

October 25, 2013

The Bellagio Gambles on “Use” Under Canadian Trade-mark Law – and Loses

By Paul W. Donovan

An administrative decision of the Trade-marks Opposition Board confirms that a trade-mark owner will not be able to prove use of a trade-mark in association with services unless the owner performs or is prepared to perform those services in Canada.

In the case of *Bellagio Limousines v. Mirage Resorts, Incorporated* (2012 TMOB 220), the Trade-marks Opposition Board looked at two registrations for BELLAGIO owned by Mirage Resorts, Incorporated (“MRI”). MRI is the owner of the famous Bellagio hotel in Las Vegas, Nevada, a hotel which I recall from a friend’s bachelor party in Las Vegas some years back, although my memory of the entire night is spotty at best. The trade-mark registrations in question covered four main categories: (1) promotional and guest relations services, i.e. hotel and casino and booking reservation services; (2) casinos and live entertainment services (3) hotels, beauty salons, and health spas; and (4) ladies’ clothing and sportswear and clothing accessories.

A third party challenged the registrations under section 45 of the *Trade-marks Act*, which requires the owner of the trade-mark to show evidence of use in Canada in the preceding three years (or special circumstances that would justify any non-use).

Hearing Officer Andrew Bene found that the BELLAGIO mark was well known in Canada, but that “it is clear that the hotel and entertainment services of the Bellagio Property are performed in Las Vegas, not in Canada”. While I do not think it is as catchy as the well-known Vegas slogan “What happens in Vegas, stays in Vegas”, might I suggest “What happens with respect to the hotel and entertainment services in Vegas, stays in Vegas (and does not constitute use in Canada)” is an accurate summary of the Hearing Officer’s findings.

The Hearing Officer held that there was no evidence to suggest that MRI performed or was able to perform services (2) and (3) – as per above – in Canada during the relevant period, since there was no physical location in Canada to perform those services. Those services were therefore ordered struck from the registration. The Hearing Officer was more forgiving with respect to promotional and guest relations services which were maintained in the registration.

With respect to the clothing items (#4, above), MRI submitted evidence that the Bellagio hotel in Las Vegas sold such items to visitors (including Canadian visitors). However, the Hearing Officer held that a sale to a Canadian in the United States does not amount to use of a trade-mark in the normal course of trade in Canada, even if those goods are subsequently brought into Canada for personal consumption. The registration covering the clothing items was therefore ordered to be expunged.



PERLEY-ROBERTSON,
HILL & MCDUGALL LLP/s.r.l.

Canadian business should understand that the term “use” is a defined term in the *Trade-marks Act*, and that even when a trade-mark is registered it is subject to attack from a third party on the basis of alleged non-use in Canada. If the services require a physical location (i.e. hotels, casinos, etc.), this decision suggests that it is not sufficient to simply promote these services in Canada because “...it is not use of the Mark in Canada with respect to the Services unless (the Applicant) performs or is prepared to perform the Services in Canada”. Should you have any questions with respect to this article, or should you require any advice regarding “use” of a trade-mark in Canada, please feel free to contact one of our trade-mark professionals.

Paul W. Donovan is a lawyer and Registered Trade-mark Agent with the firm’s Intellectual Property Group. For further information or questions, you can contact Paul at pdonovan@perlaw.ca or 613.566.2834.