

Federal Court



Cour fédérale

**Date: 20200415**

**Docket: T-1190-19**

**Citation: 2020 FC 514**

**Ottawa, Ontario, April 15, 2020**

**PRESENT: The Honourable Madam Justice Fuhrer**

**BETWEEN:**

**BEYOND RESTAURANT GROUP LLC**

**Applicant**

**And**

**QIANG WANG**

**Respondent**

**JUDGMENT AND REASONS**

I. Introduction

[1] The Applicant, Beyond Restaurant Group LLC [Beyond Restaurant] filed this application on July 22, 2019 to declare Canadian trademark registration No. TMA985822 [‘822 Registration] for the word mark pokeworks [Mark] invalid and strike it from the trademarks register pursuant to section 57 of the *Trademarks Act*, RSC 1985, c T-13 [TMA]. In support of its application to expunge, Beyond Restaurant filed the affidavits of: (i) Kevin Hsu, a Managing

Partner of Beyond Restaurant Group LLC, dated July 30, 2019; (ii) Melissa Playford, a private investigator [PI] at Integra Investigation Services Ltd., dated August 8, 2019; and (iii) Akilah Roper, a legal assistant employed by Beyond Restaurant's counsel, dated October 30, 2019.

[2] Beyond Restaurant runs a chain of POKEWORKS restaurants across North America and owns a number of United States [US] trademark registrations for POKEWORKS and related marks. The Respondent, Qiang Wang, is the registered owner of the '822 Registration. Beyond Restaurant alleges that, as of the date this proceeding was commenced, the Mark does not distinguish the services in association with which the Mark is registered and allegedly used by Qiang Wang from Beyond Restaurant's services: TMA s 18(1)(b). Beyond Restaurant also alleges that Qiang Wang filed a false Declaration of Use with the Canadian Intellectual Property Office [CIPO] in order to "squat" on Beyond Restaurant's trademark rights and block its legitimate attempts to protect its rights in the trademark POKEWORKS in Canada.

[3] This matter was heard *ex parte* as Beyond Restaurant was unable to locate a current address for Qiang Wang to effect personal service of the Notice of Application. I note Beyond Restaurant sought and was granted an order for substitutional service issued August 28, 2019. Qiang Wang did not file a Notice of Appearance and did not take part in the proceeding.

[4] For the reasons that follow, I dismiss this application for expungement.

## II. Background

[5] Since 2015, Beyond Restaurant has operated a chain of POKEWORKS restaurants in the US offering both sit-in and take-out services. The primary menu item is *poké*, a Hawaiian dish that includes diced raw fish. As of July 2019, there were approximately 44 POKEWORKS restaurants across the United States and one in Vancouver, British Columbia. Beyond Restaurant had plans to expand across North America (including Mexico) by 2020.

[6] On July 1, 2016, Beyond Restaurant applied for a US trademark registration for POKEWORKS based on use in the US. This application issued to registration on December 27, 2016 in association with restaurant services, including sit-down services of food and take-out restaurant services. Since then, Beyond Restaurant also has become the owner of several other related US trademark registrations, including for word marks POKE WORKS, POKÉ YOUR WAY, and POKE YOUR WAY, and four design marks featuring stylized versions of the term Pokeworks.

[7] Beyond Restaurant opened a Vancouver-based POKEWORKS location in late 2017 [with a soft launch on September 25, and a grand opening on November 18]. In its first year of operation, POKEWORKS Vancouver generated nearly \$600,000 USD in sales, with just over \$13,000 USD spent on advertising [through Yelp, marketing collateral, and social media posts]. Moreover, Beyond Restaurant alleges that as of July 2019, POKEWORKS had nearly 45,000 followers on Instagram, over 11,000 likes on Facebook, and at least one video review of its sushi burrito published by FOOD INSIDER which received approximately 50 million views.

[8] On October 5, 2016, Qiang Wang filed Canadian trademark application No. 1803344 for the Mark based on proposed use in association with restaurant services, including sit-down services of food and take-out restaurant services [‘344 Application]. On November 24, 2017, CIPO issued a Notice of Allowance. Just 5 days later on November 29, 2017, Qiang Wang filed a Declaration of Use electronically, resulting in the registration of the ‘822 Registration for the Mark on that date: TMA s 40(2)(a) [as this provision was prior to June 17, 2019 when the TMA was amended substantially].

[9] On September 26, 2017, two months before Qiang Wang filed the Declaration of Use, Beyond Restaurant applied to register POKEWORKS based on use of the trademark in Canada under application No. 1859482, in association with the same services as in the US, that is “restaurant services, including sit-down services of food and take-out restaurant services” [‘482 Application’]. Apart from a printout of Canadian Trademarks Details showing “Date modified: 2018-10-25” at the bottom, I note Beyond Restaurant provided no further evidence regarding the status of the ‘482 Application, such as whether the ‘822 Registration was cited as a potential bar to registration of POKEWORKS by Beyond Restaurant on the basis of TMA s 12(1)(d). Though the printout shows an Examiner’s First Report with an Action date of October 10, 2018, neither a copy of the First Examiner’s Report nor information about its content was provided to the Court.

[10] Beyond Restaurant subsequently arranged to have a PI determine whether Qiang Wang had made any use of the Mark. In her affidavit, the PI describes having conducted an “extensive internet and media search on ‘pokeworks’ in association with Qiang Wang in Ontario, as well as social media searches on Facebook, Twitter, Instagram, and LinkedIn”, but located nothing. The

PI also conducted an Ontario business debtor search and a search of national databases which provide access to court judgments, tribunal decisions, statutes, and regulations for all jurisdictions for ‘pokeworks’, but similarly located nothing.

[11] Exhibit A to the PI’s affidavit is a copy of the ‘822 Registration particulars. The address of the registrant, Qiang Wang is listed as 250 Consumers Road, Suite 909, North York, Ontario, M2J 4V6. The PI conducted searches for Qiang Wang using this address but found no relevant records. There is a commercial rental building at 250 Consumers Road managed by Fidelity Property Management, who confirmed the suite was occupied by Morgan Global Anti-Counterfeiting Net Ltd [Morgan Global]. Morgan Global was provincially incorporated on April 26, 2000, and lists 250 Consumers Road, Suite 909 as the registered office address. Morgan Global’s corporate records do not list Qiang Wang as an Officer or Director. Despite attempts to contact Morgan Global using numbers listed in the corporate registry and available online, the PI was unable to reach it.

[12] Morgan Global also listed 7100 Woodbine Avenue, Suite 110, Markham, Ontario as a mailing address. This address corresponds to the Woodbine & Steeles Corporate Centre, which is managed by Colliers. On April 2, 2018, the PI spoke with the receptionist at Colliers, who advised that Suite 110 had been vacant for approximately two years and confirmed the company previously located in Suite 110 was named ‘Morgen & Kevin’. The PI obtained an Ontario Corporation Profile Report on Morgen & Kevin Corp, which showed it was provincially incorporated on April 3, 1996 and cancelled by “corporate tax” on May 13, 2017. Qiang Wang was not among the listed Directors and Officers. Nonetheless, the PI proceeded to investigate the

addresses of the listed Officers and Directors. One was a residential condominium; the second was not a valid address; and the third was the current location of AIM Health Group Toronto.

[13] On April 6, 2018, a second private investigator attended 250 Consumers Road, Suite 909 and confirmed Morgan Global was not listed on the building's directory, had no markings on the suite door, and that the door was locked and there was no sound coming from the unit. Efforts to speak to occupants of neighbouring units and Fidelity Property Management office staff provided no relevant information.

[14] On May 3, 2018, Beyond Restaurant sent a demand letter by registered mail to Qiang Wang at 250 Consumers Road, Suite 909, North York, Ontario, M2J 4V6, requesting that he voluntarily cancel the '822 Registration. I note the letter was not returned as undeliverable, and that no response to the letter was received from Qiang Wang. The affidavit of Akilah Roper makes no mention of whether confirmation was obtained of the delivery or pick up of the letter sent by registered mail.

[15] Though the '822 Registration was registered for less than three years, Beyond Restaurant also sent a letter to the Registrar on June 27, 2018 requesting that she exercise her discretion to issue notice under TMA s 45 [Section 45 Notice] requiring the registered owner of the registration to furnish evidence showing whether the Mark was in use during the relevant period with the services specified in the registration. In its letter, Beyond Restaurant asserted no evidence of use of the Mark was found with any services and that the '344 Application and Declaration of Use were filed to prevent Beyond Restaurant from expanding its business into

Canada; it therefore was in the public interest for the Registrar to exercise her discretion to issue a Section 45 Notice in order to maintain the integrity of the trademarks register. By way of letter dated July 10, 2018, however, the Registrar declined the request and suggested that an *inter partes* attack on a trademark should be pursued in the Federal Court pursuant to TMA s 57 [citing *United Grain Growers v Lang Michener* (2001), 12 CPR (4th) 89 (FCA), or see neutral citation 2001 FCA 66].

[16] One year later, on July 25, 2019 the PI attempted to serve Qiang Wang notice of the Notice of Application for this matter at 250 Consumers Road, Suite 909. Upon entering Suite 909, the PI determined the unit was occupied by 'LK Law & Associates'. The individual who greeted her confirmed he did not know who Qiang Wang was and that Qiang Wang was not a lawyer at that office. While in the office, the PI obtained business cards for a lawyer and an immigration consultant/paralegal. On July 29, 2019 the PI returned to 250 Consumers Road, Suite 909 and made another attempt at service. She left a copy of the Notice of Application with the lawyer having the name on the card she previously obtained, who identified herself verbally and provided her business card. Based on these efforts, Beyond Restaurant was granted the August 28, 2019 order for substitutional service.

### III. Issues

[17] There is a preliminary issue of whether Beyond Restaurant has standing in this matter which I will address first. If answered in the affirmative, this application then raises the following issues for consideration:

- A. *Should the 822 Registration be declared invalid and expunged from the register? The precondition issues to a finding of invalidity are: (i) is the Mark distinctive as of the date this proceeding was commenced; and/or (ii) was the '822 Registration obtained on the basis of material misrepresentation?*
- B. *If successful, should Beyond Restaurant be awarded the costs of its application?*

IV. Relevant Provisions

[18] See Annex A.

V. Analysis

[19] Apart from the Registrar, only a person interested can bring an application to expunge a trademark registration: TMA s 57(1). A “person interested” is defined as including a person who is affected, or reasonably believes that they may be affected, by an entry on the register: TMA s 2. Because Beyond Restaurant did not assert nor make submissions that it is a person interested, it falls to the Court to consider whether Beyond Restaurant has demonstrated sufficient facts from which the Court can conclude, in the interests of securing the just, most expeditious and least expensive determination, that Beyond Restaurant indeed is a person interested and thus has standing to bring this application for expungement.

[20] I note that had Beyond Restaurant evidenced an objection by the Registrar against the ‘482 Application based on TMA s 12(1)(d) citing the ‘822 Registration as a potential bar to registration, Beyond Restaurant’s standing before this Court would not have been an issue: *Beijing Jingdong 360 du E-commerce Ltd v Zhang*, 2019 FC 1293 [*Jingdong*] at para 12. That



said, the definition has been interpreted as setting a *de minimis* threshold: *Jingdong*, above at para 11, citing *Vancouver Association for Injured Motorcyclists v Alliance for Injured Motorcyclists Canada*, 2010 FC 1207 at para 10; *CIBC World Markets Inc v Stenner*, 2010 FC 397 at para 20, citing *John Labatt Ltd v Carling Breweries Ltd* (1974) 18 CPR (2d) 15 (Fed TD) [*Labatt*].

[21] As noted in *Burmah-Castrol (Canada) Ltd v Nasolco Inc* (1974), 14 CPR (2d) 38 (Fed TD), at para 3: "... it is evident that what constitutes a 'person interested' depends on the facts of each case ...". It was held in *Labatt* that "I would have no difficulty whatsoever if there had been evidence that the applicant, John Labatt Limited, was in the same business as the respondent, The Carling Breweries Limited, that is, the brewing of alcoholic beverages including beer, ale, lager, porter and stout, but an allegation to that effect is lacking in the applicant's statement of facts": *Labatt*, above at para 56. This finding was premised on the following passage from *Appolinaris Co's Trade Marks, Re* (1891), 8 RPC 137 at pp 224-5 Ch., p 160 RPC [*Appolinaris*] which, though somewhat lengthy, is worth reproducing [from *Labatt*, above at para 55]:

Now we approach this question on the assumption, which is necessary of course to answer this question, that the trade mark was wrongly on the register, and further, with these two observations: in the first place, that the question is merely one of locus standi; and in the second, that the words "person aggrieved" appear to us to have been introduced into the statute to prevent the action of common informers or of persons interfering from merely sentimental motives, but that they must not be so read as to make evidence of great and serious damage a condition precedent to the right to apply. Further, we are of opinion that whenever one trader, by means of his wrongly registered trade-mark, narrows the area of business open to his rivals, and thereby either immediately excludes, or with reasonable probability will in the future exclude, a rival from a portion of that trade into which he desires to enter, that rival is an "aggrieved person." Again, if the effect produced, or likely to be produced, by the wrongful trade-mark, is not the exclusion, but the hampering of a rival trader, that rival trader, again, is in our opinion a person aggrieved. A man in the same trade as the one who has wrongfully registered a trade-mark and who

desires to deal in the article in question is prima facie an "aggrieved person." This may be rebutted by shewing that, by reason of some circumstances entirely independent of the trade-mark, the person complaining never could carry on any trade in the article . . .

[22] Because of the lack of an allegation that the parties were in the same business, it next was held in *Labatt*, above at paras 57 and 61:

“...[t]o justify its application to expunge, the applicant must show some actual or inchoate right to the use of the mark although it is not obliged to show that it is entitled to registration. [...]

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.”

[23] Unlike the situation in *Labatt*, Beyond Restaurant has demonstrated sufficiently that it is in the same line of business or trade as the services listed in the ‘822 Registration. Moreover, paraphrasing *Appolinaris* above, in my view it is reasonably probable that the ‘822 Registration in the future could exclude Beyond Restaurant from a portion of that trade, absent expungement. I therefore find Beyond is a person interested and consequently has the requisite standing.

[24] Turning next to the issue of whether the Mark is distinctive, the relevant date for the distinctiveness assessment is the date this proceeding was commenced, namely July 22, 2019: TMA s 18(1)(b). I start with the presumption that trademarks are valid until proven otherwise, and any doubts must be resolved in favour of the validity of the registration: *Bedessee Imports Ltd v GlaxoSmithKline Consumer Healthcare (UK) IP Limited*, 2019 FC 206 [*Bedessee*] at para 13, citing *Mr P’s Mastertune Ignition Services Ltd v Tune Master Inc*, [1984] 82 CPR (2d) 128 (FC) at 134.

[25] Beyond Restaurant submits, and I agree, there are three conditions for distinctiveness: (i) the mark and the goods or services must be associated; (ii) the owner of the mark must use this association in manufacturing, advertising, and selling the goods or services; and (iii) this association must enable the owner of the mark to distinguish its goods or services from those of others: *Roots Corporation v YM Inc (Sales)*, 2019 FC 16 [*Roots*] at para 56; *8073902 Canada Inc v Vardy*, 2019 FC 743 [*Vardy*] at para 56; *Boston Pizza International Inc v Boston Market Corp*, 2003 FC 892 at para 16. Evidence of lack of use can render the trademark invalid for non-distinctiveness.

[26] Beyond Restaurant points to *Jingdong* as an example of the type of evidence this Court has accepted to demonstrate lack of use. There, Justice Brown accepted uncontested evidence from an “experienced trademark investigator who conducted extensive internet and social media investigations together with physical inspections of both the place of business the Respondent identified for his two corporations and in his trademark application (which was also his residence), and at the locations of his three identified retail outlets”, and who “was unable to locate any sales ..., any evidence of advertising ..., or any reference by the Respondent or third parties to the Respondent’s Mark” demonstrated the owner’s lack of use of the trademark in issue in that case: *Jingdong*, above at paras 17-21.

[27] In the case before this Court, Beyond Restaurant has provided similar evidence, summarized above, of investigations conducted by a PI who “routinely conduct[s] ... intellectual property investigations”, to demonstrate lack of use of the Mark. I note, however, evidentiary gaps which have an impact on whether Beyond Restaurant has demonstrated sufficiently lack of

use of the Mark to succeed on this basis. First, the PI did not provide a list of the search terms she used in her investigations. In her affidavit, the PI states only that she "...conducted an extensive internet and media search on 'pokeworks' in association with Qiang Wang in Ontario, as well as social media searches on Facebook, Twitter, Instagram and LinkedIn for Qiang Wang in association with 'pokeworks'". The lack of additional details regarding the search parameters makes it difficult to ascertain the breadth or scope and hence the reasonableness of steps taken in this regard. For example, no explanation was provided as to what "media" were searched and whether this involved online or offline searching or both.

[28] Second, the PI's investigation was conducted predominantly in April 2018, and was not updated, except in respect of in-person attendance at address listed in the '822 Registration for Qiang Wang; thus, there is no evidence of lack of use of the Mark in the period between April 2018 and July 2019, which spans more than one year prior to the material date of July 22, 2019. I am not persuaded, therefore, that Beyond Restaurant has demonstrated lack of use sufficiently to this point, given Qiang Wang may have used the Mark in the meantime and possibly before the Declaration of Use was filed.

[29] While I recognize the difficulty in trying to prove a negative [i.e. that the Mark has not been used in Canada], nonetheless greater details about the scope of the searches the PI conducted might have enabled me to conclude, on a balance of probabilities, that the Mark has not been used. For example, at the hearing of this matter, Beyond Restaurant's counsel asserted that Wang is a common surname. Even were I to accept this assertion [without supporting evidence, as none was provided], as mentioned above the PI's affidavit refers to searches

conducted on “‘pokeworks’ in association with Qiang Wang in Ontario” and “Qiang Wang in association with ‘pokeworks’”. In my view, this narrowed the search considerably. Qiang Wang might have moved, and as the owner of the ‘822 Registration, would remain entitled nonetheless to the exclusive use of the Mark throughout Canada: TMA s 19. Moreover, I am prepared to infer from the evidence provided that Qiang Wang received at or via that address: (i) the Notice of Allowance sent by CIPO on November 24, 2017, as he subsequently filed the Declaration of Use and paid the registration fee on November 29, 2017; and (ii) the registered demand letter sent by Beyond Restaurant on May 3, 2018, as it was not returned as undeliverable. Further, the PI provided no information about how many hits or references were located for Qiang Wang or Q Wang. Moreover, the focus on “in association with ‘pokeworks’” unduly restricted the search at the outset, since it could be a minor or side business for this individual without much, if any, digital [i.e. online] or offline “footprint”. Thus, in light of the presumed validity of the registration, in my view more was needed about the scope of the searches the PI conducted to rebut this presumption, on a balance of probabilities.

[30] That said, I agree that a likelihood of confusion can be relevant, depending on the circumstances, to the analysis of invalidity for non-distinctiveness pursuant to TMA s 18(1)(b), and if applicable then also is properly assessed relative to the date these proceedings were commenced, namely July 22, 2019: *Bon Appetit Danish, Inc v 2168587 Ontario Ltd*, 2019 FC 396 at paras 40-41. The applicable test is whether confusion as to the source of the goods or services would arise as “a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark], at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks, and does not pause to give the matter any detailed

consideration or scrutiny, nor to examine closely the similarities and differences between the marks”: *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*] at paras 40-41; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 [*Veuve Clicquot*] at para 20.

[31] Beyond Restaurant submits the Mark is confusing with its own use of POKEWORKS, which Beyond Restaurant has used in Canada in association with restaurant services at its Vancouver location since September 25, 2017, more than two months before Qiang Wang filed his Declaration of Use with CIPO. This falls, however, well after Qiang Wang filed the ‘344 Application on October 5, 2016.

[32] Beyond Restaurant provided some evidence of notoriety or reputation via third party articles in publications such as Food & Beverage Magazine, Forbes, NBC News and The Boston Globe, as well as social media promotion including on Instagram [with 45,000 followers] and Facebook [with over 11,000 likes], and a video posted by Food Insider reviewing POKEWORKS and its “sushi burrito” which allegedly received 50 million views. Some of this evidence, such as the video, even pre-dated the filing of Qiang Wang’s proposed use application for the Mark [namely the ‘344 Application, filed on October 5, 2016]. No evidence was provided, however, that any of this evidence pertained to Canada, such as spill-over circulation of any of the above-mentioned publications or whether any Canadians are among the Instagram followers, the Facebook likes, or the video views. Thus, though Beyond Restaurant commenced use of and applied to register its trademark POKEWORKS in the US in advance of the filing of Qiang Wang’s ‘344 Application, Beyond Restaurant has failed to demonstrate any reputation of its mark in Canada prior to commencing use at the Vancouver location in September 2017. The

confusion analysis therefore is confined to Beyond Restaurant's demonstrated use of POKEWORKS in Canada.

[33] The trademarks in issue are essentially identical in light of the shared word "pokeworks", as are the services associated with them; hence the degree of resemblance is high. The channels of trade are not restricted in any way in the '822 Registration and, therefore, likely are or could be the same or nearly so. The word "pokeworks" is inherently distinctive although not overly strong because of the meaning conveyed by *poké*, a Hawaiian dish that includes diced raw fish. The extent to which the trademarks have become known and length of time in use possibly favour Beyond Restaurant, but this is uncertain as in my view the evidenced results of the PI's investigation were inconclusive in so far as Qiang Wang's use of the Mark, or lack of use, is concerned, and Beyond Restaurant's revenues for the first year of operation of its Vancouver location were not substantial. Having regard, therefore, to TMA ss 6(2) and 6(5), in my view the likelihood of confusion is high.

[34] The analysis does not end here, however. As the PI's investigation was conducted predominantly in April 2018, it is evident Beyond Restaurant was aware of the '822 Registration before the First Examiner's Report issued on October 10, 2018 in connection with Beyond Restaurant's own '482 Application. No evidence was provided, however, about whether Beyond Restaurant was aware of the '344 Application prior to commencing use of POKEWORKS in Canada as of September 25, 2017. The following case law has a bearing on the implications of whether Beyond Restaurant had such awareness in terms of being able to rely on its own use of POKEWORKS in Canada until the time when this expungement proceeding was commenced.

[35] In *Humpty Dumpty Foods Ltd v George Weston Ltd* (1989), 24 CPR (3d) 454 (FCTD) [*Humpty Dumpty*] at para 8, the Court emphasized the following submissions about a “junior user’s” ability to rely on its own use in challenging the “senior user’s” or more accurately, the “senior applicant’s” application:

Put another way, the appellant submits that it is patently and obviously wrong that the respondent should be allowed to use evidence which it generated after the date of the appellant's application to defeat the appellant's application on the ground that the appellant's proposed trade mark does not distinguish the wares of the appellant, in association with which the mark AMIGOS is proposed to be used, from the wares of the respondent, in association with which the mark AMIGO has been used, in the interval between the date of the appellant's application being filed and the date of the filing of the respondent's statement of opposition.

[36] Justice Shore relied on *Humpty Dumpty* in *Remo Imports Ltd v Jaguar Canada Ltd*, 2006 FC 21 in holding at para 316:

A junior user should not be permitted to strengthen its case by generating evidence to show that it had a stronger claim by reason of usage of its mark after becoming aware of the senior user's prior claim to the mark.

[37] Both of these cases were referred to in *The Courtyard Restaurant Inc v Marriott Worldwide Corporation*, 2006 CanLII 80366. 2006 CarswellNat 5371 (CA TMOB) [*Courtyard Restaurant*] at paras 65-67 [bold emphasis added]:

As part of my analysis of this ground of opposition, I need to address the argument raised at the hearing by the Applicant’s agent on the basis of Registration No. TMA205,682 for the trade-mark THE COURTYARD CAFE. The Applicant’s agent noted that the Applicant has owned the trade-mark THE COURTYARD CAFE since June 16, 2000 and that the Applicant and its predecessor-in-title have used the said trade-mark in Canada since at least as early as 1972. Therefore, as of August 29, 2000, the Opponent was the junior user of the trade-mark COURTYARD for restaurant services. Thus, the Opponent as a junior user cannot claim acquired distinctiveness of its trade-mark and could not possibly succeed in challenging the distinctiveness of the Mark. In support of its contention, the Applicant relies on the decisions *Remo*



*Imports Ltd. v. Jaguars Cars Limited et al* (2006), 2006 FC 21 (CanLII), 47 C.P.R. (4<sup>th</sup>) 1 (F.C.T.D.) and *Humpty Dumpty Foods Ltd. v. George Weston Ltd* (1989), 24 C.P.R. (3d) 354 (F.C.T.D.).

In the *Remo* decision, Justice Shore stated that a junior user should not be permitted to strengthen its case by generating evidence to show that it had a stronger claim by reason of usage of its trade-mark after becoming aware of the senior user's prior claim to the trade-mark. I note that since the *Remo* decision involves a passing-off and infringement/expungement action, it is arguably distinguishable from an opposition proceeding [see *Unilever Canada Inc. v Sunrider Corp.*, 2006 CarswellNat 2018, 2006 (T.M. Opp. Bd. Mar 27, 2006)]. That said, I acknowledge the following comments of Justice Shore at paragraph 327:

*The principle that junior users who adopt senior users' well known marks should not benefit from any acquired distinctiveness resulting from junior users' use of such misappropriated marks has been applied in situations other than expungement actions. For example: (...)*

*(3) In Humpty Dumpty, Mr. Justice Martin found that the Opposition Board should not have considered the applicant's (junior user's) use of its mark after the opponent's (senior user's) co-pending application for the same mark had been cited against the junior user's proposed use application, including junior user's use prior to the material date for considering the non-distinctiveness basis of opposition (i.e. the date the opposition was filed):*

*...I would also allow this appeal on the grounds that the chairman should not have received the evidence of the [junior user] with respect to the use of its proposed trademark after the [junior user] had received the notice of May 10, 1985, from the Trade marks Office that its proposed mark would not appear to be entitled to registration in view of the co-pending and conflicting application of the [senior user.]*

In my view, the *Remo* decision remains distinguishable from the present case, if only because it involved a famous trade-mark. In fact, there is no evidence in the present case that leads to the conclusion that the trade-mark THE COURTYARD CAFE was well known at the relevant date. Also, **since there is no evidence that the Opponent had any knowledge of the use of the trade-mark THE COURTYARD CAFE, I am of the view that the present case is distinguishable from the *Humpty Dumpty* decision.**

[38] In my view, this proceeding is not as easily distinguished from *Humpty Dumpty* as *Courtyard Restaurant* was. As mentioned, Beyond Restaurant has not provided evidence about

whether it was aware of the '344 Application when it commenced its use of POKEWORKS in Canada in September 2017. It was aware of the Declaration of Use having been filed and the resulting '822 Registration at least by April 2018, only about five months after the grand opening in November 2017 of Beyond Restaurant's first Canadian POKEWORKS restaurant. Moreover, absent demonstrated reputation in Canada of Beyond Restaurant's US use and promotion of POKEWORKS and inconclusive investigation results regarding Qiang Wang's use of the Mark, Beyond Restaurant has failed to dispel doubts concerning the validity of the '822 Registration. Such doubt accordingly must be resolved in favour of the validity of the registration.

[39] Turning finally to the issue of whether the '822 Registration is invalid on the basis of material misrepresentation, the Federal Court concluded in *Marchands Ro-Na Inc v Tefal SA (1981)*, 55 CPR (2d) 27 at para 7 that a misstatement of fact fundamental to the trademark's registration was sufficient to invalidate the registration *ab initio*:

[7] The respondent argued that the first mark should be maintained because since then, in December 1968, the mark had been absolutely assigned to the French company, which in fact had been using it. The subsequent assignment cannot cure the defect since the assignor had nothing to assign. T-Fal Corporation of New York was not the owner of a valid mark and had no title whatsoever to the T-Fal mark in Canada. The registration was void *ab initio*: it was obtained on misleading evidence and the true facts establish a complete absence of right in the assignor to any mark: *nemo dat quod non habet*.

[40] Justice Gleason (as she was then) more recently summarized the current law on material misrepresentations in *Coors Brewing Company v Anheuser-Busch, LLC*, 2014 FC 716 at para 37

[bold emphasis added]:

[37] Thus, in *Unitel* and *WCC*, this Court expanded the situations where expungement is **available in cases of innocent misrepresentation beyond misrepresentations on issues under section 12 of the Act to any circumstance where the misrepresentation allowed for the issuance of a**

**registration that otherwise would not have issued** (although in truth this was not so much an expansion as a reaffirmation of the principle set out by Justice Addy in *Marchands*, decided in 1981, where the Court invalidated a registration based on a false declaration of use).

[41] Under the governing legislation at the time the '822 Registration was issued, Qiang Wang was required to declare that use of the proposed use trademark had commenced in Canada in order to register the Mark: TMA s 40(2). While Qiang Wang filed a Declaration of Use, the evidence before this Court is inconclusive as to whether the Mark was used prior to the filing of the Declaration of Use or at all. Beyond Restaurant therefore, in my view, has not met the evidentiary threshold for establishing invalidity of the '822 Registration *ab initio*.

#### VI. Conclusion

[42] This application therefore is dismissed as Beyond Restaurant has failed to establish sufficient facts from which this Court can conclude, on a balance of probabilities, that the Mark has not been used, is not distinctive of Qiang Wang, and that Qiang Wang made any material misstatement when declaring that the Mark has been used in Canada in response to the Notice of Allowance issued in connection with the '344 Application.

[43] As Qiang Wang did not participate in this proceeding, no costs are awarded.

**JUDGMENT in T-1190-19**

**THIS COURT'S JUDGMENT is that** the application to declare Canadian trademark registration No. TMA985822 for the word mark pokeworks invalid and to strike it from the register of trademarks pursuant to section 57 of the *Trademarks Act*, RSC 1985, c T-13, is dismissed without costs.

“Janet M. Fuhrer”

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Judge

## Annex A: Relevant Provisions

**Trademarks Act, RSC 1985, c T-13, version in force from 2002-12-31 to present**

2 In this Act,

**distinctive**, in relation to a trademark, describes a trademark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or that is adapted so to distinguish them; (*distinctive*)

**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; (*personne intéressée*)

**Trademarks Act, RSC 1985, c T-13, version in force from 2002-12-31 to present**

6 (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;

**Loi sur les marques de commerce, LRC (1985) ch T-13, version de l'article 40 du 2002-12-31 au Présent**

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

**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. (*distinctive*)

**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. (*person interested*)

**Loi sur les marques de commerce, LRC (1985) ch T-13, version de l'article 40 du 2002-12-31 au Présent**

6 (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) the nature of the goods, 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.

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.

***Trademarks Act, RSC 1985, c T-13, version in force from 2019-06-17 to present***

***Loi sur les marques de commerce, LRC (1985) ch T-13, version de l'article 40 du 2019-06-17 au Présent***

**18 (1)** The registration of a trademark is invalid if

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

...

...

(b) the trademark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced;

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

***Trademarks Act, RSC 1985, c T-13, version in force from 2014-12-09 to 2019-06-16***

***Loi sur les marques de commerce, LRC (1985) ch T-13, version de l'article 40 du 2014-12-09 au 2019-06-16***

**40 (2)** When an application for registration of a proposed trade-mark is allowed, the Registrar shall give notice to the applicant accordingly and shall register the trade-mark and issue a certificate of registration on receipt of a declaration that the use of the trade-mark in Canada, in association with the goods or services specified in the application, has been commenced by

**40 (2)** Lorsqu'une demande d'enregistrement d'une marque de commerce projetée est admise, le registraire en donne avis au requérant. Il enregistre la marque de commerce et délivre un certificat de son enregistrement après avoir reçu une déclaration portant que le requérant, son successeur en titre ou l'entité à qui est octroyée, par le requérant ou avec son autorisation, une licence d'emploi de la marque de commerce aux termes de laquelle il contrôle directement ou indirectement les caractéristiques ou la qualité des produits et services a commencé à employer la marque de commerce au Canada, en liaison avec les produits ou services spécifiés dans la

demande.

- (a) the applicant;
- (b) the applicant's successor in title; or
- (c) an entity that is licensed by or with the authority of the applicant to use the trade-mark, if the applicant has direct or indirect control of the character or quality of the goods or services.

***Trademarks Act, RSC 1985, c T-13, version in force from 2019-06-17 to present***

**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 trademark.

***Loi sur les marques de commerce, LRC (1985) ch T-13, version de l'article 40 du 2019-06-17 au Présent***

**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 de commerce.

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1190-19

**STYLE OF CAUSE:** BEYOND RESTAURANT GROUP LLC v QIANG WANG

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** FEBRUARY 11, 2020

**JUDGMENT AND REASONS:** FUHRER J.

**DATED:** APRIL 15, 2020

**APPEARANCES:**

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