

Only in Canada, eh? Canada's Broad Interpretation of Trademark "Use" Gives U.S. Retailers A Big Leg Up

October 23, 2018 – *The TMCA*

by Sarah Robertson

Two recent decisions of the Federal Court of Canada pave the way for U.S. and other non-Canadian businesses to secure and maintain trademark rights for their retail or hotel operations even where they do not have a bricks and mortar presence in Canada.

In the first decision, Dollar General Corporation v. 2900319 Canada Inc., 2018 FC 788, which came out in July, the Federal Court of Canada overturned a decision of the Registrar to expunge Dollar General's trademark registration for its DOLLAR GENERAL house mark for retail variety store services for non-use. Dollar General has a chain of retail stores and makes direct ecommerce sales in the U.S. But Dollar General doesn't have any stores in Canada and doesn't ship directly to Canadian customers either. The only "service" that Canadians could access was Dollar General's website or app which has product and store information, and recipes and coupons. They could also make purchases online but only by shipping to the U.S. or paying a third-party shipping agent to bring those purchases to Canada.



The Registrar had found that Dollar General was not using its mark for its variety store services because purchases could only be made in the U.S. or through a shipping agent. But on appeal, the Federal Court adopted a more liberal view as to "use" and found that Dollar General's ancillary interactions with Canadians through its website were enough to allow it to maintain its retail store service trademark rights.

The second decision, Hilton Worldwide Holding LLP v Miller Thomson LLP, 2018 FC 895, came out just two months later. Here, Hilton owned a Canadian registration for its WALDORF-ASTORIA mark for its exclusive hotel services. Following a non-use

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challenge, the registration had been expunged because Hilton did not have a physical hotel location in Canada. Instead, Hilton operated a branded interactive website, a worldwide registration service, customer offers and discounts, and a loyalty program, all of which were accessible by Canadians.

Hilton appealed the decision to expunge. Similar to Dollar General, the Federal Court of Canada found that the type of ancillary services Hilton was engaging in with its Canadian customers was enough to demonstrate use of its mark for hotels.

This liberal interpretation of "use" of a trademark for services confirms that U.S. and other non-Canadian businesses have broader latitude to gain and maintain trademark rights for retail and hotel services in Canada even if they don't have a physical presence there, and they are only offering ancillary or incidental services. While each case will ultimately turn on its facts, online interactivity with Canadians through a website or app is generally a sign that services are being rendered in Canada under current law.