

Federal Court



Cour fédérale

Date: 20130905

Dockets: T-1761-11

T-1763-11

Citation: 2013 FC 935

Ottawa, Ontario September 5, 2013

PRESENT: The Honourable Mr. Justice Beaudry

BETWEEN:

SAINT HONORE CAKE SHOP LIMITED

Applicant

and

CHEUNG'S BAKERY PRODUCTS LTD.

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is an appeal under section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [the Act] of two decisions by the Trade-marks Opposition Board [the Board] dated June 20, 2011, with respect to the applicant's application no 1,329,118 for the trade-mark CHINESE CHARACTERS DESIGN [the mark] (file T-1761-11) and with respect to the applicant's application no 1,329,117 for the trade-mark SAINT HONORE CAKE SHOP & CHINESE CHARACTERS DESIGN (file no T-1763-11). It is also an appeal of two decisions by the Board dated August 1, 2011, in which the

Board corrected an omission it had made in the June 20, 2011 decisions. The decisions are hereinafter referred to collectively as “the decisions”.

[2] For ease of reference, the Court will indicate here the relevant facts, arguments and analysis which are different in files no T-1761-11 and T-1763-11.

[3] For the reasons that follow, the appeals shall be dismissed.

Background

[4] On December 13, 2006, the applicant filed an application to register the marks based on proposed use with the following wares:

(1) Metal containers for storage of food; tin-plate boxes and tin-plate containers for storage of food; metal boxes for preserving food; boxes made of common metal for storage of food; boxes made of paper or cardboard for packaging; wrapping, containers and bags for food.

(2) Adhesive tapes, labels of paper and tags for use with gift wrapping; ribbons; printed matter, namely menus advertising display boards of paper, advertising leaflets, posters and publications, namely, booklets and teaching materials in the field of food and drinks; brochures and catalogues.

(3) Coffee, tea, cocoa; bread, biscuits, cakes, cookies, moon cakes, pastry, candy, ice candy, chocolates, meat pies, egg cakes, New-Year cakes, puddings; ice cream, edible oils and fats; egg rolls, rice glue balls; buns; dumplings; rice-based snacks, glutinous rice dumplings; based snacks prepared from rice or cereals; sauces for cakes and pasta.

[5] In file no T-1761-11, the English translation for the Chinese characters is SAINT HONORE. In file no T-1763-11, the English translation for the Chinese characters is SAINT HONORE CAKE SHOP.

[6] On February 27, 2008, the respondent filed statements of opposition against the applications. The applicant served and filed counter statements in which it denied the respondent's allegations and put the respondent to the strict proof thereof.

[7] The applicant did not file any evidence on the oppositions and only the respondent filed written arguments regarding the applications. Both parties attended the oral hearing for both applications on March 10, 2007.

The Decisions under Review

[8] In file no T-1761-11, the Board refused the application in part, on June 20, 2011 (*Cheung's Bakery Products Ltd. v Saint Honore Cake Shop Ltd*, 2011 TMOB 95). On August 1, 2011, it corrected a minor omission in that decision (*Cheung's Bakery Products Ltd v Saint Honore Cake Shop Ltd*, 2011 TMOB 153). In T-1763-11, the application was refused in part on June 20, 2011 in *Cheung's Bakery Products Ltd v Saint Honore Cake Shop Ltd.*, 2011 TMOB 94 and corrected on August 1, 2011 in *Cheung's Bakery Products Ltd v Saint Honore Cake Shop Ltd*, 2011 TMOB 152.

[9] With respect to both marks, the Board found that the applicant had not discharged its burden of showing, on a balance of probabilities, that there was no reasonable likelihood of confusion

between the marks and the respondent's trade-marks with respect to the following wares [the overlapping wares]:

...wrapping, containers and bags for food; ...printed matter namely menus, advertising display boards of paper, advertising leaflets, posters and publications, namely, booklets and teaching materials in the field of food and drinks; ...coffee, tea, cocoa; bread, biscuits, cakes, cookies, moon cakes, pastry, candy, ice candy, chocolates, meat pies, egg cakes, New Year cakes, puddings, ice cream, edible oils and fats; egg rolls; rice glue balls; buns; dumplings; rice-based snacks, glutinous rice dumplings; based snacks prepared from rice or cereals; sauces for cakes and pasta

[10] Therefore, the Board allowed the grounds of opposition based on paragraph 12(1)(d) of the Act with respect to the overlapping wares only.

[11] It also found that the applicant failed to meet its burden under paragraph 16(3)(a) of the Act to establish no likelihood of confusion with the respondent's trade-marks, for which the respondent had established use prior to December 13, 2006 and non-abandonment as of January 9, 2008, with respect to the overlapping wares only. It is to be noted that in T-1763-11, the Board made the exact same finding, except that the date "January 9, 2008" was replaced by "February 13, 2008" (see para 133 of the decision).

[12] Lastly, the Board found that the respondent met its burden under paragraph 38(2)(d) of the Act in establishing that its trade-marks had become known sufficiently to negate the distinctiveness of the marks prior to February 27, 2008, with respect to the overlapping wares only.

Relevant Legislation

[13] The provisions of the Act relevant to these appeals are reproduced in annex.

I. Preliminary Issue

Applicant's arguments

[14] On appeal to this Court, the applicant filed the affidavit of Dr. Becky Xi Chen, sworn on November 25, 2011 [the Chen affidavit]. The applicant submits that the Court should accept the affidavit because it is relevant and is very important to its arguments. The applicant also alleges that there is no prejudice to the respondent and it is a counsel's error committed by inadvertence (*Poitras v Sawridge Band*, 2011 FCA 310).

Respondent's arguments

[15] The respondent objects to the admissibility of this affidavit because Dr. Chen is being put forward as an expert witness by the applicant and she admitted on cross-examination that she had never seen or read the Code of Conduct for Expert Witnesses that is set out as a schedule to the *Federal Courts Rules*, SOR/98-106 [the Rules]. As such, the affidavit does not comply with Rule 52.2(1)(c).

[16] In the alternative, the respondent argues that the Court should accord little weight to the Chen affidavit, as it is hard to reconcile her statement in a subsequent affidavit dated November 19, 2012, that she has, at all times in relation to her retainer, acted in accordance with the Code of Conduct, when the opinions she gave in her affidavit comprise, at least in part, written submissions going to an issue in dispute in these matters.

Analysis

[17] Rule 52.2(1)(c) requires that an expert's affidavit be accompanied by a certificate in Form 52.2, signed by the expert, acknowledging that the expert has read the Code of Conduct for Expert Witnesses set out in the schedule and agrees to be bound by it.

[18] In *Es-Sayyid v Canada (Minister of Public Safety and Emergency Preparedness)*, 2012 FCA 59 at para 42, the Federal Court of Appeal emphasized the mandatory nature of the requirement.

That Rule sets out an exacting procedure that must be followed for the admission of expert evidence, a procedure that, among other things, is designed to enhance the independence and objectivity of experts on whom the courts may rely: see Rule 52.2(2) and the Code of Conduct for Expert Witnesses in the Schedule to the Rules.

[19] Balancing the factors involved here, the Court is of the opinion that because Dr. Chen did not comply with Rule 52.2(1)(c), her affidavit is inadmissible. Dr. Chen's subsequent affidavit dated November 19, 2012 did not cure the defect in her initial affidavit sworn on November 25, 2011. As noted by the respondent, it is not in the interests of justice to make light of Rule 52.2 by permitting a witness to say nearly one year after preparing her expert evidence that she has complied with the Code of Conduct for Expert Witnesses after confirming on cross-examination that she had never seen or read it.

Issues

[20] The appeals raise the following issues:

1. Did the Board err in allowing the grounds of opposition based on paragraph 12(1)(d) of the Act with respect to the overlapping wares?

2. Did the Board err in allowing the grounds of opposition based on paragraph 16(3)(a) of the Act with respect to the overlapping wares?
3. Did the Board err in allowing the grounds of opposition based on paragraph 38(2)(d) of the Act with respect to the overlapping wares?

VII. Standard of Review

[21] In *CEG License Inc v Joey Tomato's (Canada) Inc*, 2012 FC 1541 at paragraphs 14 to 16, Justice Manson stated the following regarding the standard of review applicable on appeal if new evidence is filed before the Court.

14 Given new evidence was filed by the opponent in this matter that was not before the Opposition Board, the Court has an unfettered discretion to consider the matter and come to its own conclusion as to the correctness of the Board's decision, if the new evidence is significant and would materially affect the underlying decision: (*Bojangles' International, LLC v Bojangles Café Ltd*, 2006 FC 657 [*Bojangles'*]; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at paras 35, 37)

15 However, where no new significant evidence is added on appeal, the standard of review is reasonableness simpliciter (*Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145; *Novopharm Ltd v AstraZeneca AB*, 2001 FCA 296).

16 Thus, the real question for consideration by the Court is the nature and quality of the new evidence, and whether it materially affects the decision below, so that the standard is correctness, or whether the new evidence is not significant and would not materially affect the decision below, such that the standard of review is reasonableness and considerable deference should be given to the decision below (*Telus Corp v Orange Personal Communications Services Ltd*, 2005 FC 590 at 397; *aff'd* 2006 FCA 6 (FCA)).

In *Hudson's Bay Co v Beymen*, 2013 FC 124, Justice Hughes also cited these paragraphs as authority on standard of review in this context.

[22] The applicant maintains that the standard of review should be correctness. Whether based on a standard of reasonableness or correctness, the Court finds that the decisions at issue are reasonable and correct.

Evidence before the Board

[23] Only the respondent filed evidence before the Board. It consisted of certified copies of registration numbers TMA480,506; TM354,194; TMA354,193 and TMA667,403 along with the affidavits of Ronald Cheung Sr., Ronald Cheung Jr. [the 2008 Cheung Jr. affidavit], Bill Joyce and Qing Xie [the Xie affidavit]. The applicant obtained an order for cross-examination of the respondent's witnesses but did not proceed with the cross-examination.

New Evidence

[24] The only new evidence filed by the applicant on appeal is the Chen affidavit and the affidavit of Mr. Anthony Benevides sworn November 6, 2012. For the reasons above, the Court found the Chen affidavit to be inadmissible. But even if the Court is wrong on that determination, it agrees with the respondent that Dr. Chen is not qualified as an expert to provide her opinion regarding the evidence provided in the Joyce affidavit. Dr. Chen is not a statistician or otherwise qualified to provide an opinion on census information (para 55, respondent's record, volume 5, page 850). Therefore, little weight is given to her affidavit.

[25] The new evidence filed by the respondent in these proceedings consists of an affidavit by Mr. Ronald Cheung Jr., sworn January 16, 2012 [2012 Cheung Jr. affidavit], and an affidavit by Ms. Jenny Kwan.

[26] The 2012 Cheung Jr. affidavit updates the evidence submitted in the 2008 Cheung Jr. affidavit regarding the advertisement activities of the bakeries operated by the respondent and its licensee, which are directed at the Chinese community, as well as provides updated evidence regarding the annual individual customer transactions at the bakeries. The 2012 Cheung Jr. affidavit also mentions that in June and July 2010, the respondent distributed customer survey forms available either in English or in Chinese. The respondent received 2,259 survey forms in return, of which 1,905 were in Chinese and 354 in English.

[27] Ms. Jenny Kwan is a resident of East Vancouver and has been the Member of the Legislative Assembly (MLA) of British Columbia for the riding of Vancouver - Mount Pleasant since 1996. In her affidavit, she states that many in the Chinese-Canadian business community use business cards written in Chinese, advertise in Chinese and display signs on retail stores and businesses in Chinese. Her business card as well as notices and newsletters she has published, also include written Chinese. She points to examples of written notices in which the names of MLAs and Members of Parliament including those who neither speak nor write Chinese have included their Chinese names.

Arguments and Analysis

1. Did the Board err in allowing the grounds of opposition based on paragraph 12(1)(d) of the Act with respect to the overlapping wares?

Applicant's arguments

[28] The applicant submits there is no reasonable likelihood of confusion between its marks and the respondent's trade-marks.

[29] The applicant divides its argument into four sub-issues. First, the applicant submits the Board erred in finding that the average consumer of the respondent could read and understand Chinese characters. There was no evidence before the Board that supported this conclusion. Rather, the Board erroneously concluded that the ability to speak a Chinese language directly corresponded with the ability to read and understand the written Chinese language. At paragraphs 29 to 47 of its memoranda in T-1761-11 and T-1763-11, the applicant submits that the evidence in Dr. Chen's affidavit supports a finding that the average consumer of the respondent cannot read and understand Chinese characters upon immediate first impression. However, for the reasons above, the Court found this affidavit to be inadmissible.

[30] Second, the applicant maintains that none of the new evidence filed by the respondent in these appeals establishes that the average consumer of the respondent can read and understand Chinese characters. The statements contained in the Kwan and Cheung Jr. affidavits are personal opinions based on no substantiated factual basis. Moreover, the applicant submits that the following elements of Mr. Cheung Jr.'s and Ms. Kwan's evidence support the applicant's position:

- Mr. Cheung Jr. admitted that the respondent's advertising is always published with its name and address included in English;
- There is no factual basis to support Mr. Cheung Jr.'s estimate, based on his limited verbal interactions, that more of the respondent's customers are first generation rather than second generation Chinese. The mere fact that a person speaks Chinese does not mean that he is able to read and understand Chinese characters;
- Mr. Cheung Jr. himself is not fluent in the reading of Chinese characters, despite being born in Hong Kong, raised in the Chinese community in Vancouver and working in the family Chinese bakery business;
- Mr. Cheung Jr.'s statement in cross-examination that consumer response to Chinese language advertisement shows the respondent's customers' ability to read Chinese characters is inconsistent with his statement in his affidavit that most of the respondent's customers are either repeat customers or those who have heard of the business through word of mouth;
- While Ms. Kwan deals with many constituents who speak Chinese, she has no knowledge as to how many of the Chinese-Canadians with whom she meets can read and understand Chinese characters; and
- There is no evidence as to whether the respondent's customers, if able to read and understand Chinese characters, read simplified or traditional characters. Ms. Kwan herself was only educated in the traditional form of Chinese characters and she is generally unable to read simplified characters.

[31] The applicant argues that on first impression, the average consumer of the respondent would view the Chinese characters in the marks, as well as the respondent's trade-marks, simply as Chinese character "designs" with no immediate associated sound and see very little similarity between the parties' marks.

[32] Furthermore, the applicant maintains that Chinese characters may be used in association with a business for reasons other than conveying a written message. For example, they may be used to show that the store is associated with Chinese products and services, to show that services are available in Chinese and to respect the Chinese community. Therefore, the applicant underscores that it is most probable that the use of Chinese characters in the respondent's trade-marks is for indicating to consumers that the associated wares and services are of Chinese origin or that services are available in the Chinese language, rather than for actually directly communicating with consumers who read and understand the written Chinese language.

[33] The third sub-argument advanced by the applicant is that its marks bear no resemblance to the respondent's English language trade-mark or the respondent's combined Chinese and English language trade-marks in appearance, sound or idea suggested.

[34] Lastly, the applicant submits that from the perspective of a consumer who is unable to read and understand simplified Chinese characters, there is no reasonable likelihood of confusion between the parties' marks, as the marks are easily distinguishable in appearance.

[35] Furthermore, even if the average consumer of the respondent's wares and services is able to read and understand Chinese characters, the applicant's marks are clearly distinguishable from all of the respondent's trade-marks in sound and idea suggested. In T-1761-11, the applicant adds that its mark shares only two Chinese characters with the respondent's Chinese language trade-marks and that while its marks translate as "Saint Honore", the respondent's trade-marks translate as "Anna's Cake House". In 1763-11, the applicant submits its mark translates as "Saint Honore Cake Shop", a completely different meaning from the meaning of the respondent's trade-mark (which is "Anna's Cake House").

[36] With respect to the actual sound of the parties' marks, the applicant suggests that its mark in T-1761-11 transliterates as "sing on nah" and its mark in T-1763-11 transliterates as "sheng an na bing wu" while the respondent's Chinese character trade-marks transliterate as "on no bing uk" or "an na bin wu". When considered as a whole, the applicant argues the sounds in both files are clearly distinguishable.

Respondent's arguments

[37] The respondent responds that the circumstances of the present cases are similar to those in *Cheung Kong (Holdings) Ltd v Living Realty Inc (TD)*, [2000] 2 FC 501 at para 77 [*Cheung Kong*], where, even in 1999, Justice Evans took judicial notice of the fact that there was a substantial Chinese community in Toronto and that the growth of the community was sufficiently recent that many of its members would understand Chinese characters. The respondent maintains there is no jurisprudence to support the applicant's engagement in the debate about whether Chinese-Canadians are sufficiently literate to read the characters contained in each of the applicant's trade-marks and

the respondent's trade-marks. The only reasonable conclusion is that the average consumer at issue in these cases does read and understand Chinese characters sufficiently to recognize and understand the characters to which he or she has been exposed through the respondent's long history of use of the characters.

[38] With respect to the surrounding circumstances under subsection 6(5) of the Act, the respondent first submits that the evidence that Ms. Kwan was actually confused when she saw the applicant's trade-marks is an important surrounding circumstance.

[39] Second, the respondent maintains that the Court should not disturb the Board's finding that the paragraph 6(5)(a) factor of inherent distinctiveness of the trade-marks and the extent to which they have become known favoured the respondent, as the applicant made no submissions on this factor.

[40] Third, while the applicant's trade-marks were filed on the basis of proposed use in Canada and there is no evidence of use of the trade-marks in Canada, the respondent provided ample evidence of the extensive use of its trade-marks since 1974. Accordingly, the respondent submits the factor under paragraph 6(5)(b) of the length of time the marks have been in use favours the respondent.

[41] Fourth, the respondent asserts that the Court should not disturb the Board's findings on the paragraph 6(5)(c) and (d) factors of the nature of the wares, services and trade, as the applicant made no submissions on this factor and the Board found the products sold by the parties overlapped.

[42] Lastly, the respondent submits that as there was uncontradicted evidence before the Board on the issue of the pronunciation of the parties' trade-marks and the applicant has not filed any new relevant evidence on this point on appeal, the Board's findings on the degree of resemblance in the pronunciation should not be disturbed.

[43] In any event, the respondent notes that the Xie affidavit attests to the fact that the stylized script in the applicant's trade-marks, which are not in the respondent's Chinese character marks is akin to comparing Times New Roman font to Arial font; that the characters of the respondent's Chinese character marks are the same as all but one of the characters in the applicant's marks and are in the same order; and that the marks are pronounced exactly the same except for the addition of the first character. Finally, the respondent submits that in Mandarin, the applicant's marks are pronounced as "sheng an na bing wu" and the respondent's marks are pronounced as "an na bing wu" and in Cantonese, as "sing on no bing uk" and "on no bing uk" respectively.

Analysis

[44] Under paragraph 12(1)(d) of the Act, a trade-mark is not registrable if it is confusing with a registered trade-mark. Section 6 of the Act sets out how a trade-mark is confusing for the purposes of the Act. Pursuant to subsection 6(5), in determining whether a trade-mark is confusing, the Court or the Registrar, as the case may be, must have regard to all the surrounding circumstances including those specifically set out at subsection 6(5), namely:

- (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.

[45] The test for confusion is, as stated by the Supreme Court of Canada in *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20:

The test to be applied is 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 [mark], and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[46] As stated in *Canadian Schenley Distilleries Ltd v Canada's Manitoba Distillery Ltd*, [1975] 25 CPR (2d) 1 at para 15, the test is whether an average consumer would be confused:

To determine whether two trade marks are confusing one with the other it is the persons who are likely to buy the wares who are to be considered, that is those persons who normally comprise the market, the ultimate consumer.

[47] In the present case, the Court is of the opinion that it was open to the Board to find that a substantial portion of the respondent's actual consumers would be able to read and understand Chinese characters. As noted by the Board, the Cheung Jr. and Sr. affidavits establish that the respondent targets the Chinese community in the Greater Vancouver area. The respondent has prominently displayed the Chinese characters of its trade-marks for decades in the Greater Vancouver area, including in the exterior signage of the bakeries of the respondent and its licensee, as well as in letterhead, envelopes, business cards, promotional wedding pastry cards, and an entry

with a directory of businesses listed under their Chinese character names. The Cheung Jr. affidavit also demonstrates that the Chinese characters of the respondent's trade-marks are displayed prominently on its cake boxes, plastic bags and disposable paper pastry cup used to package the bakery products. The fact that the respondent uses Chinese characters consistently and in so many of its materials suggests that it believes many of its customers will be able to read and understand them (see *Cheung Kong*, above, at para 77).

[48] Moreover, the 2012 Cheung Jr. affidavit mentions a 2010 survey conducted by the respondent in June and July 2010 in which the respondent distributed customer survey forms available either in English or in Chinese. The respondent received 2,259 survey forms in return, of which 1,905 were in Chinese and 354 in English. The fact that 84% of the customers who filled out a survey could read and understand written Chinese lends further support to the Board's finding that a substantial portion of the respondent's actual consumers would be able to read and understand Chinese characters.

[49] The Board was also entitled to find that the surrounding circumstances favoured the respondent. First, it was open to the Board to find that by virtue of the inclusion of the first two Chinese characters in the respondent's trade-marks, pronounced as "an na" in Mandarin and "on no" in Cantonese, which translate to "Anna", the respondent's trade-marks possess a somewhat greater degree of inherent distinctiveness than the applicant's marks. Furthermore, given evidence of substantial annual sales and moderate advertising expenses directed primarily to the Chinese community, the evidence demonstrated that the respondent's trade-marks had become known in the greater Vancouver area, particularly among the Chinese community.

[50] Second, the Board did not err in finding that the factor regarding the length of time the parties' trade-marks had been in use overwhelmingly favoured the opponent. The applicant applied for trade-marks on the basis of proposed use in Canada and has not filed any evidence regarding the use of the marks in Canada. The respondent, on the other hand, filed substantial evidence to demonstrate that it and its predecessor in title have used its trade-marks for decades.

[51] Third, it was open to the Board to find that the issue of the nature of the wares, services or business, as well as the nature of the trade, favoured the respondent with respect to the overlapping wares, given the direct overlap of food products.

[52] Lastly, the Board was entitled to find that the parties' marks share some similarities in sound and in appearance. As noted by the respondent, there was uncontradicted evidence before the Board on the issue of the pronunciation of the parties' trade-marks and the applicant has not filed any new relevant evidence on this point on appeal. The evidence before the Board in the Xie affidavit was that the Chinese characters of the respondent's trade-marks would be pronounced as "an na bing wu" in Mandarin and "on no bing uk" in Cantonese. Ms. Xie stated that the Chinese characters of the applicant's mark in T-1763-11 would be pronounced as "sheng an na bing wu" in Mandarin and "sing on no bing uk" in Cantonese. With the only difference in sound being the word "sheng" in Mandarin and "sing" in Cantonese, it was entirely reasonable for the Board to find that the trade-marks share some similarities in sound.

[53] As for the appearance of the marks, Ms. Xie submitted uncontradicted evidence that the differences between the styles of the Chinese characters in the parties' marks are similar to reading

and understanding English language text in Arial font as compared to Times New Roman. The applicant has not filed any evidence that would justify disturbing the Board's finding that the trade-marks share some similarities in appearance.

[54] Thus, considering the surrounding circumstances, it was reasonable for the Board to allow the grounds of opposition based on paragraph 12(1)(d) of the Act with respect to the overlapping wares.

2. Did the Board err in allowing the grounds of opposition based on paragraph 16(3)(a) of the Act with respect to the overlapping wares?

Applicant's arguments

[55] The applicant submits that considering the new evidence filed in these appeals, the Board erred in finding that the applicant failed to meet its burden under paragraph 16(3)(a), as there is no reasonable likelihood of confusion between the parties' marks.

Respondent's arguments

[56] The respondent underlines that the material date for considering whether a party is entitled to register a proposed trade-mark under section 16 of the Act is the filing date of the application; in this case, December 13, 2006 for application 1,329,118, (at issue in T-1761-11) and December 12, 2006 for application 1,329,117 (at issue in T-1763-11). Given that the likelihood of confusion did not change between December 2006 and June 20, 2011, which is the date of the Board's decision

and the material date for considering whether a mark is confusing with a registered trade-mark, the respondent maintains that the applicant is not entitled to register its marks.

Analysis

[57] The Board did not err by finding that the applicant failed to establish no likelihood of confusion between its marks and the respondent's trade-marks with respect to the overlapping wares, as the respondent clearly established use of its trade-marks prior to December 2006 and the applicant has not filed any evidence that the likelihood of confusion changed between December 2006 and June 20, 2011.

3. Did the Board err in allowing the grounds of opposition based on paragraph 38(2)(d) of the Act with respect to the overlapping wares?

Applicant's arguments

[58] The applicant submits that given the Board's error in finding a reasonable likelihood of confusion, the Board erred in finding that the applicant's marks were not distinctive in respect of the overlapping wares.

Respondent's arguments

[59] The respondent submits that as with the entitlement to registration grounds of opposition, the Board's rejection of the applicant's marks on the ground of distinctiveness flowed from its conclusion that there was a likelihood of confusion between the parties' trade-marks. The applicant's marks are not distinctive in that they do not distinguish the applicant's wares and

services from the wares and services offered by the respondent, in view of the likelihood of confusion between the parties' trade-marks.

Analysis

[60] In view of the evidence submitted, the Court accepts that it was entirely open to the Board to find that the respondent had succeeded in establishing that its trade-marks had become known sufficiently to negate the distinctiveness of the marks prior to February 27, 2008, which is the date the respondent filed its statement of opposition and the material date. The Board's finding on this ground flowed from its discussion of the respondent's evidence under the ground of confusion and it was open to the Board to find that the difference in material dates was not significant.

[61] The Court requested the parties to try to come to an agreement for a lump-sum award as to the issue of costs. It had the benefit of their comments from their letter to the Court dated August 22, 2013. The applicant suggests \$20,541.20 inclusive of HST while the total claimed by the respondent is \$25,000.

[62] As stated in *Barzelex Inc v Ebn Al Waleed (The)*, [1999] FCJ No 2002 and reaffirmed in *Dimplex North America Ltd v CFM Corp*, 2006 FC 1403 at para 3, "...the Court should favour lump sum orders. It saves time and trouble for the parties and it is a more efficient method for them to know what their liability is for costs". The Court agrees with that reasoning and in the exercise of its discretion shall award a lump sum for an amount of \$22,500 for costs inclusive of HST for both appeals.

JUDGMENT

THIS COURT’S JUDGMENT is that:

- 1) The appeals in Court files T-1761-11 and T-1763-11 be dismissed;
- 2) The applicant shall pay a lump sum for an amount of \$22,500 inclusive of HST as costs to the respondent for both appeals.

“Michel Beaudry”

Judge

Annex

Relevant Legislation

Trade-Marks Act, RSC 1985, c T-13

<p><u>Definitions</u></p> <p>2. In this Act,</p> <p>“distinctive” « <i>distinctive</i> »</p> <p>“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;</p> <p>[...]</p> <p>“use” « <i>emploi</i> » ou « <i>usage</i> »</p> <p>“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;</p> <p>[...]</p>	<p><u>Définitions</u></p> <p>2. Les définitions qui suivent s’appliquent à la présente loi. es ou les services exécutés.</p> <p>[...]</p> <p>« distinctive » “<i>distinctive</i>”</p> <p>« 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.</p> <p>[...]</p> <p>« emploi » ou « usage » “<i>use</i>”</p> <p>« 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.</p> <p>[...]</p>
<p><u>When mark or name confusing</u></p> <p>6. (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark</p>	<p><u>Quand une marque ou un nom crée de la confusion</u></p> <p>6. (1) Pour l’application de la présente loi, une marque de commerce ou un nom commercial</p>

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 manner and circumstances described in this section.

Idem

(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.

Idem

(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.

créée 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 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.

Idem

(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.

Idem

(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

<p><u>Idem</u></p> <p>(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.</p>	<p>ce nom sont loués ou exécutés, par la même personne, que ces marchandises ou services soient ou non de la même catégorie générale.</p> <p><u>Idem</u></p> <p>(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.</p>
<p><u>What to be considered</u></p> <p>(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</p> <p>(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;</p> <p>(b) the length of time the trade-marks or trade-names have been in use;</p>	<p><u>Éléments d'appréciation</u></p> <p>(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 :</p> <p>a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;</p> <p>b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été</p>

<p>(c) the nature of the wares, services or business;</p> <p>(d) the nature of the trade; and</p> <p>(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.</p>	<p>en usage;</p> <p>c) le genre de marchandises, services ou entreprises;</p> <p>d) la nature du commerce;</p> <p>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.</p>
<p><u>When trade-mark registrable</u></p> <p>12. (1) Subject to section 13, a trade-mark is registrable if it is not</p> <p>[...]</p> <p>(d) confusing with a registered trade-mark;</p>	<p><u>Marque de commerce enregistrable</u></p> <p>12. (1) Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :</p> <p>[...]</p> <p>d) elle crée de la confusion avec une marque de commerce déposée;</p>
<p><u>Proposed marks</u></p> <p>16(3) Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the wares or services specified in the application, unless at the date of filing of the application it was confusing with</p> <p>(a) a trade-mark that had been previously used in Canada or made known in Canada by any other</p>	<p><u>Marques projetées</u></p> <p>16(3) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des marchandises ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion :</p> <p>a) soit avec une marque de commerce antérieurement employée ou révélée au Canada</p>

<p>person;</p> <p>[...]</p>	<p>par une autre personne;</p> <p>[...]</p>
<p><u>Statement of opposition</u></p> <p>38. (1) Within two months after the advertisement of an application for the registration of a trade-mark, any person may, on payment of the prescribed fee, file a statement of opposition with the Registrar.</p> <p><u>Grounds</u></p> <p>(2) A statement of opposition may be based on any of the following grounds:</p> <p>[...]</p> <p>(d) that the trade-mark is not distinctive.</p>	<p><u>Déclaration d'opposition</u></p> <p>38. (1) Toute personne peut, dans le délai de deux mois à compter de l'annonce de la demande, et sur paiement du droit prescrit, produire au bureau du registraire une déclaration d'opposition.</p> <p><u>Motifs</u></p> <p>(2) Cette opposition peut être fondée sur l'un des motifs suivants :</p> <p>[...]</p> <p>d) la marque de commerce n'est pas distinctive.</p>

FEDERAL COURT

SOLICITORS OF RECORD

DOCKETS: T-1761-11 and T-1763-11

STYLE OF CAUSE: SAINT HONORE CAKE SHOP LIMITED v.
CHEUNG'S BAKERY PRODUCTS LTD.

PLACE OF HEARING: Vancouver, BC

DATE OF HEARING: August 19, 2013

REASONS FOR JUDGMENT: BEAUDRY J.

DATED: September 5, 2013

APPEARANCES:

Me Kenneth D. McKay FOR THE APPLICANT

Me Christopher S. Wilson FOR THE RESPONDENT
Me Kwan T. Loh

SOLICITORS OF RECORD:

Me Kenneth D. McKay FOR THE PLAINTIFF
Sim Lowman Ashton & McKay LLP
Toronto, Ontario

Me Christopher S. Wilson FOR THE RESPONDENT
Me Kwan T. Loh
Bull, Housser & Tupper LLP
Vancouver, BC