in Schedule A and earlier in these reasons under the heading “The Legislative Scheme”, provides that the Registrar of Trade-marks or “any person interested” may apply to this Court to expunge the registration of a trade-mark on the ground that, at the date of the application, the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark. As earlier noted, subsection 57(2) is not here at issue and equally, it is clear that the Applicant is not the Registrar. The question then arises whether the Applicant is a “person interested” and the Respondent has put that question in issue.

[46] “Person interested” is defined in section 2 of the *Act*. That definition is reproduced in Schedule A to these reasons. A corporation such as the Applicant is a “person interested” if it may be affected by any entry on the register or reasonably apprehends that it may be affected by any act or omission or contemplated act or omission under or contrary to the *Act*.

[47] Counsel for the Applicant referred the Court to *Omega Engineering, Inc. v. Omega SA*² where Justice Blais, then of this Court, wrote at paragraph 11 of his reasons:

The jurisprudence confirms that there is a *de minimis* threshold which the applicant must satisfy to establish that it is a person interested... . In the case at bar, both parties are owners of similar marks. Further, the respondent has already initiated opposition proceedings against the applicant in respect of the TMDA05009 trade-mark. It is clear, therefore that the applicant in this case is an interested party capable of instituting this application.

[citation omitted]

² [2006] F.C.J. No. 1855, 2006 FC 1472, December 8, 2006.

[48] Counsel also referred the Court to *Hartco Enterprises Inc. v. Becterm Inc.*³ where Justice Dubé wrote at pages 228 and 229:

It is well established that the likelihood of confusion is a question of fact and may exist between trade marks or trade names or both and the actual confusion need not be proved:...

In the instant case, the trade marks being identical (except for the hyphen) there was clearly a likelihood of confusion at the time the Respondent applied for the registration of the trade mark. ...

Moreover, the “raison d’être” of the Act is primarily to protect the public: there is a strong public interest in maintaining the purity of the register. ...
[citations and some text omitted]

In the circumstances, Justice Dubé found the Applicant under subsection 57(1) of the *Act* to be a “person interested”.

[49] By contrast, counsel for the Respondent relied on the same authority for the proposition that, to be a “person interested”, the Applicant must be a “...person whose rights may be restricted by a registration or who may reasonably apprehend that he may be affected by a registration...”, a proposition espoused by Justice Dubé, citing substantial authority, at page 226 of the reported decision.

[50] Counsel for the Respondent noted that the Applicant did not oppose in the Trade-marks Office the applications for the *Hotel Marks*. That being said, Collin H. Knight, President of the Applicant when he swore an affidavit in this matter, testified on cross-examination on his affidavit that his instructions, presumably to counsel, were:

³ (1989), 24 C.P.R. (3d) 223 (F.C.T.D.).

...to protect our name from what I thought was a very aggressive firm [the Respondent] coming into our area in the same business. And my instructions to lawyers was [sic] to watch what was happening and to oppose anything that they were doing that could affect jeopardy of our having or not having our name, or influencing anything in our market place and causing us extra work as it is doing every day.⁴

[emphasis added]

[51] Counsel for the Respondent referred the Court to *John Labatt Ltd. v. Carling Breweries Ltd.*⁵ where Justice Cattanach wrote at page 25:

My brother Walsh, in *Burmah-Castrol (Canada) Ltd. v. Nasolco Inc.* ..., in dealing with the meaning of “person interested” after reading the cases referred to him, said at p. 41:

...it is evident that what constitutes a “person interested” depends on the facts of each case and it is not necessary to go farther than the definition and examine same in the light of the allegations contained in the amended originating notice of motion and amended statement of allegations of fact relied on by applicant to determine whether these allegations indicate that applicant may be “affected or reasonably apprehends that he may be affected” by the entry in the register of respondent’s trade mark which applicant seeks to have expunged from the register.

To be a “person interested” there must be a reasonable apprehension that the person will be affected by the registered trade mark. The entry must be shown to stand in the way of the person seeking to expunge it.

[emphasis added]

[52] Finally, counsel for the Respondent referred the Court to *Mihaljevic v. British Columbia*⁶ where Justice Pratte, for the Court, wrote at page 56:

A person is interested within the meaning of s. 2 [of the *Act*] if there is a reasonable apprehension that he will suffer a prejudice of some sort if a trade mark is not removed from the register. In the present case, whether or not the respondent’s trade marks remain on the register, the appellant’s situation will remain the same: he will be unable to use his mark because the expungement of the respondent’s trade marks will not affect the existence of the official mark EXPO. The presence of the respondent’s trade marks on the register does not diminish or limit in any way the rights of the appellant which would not be greater if those trade marks were struck. It cannot be said, therefore, that the appellant is a “person interested” within the meaning of s. 2 of the *Act*:...

[citations omitted]

⁴ Respondent’s Record, volume 20, tab 23, page 006915.

⁵ (1974), 18 C.P.R. (2d) 15 (F.C.T.D.).

⁶ (1990), 34 C.P.R. (3d) 54 (F.C.A.).

[53] Mr. Knight appears to acknowledge on cross-examination on his affidavit that the Applicant has not used the FAIRMONT design trade-marks⁷. Indeed, the evidence before the Court would appear to be that the Applicant acknowledges that it, like a number of other businesses carried on in the same region of British Columbia, uses the word “Fairmont”, only as a geographical descriptor, not in a trade-mark sense. The Applicant has never applied for registration of a trade-mark consisting of or incorporating the word Fairmont. Until very recently, and only after the assignment of Fairmont Hot Springs Resort Ltd.’s trade-marks to the Respondent, there is no evidence that the Applicant ever objected to the Resort company’s, or any other business’s extensive use of the word Fairmont in association with its business.

[54] The Applicant, as noted earlier, did not oppose the registration of the *Hotel Marks* and I am unsympathetic to Mr. Knight’s assertion that that was somebody else’s oversight, not his. The Applicant waited only one (1) day short five of (5) years after the registration of the *Hotel Marks* to commence this proceeding.

[55] In short, the Applicant has simply not acted as if it perceives itself to be a person affected, or who reasonably apprehends that it may be affected, by the entry of the *Hotel Marks* on the register or, indeed, by the use of “Fairmont”, at least until quite recently, by any other business operating in the same geographical region. Any fear the Applicant may actually possess or any apprehension it may have, would appear to be of a possible act by the Respondent, that is to say its

⁷ Respondent’s record, volume 20, tab 23, page 006911.

possible entry into the timeshare business, in Canada, in circumstances where there is no evidence whatsoever before the Court that such fear is well grounded. In the words quoted from Justice Pratte in *Mihaljevic v. British Columbia*, above, I can find no reason on the facts of this matter to conclude other than:

...whether or not [the Respondent's] trademarks remain on the register, [the Applicant's] situation will remain the same:... . The presence of the [Respondent's] trademarks on the register does not diminish or limit in any way the rights of the [Applicant] which would not be greater if those trademarks were struck.

[56] For the foregoing reasons, and noting, as cited in the foregoing authorities, that an analysis of “person interested” such as this turns on the facts of each particular case, I am not satisfied that the Applicant is a “person interested” and therefore a person entitled to bring this application. On that basis alone, this application must be dismissed.

[57] I acknowledge the line of authority for the proposition that “person interested” is a low threshold, a proposition that I myself have endorsed⁸. In light of that line of authority, I will nonetheless deal with the remaining issues before the Court.

b) The “Information and Belief” Testimony of Mr. Barlow

[58] By reference to the opening paragraphs of Mr. Barlow's affidavit found at tab 20 of the Respondent's Record, there can be no doubt about the length, breadth and depth of Mr. Barlow's experience in the travel agency environment. That being said, that length, breadth and depth, in and of itself, does not qualify Mr. Barlow to testify or attest as an expert before this Court. A procedure

⁸ See: *Unitel Communications Inc. v. Bell Canada* (1995), 61 C.P.R. (3d) 12 at pages 20 to 24.

to so qualify persons such as Mr. Barlow is set out in some detail in the *Federal Courts Rules*⁹ with respect to actions but not with respect to applications such as this. Those Rules provide that there shall be no cross-examination on experts' affidavits prior to trial, except with leave of the Court.¹⁰ Here, Mr. Barlow was cross-examined on his affidavit.

[59] Subsection 59(3) of the *Act* provides that proceedings on an application such as this shall be heard and determined summarily on evidence adduced by affidavit "...unless the Court otherwise directs..." in which event the Court may order that any procedure permitted by its rules and practice be made available to the parties, including the introduction of oral evidence generally or in respect of one or more issues specified in the Court's order. It was open to the Respondent to approach the Court with a proposal to qualify Mr. Barlow as an expert and to seek establishment of a procedure to accomplish that end. The Applicant could have responded to any such proposal. The Respondent did not see fit to take advantage of subsection 59(3) and the flexibility that that subsection provides. In the result, the Court finds itself to be substantially disadvantaged in evaluating Mr. Barlow's evidence.

[60] Mr. Barlow concludes his affidavit with the following paragraph:

In my opinion, Fairmont hotels and the Fairmont brand are well known to Canadians and have been certainly since well before 1985. Some of the reasons for which I believe Fairmont is well known in Canada are set out below:

- San Francisco is a popular destination for many Canadian business and leisure travellers from across the country and has been for decades.

⁹ SOR/98-106.

¹⁰ Rule 280(3).

- Since the 1960's, if I had a client looking for the "best" in San Francisco hotels, the famous Fairmont Hotel would have been one of my top choices.
- The Fairmont Hotel in San Francisco was and is well known, so much so, that tourists visiting San Francisco often visit the Fairmont even if they are not registered guests at the hotel.
- I personally, along with other Canadian travel agents across the country, recommended and continue to recommend Fairmont hotels to clients.
- One of the reasons that travel agents in Canada were aware of the Fairmont name and reputation dating back to as early as the 1960's was due to its popular status and the advertisement and listings in the Index and the Guide, the two primary authoritative travel publications in the pre-Internet era.
- In my view, both personally and professionally, popular culture also brought the Fairmont name to Canadians through movies, television shows and novels which were based on or featured Fairmont hotels.
- I am of the opinion that the Fairmont name has always signified the best in city hotels in places like San Francisco, Dallas and New York City.

The foregoing is only an example of the information and belief evidence included in the affidavit of Mr. Barlow.

[61] In the Law of Evidence in Canada¹¹, at page 609, the learned authors state:

Courts now have greater freedom to receive lay witnesses' opinions if: (1) the witness has personal knowledge; (2) the witness is in a better position than the trier of fact to form the opinions; (3) the witness has the necessary experimental capacity to make the conclusion; and (4) the opinion is a compendious mode of speaking and the witness could not as accurately, adequately and with reasonable facility describe the facts she or he is testifying about. But as such evidence approaches the central issues that the courts must decide, one can still expect an insistence that the witnesses stick to the primary facts and refrain from giving their inferences. It is always a matter of degree. As the testimony shades towards a legal conclusion, resistance to admissibility develops.

[emphasis added]

¹¹ Sopinka, Lederman and Bryant, 2nd ed., 1999, Butterworths, Toronto.

[62] In *Saputo Groupe Boulangerie v. National Importers Inc.*¹², my colleague Justice Noël wrote at paragraphs 52 and 53 of his reasons:

A lay witness may, in some circumstances, express opinions about the facts in dispute. In *R. v. Graat*..., Mr. Justice Dickson notes that the boundary between opinions and facts is a fine one:

Except for the sake of convenience, there is little, if any, virtue in any distinction resting on the tenuous, and frequently false, antithesis between fact and opinion. The line between “fact” and “opinion” is not clear.

...Admissibility is determined, first, by asking whether the evidence sought to be admitted is relevant. This is a matter of applying logic and experience to the circumstances of the particular case. The question which must then be asked is whether, though probative, the evidence must be excluded by a clear ground of policy or of law.

Further on in that decision, the Supreme Court urges that courts not blindly exclude some testimony on the pretext that it contains opinions on the disputed facts. So the rule that opinions of lay witnesses are inadmissible as evidence is not one of absolute rigidity. The rule has evolved somewhat, and the courts may now admit the opinions of lay witnesses if certain conditions are satisfied although it must be kept in mind, to complete the analysis, that the courts must show some flexibility in determining the admissibility of those opinions.

The flexibility of the rule on the admissibility of lay witnesses’ opinions is intended to allow the admission of facts necessary to the resolution of the case that would be inadmissible if the rule were applied too strictly. It is not intended to allow ordinary witnesses to express opinions without restraint or to organize the facts from an angle that is favorable to them. Notwithstanding all my willingness to display flexibility in the taking of evidence, Mr. Lanctôt’s opinions clearly contravene the rules of evidence and cannot be admitted.

[emphasis added, one citation omitted]

[63] I reach the same conclusion on the facts of this matter as did my colleague Justice Noël in the above quotation.

[64] In the absence of the adoption by the Respondent of the procedure provided in subsection 59(3) of the *Act* to qualify Mr. Barlow as an expert with the approval of this Court, I regard his

¹² (2006), 44 C.P.R. (4th) 241 (F.C.).

information and belief opinions as highly prejudicial, a position at least impliedly adopted by counsel for the Applicant. In the circumstances, I reject such evidence outright.

c) Burden of Proof and Effect of Registration

[65] Pursuant to section 19 of the *Act*, the registrations of the *Hotel Marks* in respect of “hotel services associated with a chain of luxury hotels” are, subject to certain exceptions which are not at issue here, valid unless shown to be invalid. They confer on the owner the exclusive right to the use throughout Canada of the *Hotel Marks* in respect of those services. Thus, the burden rests on an applicant in proceedings such as this. That such is the case is confirmed by subsection 17(1) of the *Act*.

[66] In *Compulife Software Inc. v. CompuOffice Software Inc.*¹³, Justice Muldoon wrote at paragraph [11] of his reasons:

In expungement proceedings, the trade-mark is presumed to be valid, and the onus lies on the party attacking the registration to prove, on a balance of probabilities, that the registration should be expunged. . . .

[emphasis added, citation omitted]

[67] Only a few days later, in *Andrés Wines Ltd. v. Vina Concha Y Toro S.A.*¹⁴, Justice Dubé wrote at paragraph [8] of his reasons:

It is trite law that registration of a trade-mark confers certain rights and benefits to the owner, including *prima facie* proof of the rights and ownership of the trade-mark. Thus, when a trade-mark is registered, there is a presumption of validity and the party seeking to expunge the registration has the onus of proving the invalidity. If any doubt exists regarding the validity of the trade-mark registration, the

¹³ (2001), 13 C.P.R. (4th) 117 (F.C.T.D.), appeal to the Federal Court of Appeal dismissed on consent with variation only as to costs, December 19, 2001.

¹⁴ (2001), 13 C.P.R. (4th) 110 (F.C.T.D.).

presumption of validity has not been rebutted and the doubt must be resolved in favour of the validity of the trade-mark registration.

[citation omitted]

Thus, on an application such as this, the onus is on the applicant and the applicant's burden is on a balance of probabilities.

d) Registrability

[68] Paragraph 18(1)(a) of the *Act* provides that the registration of a trade-mark is invalid if the trade-mark was not registrable at the date of registration. Paragraph 12(1)(b) of the *Act* provides that a trade-mark is not registrable if, whether depicted, written or sounded, it is either clearly descriptive or deceptively misdescriptive in the English or French language of, among other things, the place of origin of the wares or services in association with which it is used or sought to be used. While the foregoing is subject to section 13 of the *Act*, it was not in dispute before the Court that section 13 has no application on the facts of this matter.

[69] Whether a trade-mark is clearly descriptive or deceptively misdescriptive is a question of first impression¹⁵ and the word “clearly” in the context of paragraph 12(1)(b) of the *Act* has been held to mean “...easy to understand...plain”¹⁶.

[70] Counsel for the Applicant urges that, against such a low threshold, and given the notoriety of Fairmont or Fairmont Hot Springs, a British Columbian tourism destination with associated

¹⁵ *Thorold Concrete Products Ltd. v. Registrar of Trade Marks* (1961), 37 C.P.R. 166 (Exch. Ct. of Can.) 166.

¹⁶ *Drackett Co. of Canada v. American Home Products Corp.* [1968] 2 Ex. C.R. 89 at p. 94.

accommodation and recreational services, extending back at least as far as the dates of registration of the hotel marks, the hotel marks are not registrable.

[71] In *Molson Breweries, a partnership v. Labatt Brewing Co.*¹⁷, the Trade Marks Opposition Board wrote at page 5 of its reasons:

...The applicant has comprehensively canvassed the law regarding geographical names as trade-marks... . As noted by the applicant, the intent of the prohibition in Section 12(1)(b) against geographical names is to prevent any one person from acquiring a monopoly on a word that is generally recognized as a locality connected to the wares or services in issue. However, the mere fact that the words may also be geographical names does not preclude registration.

[emphasis added]

[72] Counsel for the Respondent referred the Court to the following passage from *Imperial Tobacco Ltd. v. Rothmans, Benson & Hedges Inc.*¹⁸ where Justice McGillis wrote at page 361:

...The test for determining whether a trademark infringes s. 12(1)(b) of the Act is one of first or immediate impression from the perspective of the every day consumer of or dealer in the wares. The determination must not be based on research into or critical analysis of the meaning of the words:...

[emphasis added, citations and some text omitted]

Against the foregoing test, and bearing in mind the last sentence of the quotation from *Molson Breweries, supra*, counsel for the Respondent urges that the *Hotel Marks* are not clearly descriptive or deceptively misdescriptive. He notes that the Applicant has not filed any evidence demonstrating that the “every day” Canadian consumer, as a matter of “first or immediate impression”, would recognize the word “Fairmont” in the *Hotel Marks* as being either a geographic locality that exists

¹⁷ (1996), 69 C.P.R. (3d) 274 (TMOB).

¹⁸ (1992), 45 C.P.R. (3d) 354 (F.C.D.); affirmed (1993), 51 C.P.R. (3d) 169 (F.C.A.).

in the Columbia valley of British Columbia or a geographic locality that is well known and generally recognized as being associated with luxury hotel services.

[73] Further, counsel for the Respondent relies on subsection 12(2) of the *Act* to preserve the registerability of the *Hotel Marks* on the basis that, he urges, they have been so used in Canada by the Respondent or its predecessor in title as to have become distinctive at the date of filing of the applications for their registration. “Distinctive” is defined in section 2 of the *Act* in the following terms:

"distinctive" , in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them;

«distinctive » Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée par son propriétaire, des marchandises ou services d'autres propriétaires, ou qui est adaptée à les distinguer ainsi.

[74] The application for the word mark “FAIRMONT” was filed on the 8th of April, 1998. The applications for the two (2) *Hotel Marks* with design features were filed on the 27th of May, 1998. Counsel for the Respondent urges that the evidence before the Court establishes that the *Hotel Marks* have been extensively used and made known to a substantial portion of the Canadian public since at least as early as 1938 and that the Applicant’s evidence before the Court to counter the reputation established by the Respondent for the *Hotel Marks* is weak in that it is in the nature of advertisements in local newspapers, coupon books, direct mailings and telemarketing scripts as well as word of mouth exchanges at trade shows and the like.

[75] Further, counsel for the Respondent relies on paragraph 14(1)(b) of the *Act* which provides that a trade-mark of a person such as the Respondent, that the Respondent or its predecessor in title has caused to be duly registered in and for the country of origin of such person, is registrable in Canada, notwithstanding section 12 of the *Act*, if “...it is not without distinctive character, having regard to all the circumstances of the case including the length of time during which it has been used in any country...”.

[76] The evidence before the Court establishes that the *Hotel Marks* were registered in Canada based on their use and registration in the United States by the Respondent or its predecessor in title.

[77] In *Imperial Tobacco Co. of Canada Ltd. v. Philip Morris Inc.*¹⁹, the Acting Registrar of Trade Marks, in reasons arising out of an opposition proceeding, wrote:

A mark which is not adapted to distinguish the wares or services of the owner from those of others and which has not been used in Canada is without distinctive character. If the same mark has been used in Canada for a number of years and in fact distinguishes the wares or services of the owner from those of others among a segment of the public, the mark is not without distinctive character. The mark may not be sufficiently distinctive of the wares of the owner to have acquired a secondary meaning in Canada but the mark has acquired some distinctiveness in Canada and is therefore not without distinctive character in Canada.

[emphasis added]

[78] The foregoing establishes that the test “not without distinctive character” establishes a very low threshold. On the evidence before the Court, whether or not the *Hotel Marks* are registrable against the test in paragraph 12(1)(b) of the *Act*, and whether or not the same marks had become

¹⁹ (1976), 27 C.P.R. (2d) 205.

distinctive at the respective dates of filing of applications for their registration, I am satisfied that the Applicant simply has not discharged its burden to establish that the *Hotel Marks* had not been caused to be duly registered “in or for the country of origin” of the Respondent by its predecessor in title and that those marks are simply void of distinctive character, having regard to the totality of the evidence properly before the Court and all of the circumstances of this matter.

[79] In the result, by virtue of paragraph 14(1)(b) of the *Act* and its application to the facts of this matter, I find that the Applicant cannot succeed on the ground that the *Hotel Marks* were not registrable at their respective dates of registration.

e) Distinctiveness

[80] Paragraph 18(1)(b) of the *Act* provides that the registration of a trade-mark is invalid if the trade-mark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced. As earlier noted, “distinctive” is defined in section 2 of the *Act*. The definition is reproduced in Schedule A to these reasons.

[81] This proceeding was commenced by the filing of a Notice Of Application with the Court on the 15th of June, 2005, the day before the 5th anniversary of registration of each of the *Hotel Marks* and just one (1) day before section 17 of the *Act* took effect to protect the *Hotel Marks* from expungement, amendment or a holding of invalidity except at the instance of a person protected by subsection (2) of that section. There is no evidence before the Court that the Respondent adopted

the *Hotel Marks* in Canada with knowledge of the previous use or making known of the trade-marks and trade-name used by the Applicant.

[82] In *Consorzio del Prosciutto di Parma v. Maple Leaf Meats Inc.*²⁰, Justice McKeown wrote at paragraphs [23] and [25] of his reasons:

The Applicant's second line of argument questions the distinctiveness of the Respondent's trade-mark as at the date of the commencement of these proceedings. Distinctiveness of a trade-mark deals with whether or not the mark, when used in association with the wares, distinguishes for the consumer the source of those wares. The Court must ask itself whether or not the ordinary consumer in the market for that type of product would likely be deceived as to the source of that product.

...

The Respondent is correct to indicate that its trade-mark carries a presumption of validity and the onus is on the Applicant to demonstrate that the subject mark has lost its distinctiveness.

[83] Precisely the same might be said in respect of the Respondent's service-marks when used in association with the services for which the *Hotel Marks* are registered.

[84] The Applicant adduced substantial evidence, referred to earlier, that, at least in western Canada and the north western United States, consumers associated the *Hotel Marks*, or at least the Respondent, with the Applicant, notwithstanding the differences between the lines of business or "channels of trade" of the Applicant and the Respondent and notwithstanding the design features of two (2) of the *Hotel Marks* which have no equivalent in the unregistered marks and trade-name of the Applicant.

²⁰ (2000), 11 C.P.R. (4th) (F.C.T.D.), affirmed (2002), 18 C.P.R. (4th) 414 (F.C.A.).

[85] Trade-marks incorporating an original design are inherently distinctive and considered to be strong marks²¹. The same cannot be said for the *Hotel Mark* that is without design features.

[86] Counsel for the Respondent urges that the Respondent and the Applicant simply do not operate in the same channels of trade, as earlier referred to, and urges that the luxury hotel business and the timeshare business are distinctly different, involving different consumers, retailers, trade-shows and advertising campaigns. In presenting this argument, counsel focussed exclusively on the urban luxury hotel business of the Respondent as opposed to its luxury resort hotel business made up of hotels and related resort amenities not unlike those of Fairmont Hot Springs Resort which operates in close proximity to the timeshare operations of the Applicant. It is worthy of note that Fairmont Hot Springs Resort and the Applicant, the foregoing being the original operator of the Applicant, carried on business, and continue to carry on business, in close proximity to one another and did so for some years without noticeable conflict, until the entry of the Respondent under the trade-marks at issue into the Canadian market.

[87] Whether or not the Applicant and the Respondent carry on their operations in different channels of trade, and I am satisfied that the distinction that is urged on behalf of the Respondent is not as great as the Respondent would urge the Court to find, the reality of the proximate operations of the Applicant and Fairmont Hot Springs Resort on a “live-and-let-live” basis has effectively

²¹ See: *Tommy Hilfiger Licensing Inc. et al v. Produits de Qualité I.M.D. Inc. et al.* (2005), 37 C.P.R. (4th) 1 (F.C.), appeal to the Federal Court of Appeal dismissed without costs, on consent, August 11, 2005.

destroyed any opportunity for the Applicant to rely on the similarity of the channels of trade of the Applicant and the Respondent on the issue of distinctiveness.

[88] Counsel for the Respondent similarly urges that the *Hotel Marks* were “made known” in Canada well before the Applicant entered into business in Canada, taking into account subsection 4(2) and section 5 of the *Act*, through the operations of the Respondent’s predecessor in title providing luxury hotel services in a country of the Union, that is to say the United States, and through the advertisement of its services in printed publications circulated in Canada in the ordinary course of commerce among potential dealers in or users of those services. Counsel thus urges that its *Hotel Marks* were distinctive in Canada of its services well before the relevant date for determining distinctiveness.

[89] I have earlier briefly described the evidence properly before the Court in support of this argument. I am satisfied that it is determinative on the issue of distinctiveness in favour of the Respondent.

[90] Finally, counsel for the Respondent urges that the *Hotel Marks* were “generally recognized throughout Canada by most if not all segments of the population” to the extent that they were, at the relevant date, “famous” trade-marks deserving of the broadest ambit of protection. Justice Blais, then of this Court, commented on the concept of “famous trade-marks” in *Toyota Jidosha Kabushiki Kaisha v. Lexus Foods Inc.*²² where he wrote at paragraph [15]:

²² (1999), 2 C.P.R. (4th 62) (F.C.T.D.).

To be considered a famous trade-mark, a trade-mark must be generally recognized throughout Canada as well as by most, if not all, segments of the population.

[91] I reference back once again to the Applicant's evidence of confusion in the minds of Canadians resident, at least in the two (2) most westerly provinces of this country, as between the services provided by the Applicant and its related marks and name, and the *Hotel Marks* and their use in Canada and the Respondent as the source of the luxury hotel and resort services provided in connection with those marks. Against that evidence, I simply am not satisfied, on the totality of the evidence properly before the Court, that the *Hotel Marks*, as at the relevant date for the purpose of determining distinctiveness, could be considered to be "famous marks".

[92] Based on the foregoing brief analysis, I am satisfied that the Applicant has failed to meet its evidentiary burden to negate, as at the date of commencement of this proceeding, the distinctiveness of the *Hotel Marks* with design features. I reach the same conclusion with respect to the word mark "FAIRMONT". I am satisfied that the evidence before the Court of confusion as to the source of the Respondent's luxury hotel and resort services and as to its involvement in the line of business of the Applicant or in a substantially equivalent line of business is simply insufficient to discharge the evidentiary burden on the Applicant on the issue of distinctiveness of the word mark FAIRMONT. Despite the Applicant's evidence that, in at least the two (2) western-most provinces of Canada, as at the date of commencement of this proceeding, the word mark "FAIRMONT" simply was not distinctive, in the minds of some, of the luxury hotel and resort services provided by the Respondent, the contradictory evidence that: first, the Applicant has never used the single word "Fairmont" in a trade-mark sense; second, the Applicant never pursued its interest in protecting its

alleged interest in that word in any concerted way against Fairmont Hot Springs Resort Ltd.; and third, did not oppose the registration of the *Hotel Marks* and only belatedly commenced this proceeding; is determinative in favour of the Respondent.

f) Person entitled

[93] The closing words of subsection 18(1) of the *Act* provide that a trade-mark is invalid if, subject to section 17 of the *Act*, the Applicant for registration was not the person entitled to secure the registration. I have earlier commented in passing on section 17 of the *Act*. Subsection (2) of that section does not apply since this proceeding was commenced before the expiration, albeit only one (1) day before the expiration, of the period of five (5) years from the date of registration of the *Hotel Marks*. The issue then becomes whether or not the Applicant was a previous user or made known a confusing trade-mark or trade-name and had not abandoned that confusing trade-mark or trade-name at the date of advertisement of the Respondent's applications for registration of the *Hotel Marks*.

[94] Subsection 16(2) of the *Act* describes the Respondent as the person entitled to registration of the *Hotel Marks* since its predecessor in title had duly registered those marks in the United States and had used them there. Exceptions to that general rule are reflected in paragraphs 16(2)(a) and (c) that, the Applicant urges, are relevant here. Counsel for the Applicant urges that its marks and trade-name are confusing with the *Hotel Marks* and had been previously used in Canada or made known in Canada by the Applicant.

[95] The term “confusion” is not specifically defined in the *Act*, but section 6 of the *Act* provides criteria for determining when a trade-mark or trade-name is confusing with another trade-mark or trade-name. Section 6 is set out in Schedule A.

[96] Counsel for the Applicant urges that the enumerated factors in subsection 6(5) are relevant on the facts of this matter and, when appropriately applied, lead inexorably to a conclusion that the Respondent was not, at the relevant date, the person entitled to registration of the *Hotel Marks*.

[97] In *Polo Ralph Lauren Corp. v. United States Polo Association*²³, Justice Malone, for the majority, with the Chief Justice concurring in the result, wrote at paragraph [18] of his reasons:

A review of some of the leading cases also establishes some practical guidelines [regarding whether confusion exists]. For example, the Court is to put itself in the position of an average person who is familiar with the earlier mark but has an imperfect recollection of it; ...the question is whether the ordinary consumer will, on seeing the later mark, infer as a matter of first impression that the wares with which the second mark is used are in some way associated with the wares of the earlier. With respect to the degree of resemblance in appearance, sound or ideas under subparagraph 6(5)(e), the trade-marks at issue must be considered in their totality. As well, since it is the combination of elements that constitutes a trade-mark and gives distinctiveness to it, it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks when applying the test for confusion. In addition, trade-marks must not be considered in isolation but in association with the wares or services with which they are used. ... When dealing with famous or well-known marks, it may be more difficult to demonstrate that there is no likelihood of confusion, especially if the nature of the wares are similar... Lastly, the enumerated factors in subsection 6(5) need not be attributed equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others.

[citations omitted]

²³ (2001), 9 C.P.R. (4th) 51 (F.C.A.).

[98] I have earlier determined that the trade-marks and trade-name on which the Applicant relies in this proceeding are not sufficient to defeat the registrability of the *Hotel Marks* and that the *Hotel Marks* were distinctive of the services of the Respondent in relation to which they were registered at the time this proceeding was commenced. On a consideration of all of the surrounding circumstances, and having regard to the guidance provided by *Polo Ralph Lauren, supra*, as between the Applicant and the Respondent, the Respondent was the person entitled to secure the registration of the *Hotel Marks*. The *Hotel Marks* are simply not confusing with the Applicant's trade-marks and trade-name. In any event, and in particular, the assignment from Fairmont Hot Springs Resort Ltd. to Fairmont Hotels Inc. of its trade-mark rights, titles and interests earlier referred to ensured that the Respondent was, through its predecessor in title, the first user of "Fairmont" in Canada, as between itself and the Applicant.

CONCLUSION

[99] In summary, for the foregoing reasons, this proceeding will be dismissed on the ground that the Applicant is not a "person interested" for the purposes of subsection 57(1) of the *Act* and therefore is not a person qualified to commence this proceeding under that subsection.

[100] If my decision herein is appealed and my determination regarding "person interested" is reversed, the registration of the *Hotel Marks*, that is to say Trade-Mark registrations TMA 529,345, TMA 529,346 and TMA 529,347 are maintained. None of such trade-marks was confusing, at the date of registration, with the unregistered trade-marks and trade-name of the Applicant and all of such marks were distinctive of the services in association with which they were registered by the

Respondent, at the time this proceeding was commenced. The Respondent was the person entitled to secure the registration of those marks.

COSTS

[101] In accordance with the ordinary practice of this Court, costs should follow the event. Since the Respondent has been successful, it is entitled to its costs.

[102] Counsel for the Respondent urged that costs should be determined at the high end of Column 3 in Schedule B to the *Federal Courts Rules* and with the Respondent entitled to costs for two (2) counsel throughout.

[103] Counsel for the Applicant made no representation as to the use of the high end of Column 3 for determination of costs but urged that costs of one (1) counsel only should be payable.

[104] I am satisfied that the use of the high end of Column 3 is justified and that the Respondent should be entitled to the costs of one (1) senior counsel and one (1) junior counsel. In the result, my Order will provide that, except where otherwise provided by an earlier Order of this Court, the Respondent is entitled to costs of this proceeding, with such costs to be determined on the basis of the high end of Column 3 of Schedule B to the *Federal Courts Rules* and with costs to be

determined on the basis of an entitlement to the Respondent to one (1) senior counsel and one (1) junior counsel throughout.

“Frederick E. Gibson”

JUDGE

Ottawa, Ontario
July 21, 2008

SCHEDULE A

Trade-marks Act

2. In this Act,

...

"confusing", when applied as an adjective to a trade-mark or trade-name, means a trade-mark or trade-name the use of which would cause confusion in the manner and circumstances described in section 6;

"country of origin" means

(a) the country of the Union in which the applicant for registration of a trade-mark had at the date of the application a real and effective industrial or commercial establishment, or

...

"distinctive", in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them;

...

"person interested" includes any person who is affected or reasonably apprehends that he may be affected by any entry in the register, or by any act or omission or contemplated act or omission under or contrary to this Act, and includes the Attorney General of Canada;

...

"registered trade-mark" means a trade-mark that is on the register;

...

"trade-mark" means

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,

2. Les définitions qui suivent s'appliquent à la présente loi.

...

«créant de la confusion»

Relativement à une marque de commerce ou un nom commercial, s'entend au sens de l'article 6.

«pays d'origine»

a) Le pays de l'Union où l'auteur d'une demande d'enregistrement d'une marque de commerce avait, à la date de la demande, un établissement industriel ou commercial réel et effectif;

...

«distinctive» Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée par son propriétaire, des marchandises ou services d'autres propriétaires, ou qui est adaptée à les distinguer ainsi.

...

personne intéressée» Sont assimilés à une personne intéressée le procureur général du Canada et quiconque est atteint ou a des motifs valables d'appréhender qu'il sera atteint par une inscription dans le registre, ou par tout acte ou omission, ou tout acte ou omission projeté, sous le régime ou à l'encontre de la présente loi.

...

«marque de commerce déposée»

Marque de commerce qui se trouve au registre.

...

«marque de commerce» Selon le cas

a) marque employée par une personne pour distinguer, ou de façon à distinguer, les marchandises fabriquées, vendues, données à bail ou louées ou les services loués ou exécutés, par elle, des marchandises fabriquées, vendues, données à bail ou

(b) a certification mark,
(c) a distinguishing guise, or
(d) a proposed trade-mark;
"trade-name" means the name under which any business is carried on, whether or not it is the name of a corporation, a partnership or an individual;
"use" , in relation to a trade-mark, means any use that by section 4 is deemed to be a use in association with wares or services;

...
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. A trade-mark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with wares or services, and

...
(b) the wares or services are advertised in association with it in

(i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the wares or services, or

...
and it has become well known in Canada by reason of the distribution or advertising.

...
6. (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the

louées ou des services loués ou exécutés, par d'autres;
b) marque de certification;
c) signe distinctif;
d) marque de commerce projetée.
«nom commercial » Nom sous lequel une entreprise est exercée, qu'il s'agisse ou non d'une personne morale, d'une société de personnes ou d'un particulier.
«emploi » ou «usage » À l'égard d'une marque de commerce, tout emploi qui, selon l'article 4, est réputé un emploi en liaison avec des marchandises ou services.

...
4. (2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

...
5. Une personne est réputée faire connaître une marque de commerce au Canada seulement si elle l'emploie dans un pays de l'Union, autre que le Canada, en liaison avec des marchandises ou services, si, selon le cas :

...
b) ces marchandises ou services sont annoncés en liaison avec cette marque :

(i) soit dans toute publication imprimée et mise en circulation au Canada dans la pratique ordinaire du commerce parmi les marchands ou usagers éventuels de ces marchandises ou services,

...
et si la marque est bien connue au Canada par suite de cette distribution ou annonce.

...
6.(1) Pour l'application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l'emploi de la marque de commerce ou du nom commercial en premier lieu

manner and circumstances described in this section.

(2) The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(3) The use of a trade-mark causes confusion with a trade-name if the use of both the trade-mark and trade-name in the same area would be likely to lead to the inference that the wares or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(4) The use of a trade-name causes confusion with a trade-mark if the use of both the trade-name and trade-mark in the same area would be likely to lead to the inference that the wares or services associated with the business carried on under the trade-name and those associated with the trade-mark are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

mentionnés cause de la confusion avec la marque de commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.

(2) L'emploi d'une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l'emploi des deux marques de commerce dans la même région serait susceptible de faire conclure que les marchandises liées à ces marques de commerce sont fabriquées, vendues, données à bail ou louées, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces marchandises ou ces services soient ou non de la même catégorie générale.

(3) L'emploi d'une marque de commerce crée de la confusion avec un nom commercial, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les marchandises liées à cette marque et les marchandises liées à l'entreprise poursuivie sous ce nom sont fabriquées, vendues, données à bail ou louées, ou que les services liés à cette marque et les services liés à l'entreprise poursuivie sous ce nom sont loués ou exécutés, par la même personne, que ces marchandises ou services soient ou non de la même catégorie générale.

(4) L'emploi d'un nom commercial crée de la confusion avec une marque de commerce, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les marchandises liées à l'entreprise poursuivie sous ce nom et les marchandises liées à cette marque sont fabriquées, vendues, données à bail ou louées, ou que les services liés à l'entreprise poursuivie sous ce nom et les services liés à cette marque sont loués ou exécutés, par la même personne, que ces marchandises ou services soient ou non de la même catégorie générale.

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

(b) the length of time the trade-marks or trade-names have been in use;

(c) the nature of the wares, services or business;

(d) the nature of the trade; and

(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

...

12. (1) Subject to section 13, a trade-mark is registrable if it is not

...

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

(2) A trade-mark that is not registrable by reason of paragraph (1)(a) or (b) is registrable if it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration.

...

14. (1) Notwithstanding section 12, a trade-mark that the applicant or the applicant's predecessor in title has caused to be duly registered in or for

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris:

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;

c) le genre de marchandises, services ou entreprises;

d) la nature du commerce;

e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

...

12. (1) Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :

...

b) qu'elle soit sous forme graphique, écrite ou sonore, elle donne une description claire ou donne une description fautive et trompeuse, en langue française ou anglaise, de la nature ou de la qualité des marchandises ou services en liaison avec lesquels elle est employée, ou à l'égard desquels on projette de l'employer, ou des conditions de leur production, ou des personnes qui les produisent, ou du lieu d'origine de ces marchandises ou services;

(2) Une marque de commerce qui n'est pas enregistrable en raison de l'alinéa (1)a) ou b) peut être enregistrée si elle a été employée au Canada par le requérant ou son prédécesseur en titre de façon à être devenue distinctive à la date de la production d'une demande d'enregistrement la concernant.

...

14. (1) Nonobstant l'article 12, une marque de commerce que le requérant ou son prédécesseur en titre a fait dûment déposer dans son pays

the country of origin of the applicant is registrable if, in Canada, d'origine, ou pour son pays d'origine, est enregistrable si, au Canada, selon le cas :

- (a) it is not confusing with a registered trade-mark; a) elle ne crée pas de confusion avec une marque de commerce déposée;
- (b) it is not without distinctive character, having regard to all the circumstances of the case including the length of time during which it has been used in any country; b) elle n'est pas dépourvue de caractère distinctif, eu égard aux circonstances, y compris la durée de l'emploi qui en a été fait dans tout pays;
- (c) it is not contrary to morality or public order or of such a nature as to deceive the public; or c) elle n'est pas contraire à la moralité ou à l'ordre public, ni de nature à tromper le public;
- (d) it is not a trade-mark of which the adoption is prohibited by section 9 or 10. d) son adoption comme marque de commerce n'est pas interdite par l'article 9 ou 10.

...

...

16. (2) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that the applicant or the applicant's predecessor in title has duly registered in or for the country of origin of the applicant and has used in association with wares or services is entitled, subject to section 38, to secure its registration in respect of the wares or services in association with which it is registered in that country and has been used, unless at the date of filing of the application in accordance with section 30 it was confusing with

16. (2) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce qui est enregistrable et que le requérant ou son prédécesseur en titre a dûment déposée dans son pays d'origine, ou pour son pays d'origine, et qu'il a employée en liaison avec des marchandises ou services, a droit, sous réserve de l'article 38, d'en obtenir l'enregistrement à l'égard des marchandises ou services en liaison avec lesquels elle est déposée dans ce pays et a été employée, à moins que, à la date de la production de la demande, en conformité avec l'article 30, elle n'ait créé de la confusion :

- (a) a trade-mark that had been previously used in Canada or made known in Canada by any other person; a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;
- (b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or b) soit avec une marque de commerce à l'égard de laquelle une demande d'enregistrement a été antérieurement produite au Canada par une autre personne;
- (c) a trade-name that had been previously used in Canada by any c) soit avec un nom commercial antérieurement employé au Canada

other person.

par une autre personne.

...

...

17. (1) No application for registration of a trade-mark that has been advertised in accordance with section 37 shall be refused and no registration of a trade-mark shall be expunged or amended or held invalid on the ground of any previous use or making known of a confusing trade-mark or trade-name by a person other than the applicant for that registration or his predecessor in title, except at the instance of that other person or his successor in title, and the burden lies on that other person or his successor to establish that he had not abandoned the confusing trade-mark or trade-name at the date of advertisement of the applicant's application.

17. (1) Aucune demande d'enregistrement d'une marque de commerce qui a été annoncée selon l'article 37 ne peut être refusée, et aucun enregistrement d'une marque de commerce ne peut être radié, modifié ou tenu pour invalide, du fait qu'une personne autre que l'auteur de la demande d'enregistrement ou son prédécesseur en titre a antérieurement employé ou révélé une marque de commerce ou un nom commercial créant de la confusion, sauf à la demande de cette autre personne ou de son successeur en titre, et il incombe à cette autre personne ou à son successeur d'établir qu'il n'avait pas abandonné cette marque de commerce ou ce nom commercial créant de la confusion, à la date de l'annonce de la demande du requérant.

(2) In proceedings commenced after the expiration of five years from the date of registration of a trade-mark or from July 1, 1954, whichever is the later, no registration shall be expunged or amended or held invalid on the ground of the previous use or making known referred to in subsection (1), unless it is established that the person who adopted the registered trade-mark in Canada did so with knowledge of that previous use or making known.

(2) Dans des procédures ouvertes après l'expiration de cinq ans à compter de la date d'enregistrement d'une marque de commerce ou à compter du 1^{er} juillet 1954, en prenant la date qui est postérieure à l'autre, aucun enregistrement ne peut être radié, modifié ou jugé invalide du fait de l'utilisation ou révélation antérieure mentionnée au paragraphe (1), à moins qu'il ne soit établi que la personne qui a adopté au Canada la marque de commerce déposée l'a fait alors qu'elle était au courant de cette utilisation ou révélation antérieure.

18. (1) The registration of a trade-mark is invalid if

18. (1) L'enregistrement d'une marque de commerce est invalide dans les cas suivants :

(a) the trade-mark was not registrable at the date of registration,

a) la marque de commerce n'était pas enregistrable à la date de l'enregistrement;

(b) the trade-mark is not distinctive at the time proceedings bringing the validity of the registration into

b) la marque de commerce n'est pas distinctive à l'époque où sont entamées les procédures contestant la

question are commenced, or

(c) the trade-mark has been abandoned,

and subject to section 17, it is invalid if the applicant for registration was not the person entitled to secure the registration.

...

19. Subject to sections 21, 32 and 67, the registration of a trade-mark in respect of any wares or services, unless shown to be invalid, gives to the owner of the trade-mark the exclusive right to the use throughout Canada of the trade-mark in respect of those wares or services.

...

57. (1) The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

...

59. (3) The proceedings on an appeal or application shall be heard and determined summarily on evidence adduced by affidavit unless the court otherwise directs, in which event it may order that any procedure permitted by its rules and practice be made available to the parties, including the introduction of oral evidence generally or in respect of one or more issues specified in the order.

...

validité de l'enregistrement;

c) la marque de commerce a été abandonnée.

Sous réserve de l'article 17, l'enregistrement est invalide si l'auteur de la demande n'était pas la personne ayant droit de l'obtenir.

...

19. Sous réserve des articles 21, 32 et 67, l'enregistrement d'une marque de commerce à l'égard de marchandises ou services, sauf si son invalidité est démontrée, donne au propriétaire le droit exclusif à l'emploi de celle-ci, dans tout le Canada, en ce qui concerne ces marchandises ou services.

...

57. (1) La Cour fédérale a une compétence initiale exclusive, sur demande du registraire ou de toute personne intéressée, pour ordonner qu'une inscription dans le registre soit biffée ou modifiée, parce que, à la date de cette demande, l'inscription figurant au registre n'exprime ou ne définit pas exactement les droits existants de la personne paraissant être le propriétaire inscrit de la marque.

...

59. (3) Les procédures sont entendues et décidées par voie sommaire sur une preuve produite par affidavit, à moins que le tribunal n'en ordonne autrement, auquel cas il peut prescrire que toute procédure permise par ses règles et sa pratique soit rendue disponible aux parties, y compris l'introduction d'une preuve orale d'une façon générale ou à l'égard d'une ou de plusieurs questions spécifiées dans l'ordonnance.

...

SCHEDULE B

Canada

Hotel	Location
The Fairmont Palliser	Calgary, Alberta
The Fairmont Hotel MacDonald	Edmonton, Alberta
Fairmont The Queen Elizabeth	Montreal, Quebec
Fairmont Chateau Laurier	Ottawa, Ontario
The Fairmont Vancouver Airport	Vancouver, British Columbia
The Fairmont Newfoundland	St. John's, Newfoundland
The Fairmont Royal York	Toronto, Ontario
The Fairmont Hotel Vancouver	Vancouver, British Columbia
The Fairmont Waterfront	Vancouver, British Columbia
The Fairmont Winnipeg	Winnipeg, Manitoba
The Fairmont Banff Springs	Banff, Alberta
The Fairmont Jasper Park Lodge	Jasper, Alberta
Fairmont Le Manoir Richelieu	Charlevoix, Quebec
The Fairmont Chateau Lake Louise	Lake Louise, Alberta
Fairmont Le Château Montebello	Montebello, Quebec
Fairmont Kenuak at Le Château Montebello	Montebello, Quebec
Fairmont Tremblant	Mont Tremblant, Quebec
Fairmont Le Château Frontenac	Quebec City, Quebec
The Fairmont Algonquin	St. Andrew's, New Brunswick
The Fairmont Empress	Victoria, British Columbia
The Fairmont Château Whistler	Whistler, British Columbia

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1041-05

STYLE OF CAUSE: FAIRMONT RESORT PROPERTIES LTD. and
FAIRMONT HOTEL MANAGEMENT, L.P.

PLACE OF HEARING: Calgary, Alberta

DATE OF HEARING: June 9-11, 2008

REASONS FOR ORDER: GIBSON J.

DATED: July 21, 2008

APPEARANCES:

Mr. James T. Swanson

FOR THE APPLICANT

Mr. Patrick E. Kierans
Ms. Josie S. Gravelle
Ms. Kristin Wall

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Burnet, Duckworth & Palmer
Calgary, Alberta

FOR THE APPLICANT

Ogilvy Renault
Toronto, Ontario

FOR THE RESPONDENT