

# Canada: Hilton's Registration Can Stay in Canada Even Though Guests Cannot

*Hilton Worldwide Holding LLP v. Miller Thomson LLP*, 2018 FC 895.

The Federal Court of

Canada confirmed that trademark owners can provide “hotel services” in Canada without operating a hotel. Instead, ancillary hotel services provided over the Internet can constitute trademark use as long as Canadians receive a “meaningful benefit” from them. [More](#)

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The decision came in *Hilton Worldwide Holding LLP v. Miller Thomson LLP*. The Canadian Trademark Opposition Board (“TOB”) cancelled Hilton’s Canadian registration for WALDORF-ASTORIA covering hotel services at Miller Thomson’s request because Hilton did not operate a hotel by that name in Canada. Instead, it operated a website—accessible to Canadians—that allowed thousands of Canadian users to make hotel reservations, claim discounts, and exercise loyalty rewards.

Hilton appealed and the Federal Court reversed. The TOB had argued that ordinary consumers expect a brick-and-mortar hotel when a trademark owner claims protection for “hotel services” in Canada. The Federal Court took a more liberal view of “hotel services” given the expansion of online commerce, noting that the Canadian Trademark Act “does not set out a comprehensive definition” of “services.” The Court therefore held that the common sense meaning of “hotel services” extends beyond the operation of a brick-and-mortar hotel. It “naturally includes a series of related things,” the Court reasoned, “some of which are naturally now able to be ‘performed’ (from the owner’s

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perspective), or 'enjoyed' (from the customer's perspective) in Canada" even if not performed or enjoyed on a physical hotel property there.

This decision reflects the impact of an increasingly digital economy. Prior TOB opposition precedent maintained that use of mark in connection with ancillary services does not constitute trademark "use" in Canada. The Federal Court explicitly overturned that precedent, holding that whether a registrant has "use" of the mark should be determined on a case-by-case basis. As a result, a prior registrant without a brick-and-mortar hotel may be able to more easily block the registration of a similar mark owned by a local company that does operate a brick-and-mortar hotel in Canada. Perhaps this is no significant issue as, in an online economy, all hoteliers are likely to provide online reservations services in order to compete. To that end, the Court noted that the Registrar's construction of "hotel services" must "adapt to reflect the fact that an ordinary customer would expect to be able to book a hotel room on-line today, either directly or through the intermediary of a service dedicated to travel arrangements."

International hoteliers hoping to maintain trademark protection for "hotel services" in Canada without physical properties may be able to rest more easily after this decision. But as the determination is to be "case by case," it is not certain how each case will turn out. Once Canada's new trademark law takes effect on June 17, 2019, applicants will no longer be required to prove use to obtain a registration in Canada, but hoteliers will continue to enjoy the benefits of the Federal Court's more liberal construction of ancillary hotel services in enforcing their rights and defending against non-use cancellation actions there.