

Federal Court



Cour fédérale

Date: 20160107

**Dockets: T-382-15
T-383-15**

Citation: 2016 FC 20

Ottawa, Ontario, January 7, 2016

PRESENT: The Honourable Mr. Justice LeBlanc

Docket: T-382-15

BETWEEN:

**KABUSHIKI KAISHA MITSUKAN GROUP
HONSHA**

Applicant

and

SAKURA-NAKAYA ALIMENTOS LTDA.

Respondent

Docket: T-383-15

AND BETWEEN:

**KABUSHIKI KAISHA MITSUKAN GROUP
HONSHA**

Applicant

and

SAKURA-NAKAYA ALIMENTOS LTDA.

Respondent

AMENDED JUDGMENT AND REASONS

I. Introduction

[1] These are appeals of two decisions of the Registrar of the Trade-marks - Trade-marks Opposition Board - (the Registrar), dated December 30, 2014, rejecting the opposition of Kabushiki Kaisha Mitsukan Group Honsha (the Applicant) to the registration of the word mark SAKURA (application no. 1, 520, 586) and the design mark SAKURA AND DESIGN (application no. 1, 520, 821) by Sakura-Nakaya Alimentos Ltda (the Respondent). As the same facts pertain to both applications, both appeals will be dealt with together in this decision. These appeals are made pursuant to section 56 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act).

[2] While the Respondent filed a letter informing the Court that it intended to participate in these appeals, it did not file a record nor attend the hearing. By letter dated November 20, 2015 (three days prior to the hearing), the Respondent advised that the parties were engaged in settlement negotiations and requested the Court consider such in the timing of the issuance of the Judgment in these matters. At the end of the hearing held *ex-parte* on November 23, 2015, the Court, being satisfied that the Applicant was not opposed to the Respondent's request, informed the parties that no decision would be released in this matter before December 23, 2015.

[3] The Court has received no further communications from the parties regarding these negotiations and is therefore ready to render judgment in both appeals.

II. Background

[4] On March 24 and 25, 2011, the Respondent filed registration applications for, respectively, the proposed use of the word mark SAKURA and of the design mark SAKURA AND DESIGN (the trade-marks) in association with sauces and condiments namely soy sauce, pepper sauce, teriyaki (oriental sauce derived from soy sauce), barbecue sauce, worcestershire sauce, sweet and sour sauce, and garlic sauce.

[5] On June 19, 2012, the Applicant, a Japanese company, filed a statement of opposition against the registration of both trade-marks. The Applicant claimed that at the date of filing the opposed applications and at any relevant date, the trade-mark SAKURA filed by the Respondent was confusing with a trade-mark, namely SAKURA, that had been used in Canada or made known in Canada by the Applicant or its distributor licensee for the North American market, Mizkan Americas Inc (Mizkan), for vinegar and/or products of the same nature as those covered by the opposed applications. Accordingly, the Applicant contended that the opposed applications should be refused pursuant to subsections 38(2)(c) and 16(3)(a) of the Act. The Applicant further alleged that the trade-mark SAKURA filed by the Respondent was not distinctive under section 2 of the Act.

[6] The Applicant's opposition to the registration of the trade-marks was rejected by the Registrar on the ground that the Applicant had failed to satisfy its initial burden to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition existed.

[7] In relation to the subsection 16(3)(a) ground of opposition, the Registrar found that the Applicant failed to prove that the alleged trade-mark SAKURA was used or made known in Canada prior to March 25, 2011 (the Material date). The Registrar noted in this regard from the dozens of copies of orders and sample invoices filed by the Applicant in support of this ground of opposition, that only three were dated prior to the Material date and that all three were issued by Mizkan to companies with Canadian addresses for sales of “4.2% Sakura Rice Vgr Label: Mitsukan”. While the Registrar found that the sample invoices supported the Applicant’s assertions of sales of its vinegar in Canada prior to the Material date, the Registrar found that there was no evidence that the invoices were associated with the goods at the time of the transfer of property or possession. Therefore, the Registrar found that the only evidence that could demonstrate the Applicant’s use of the SAKURA trade-mark in association with the Applicant’s vinegar within the meaning of section 4(1) of the Act were the labels affixed on the boxes containing the SAKURA vinegar. Since the labels did not identify the Applicant as the owner of the SAKURA trade-mark, the Registrar had to determine whether a licensing agreement within the meaning of subsection 50(1) of the Act existed between the Applicant and Mizkan.

[8] In support of its assertions that a licensing agreement did exist between the Applicant and Mizkan, the Applicant submitted a document entitled “Confirmatory License.” In analyzing the “Confirmatory License,” the Registrar found that since the license agreement was only executed on December 13, 2011, with no reference to past events or prior agreements, the use of the SAKURA trade-mark by Mizkan prior to December 13, 2011 did not accrue to the benefit of the Applicant.

[9] As a result, the Registrar found that the Applicant did not satisfy its initial burden of proving that its SAKURA trade-mark was used or made known in Canada prior to the Material date pursuant to subsection 16(3)(a) of the Act.

[10] With respect to the section 2 ground of opposition, the Registrar found that the only evidence of use that would enure to the benefit of the Applicant was that of Mizkan between the effective date of the license agreement, December 13, 2011, and the Material date for this ground of opposition, which it held to be the filing date of the statement of opposition, namely June 19, 2012.

[11] In view of the small volume of sales to a single customer in Canada and the relatively short period of use within the meaning of section 50 of the Act, the Registrar was not satisfied that the alleged trade-mark, SAKURA, had become known sufficiently to negate the distinctiveness of the Respondent's proposed SAKURA trade-mark in Canada as of June 19, 2012.

[12] The Applicant does not dispute the Registrar's findings. However, through evidence it filed before the Court, the Applicant claims that it has remedied the deficiencies identified by the Registrar and that this additional evidence would therefore have materially affected the Registrar's findings. In particular, the Applicant submits that this evidence, namely, the Solemn Declaration of Koji Nozawa, Mizkan's marketing director, demonstrates that its use of the SAKURA trade-mark was carried out in accordance with section 50 of the Act at all times since

1998, that is, well before the filing date of the Respondent's registration applications on March 24 and 25, 2011.

[13] The Applicant contends that this Court should consider its fresh evidence since Mr. Nozawa's Solemn Declaration demonstrates that Mizkan is a subsidiary of the Applicant and acts as distributor of the Applicant's products in North America. He further explains that the "Confirmatory License" signed between the Applicant and Mizkan was written to confirm an earlier verbal license agreement between the two companies, which was in force since at least as early as 1998 and up until December 13, 2011.

[14] The Applicant alleges that Mr. Nozawa's testimony demonstrates that it has satisfied its onus of establishing use of the SAKURA trade-mark in Canada through a licensee in accordance with section 50 of the Act prior to March 25, 2011 and thereafter. As a result, the Applicant asks this Court to refuse the Respondent's trade-marks since the fresh evidence demonstrates that the Applicant made prior use of the SAKURA trade-mark and that there is confusion between its SAKURA trade-mark and the Respondent's trade-marks.

[15] As indicated previously, the evidence filed by the Applicant in support of its appeals of the Registrar's decisions has not been challenged by the Respondent.

III. Issues and Standard of Review

[16] In my view, this matter raises the following two issues:

- i. Whether the fresh evidence adduced by the Applicant before this Court would have materially affected the Registrar's finding that Mizkan's use of the SAKURA trade-mark did not accrue to the benefit of the Applicant prior to December 11, 2012 and if in the affirmative;
- ii. Whether there is confusion between the parties' SAKURA trade-marks.

[17] Generally, questions of fact or law that are within the Registrar's expertise are reviewable against the reasonableness standard. In other words, this Court will only intervene if the Registrar's decision is clearly wrong (*Producteurs Laitiers du Canada v Cyprus (Commerce and Industry)*, 2010 FC 719, at para 28, 393 FTR 1[*Producteurs Laitiers du Canada*]; *Restaurants La Pizzaiolle Inc v Pizzaiolo Restaurants Inc*, 2015 FC 240, at para 40).

[18] As contemplated by subsection 56(5) of the Act, the reasonableness standard of review may give way to the correctness standard where additional evidence is filed with the Court. In such instances, the Court may exercise any discretion vested in the Registrar and come to its own conclusion. However, as explained by Justice Yves de Montigny, now a judge of the Federal Court of Appeal, in *Producteurs Laitiers du Canada*, this will only occur where the fresh evidence is relevant insofar as it fills a gap or remedies deficiencies identified by the Registrar or substantially adds to what has already been submitted. On the other hand, where the fresh evidence is repetitive and does not enhance the probative value of the evidence already adduced, the standard of reasonableness will continue to apply (*Producteurs Laitiers du Canada*, at para 28; see also *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145 (CA), at para 51).

[19] This Court's case law is clear that fresh evidence can only displace the deferential standard of reasonableness where it can be shown to have materially affected the Registrar's findings of fact or the exercise of his discretion (*Retail Royalty Co v Hawke & Co Outfitters LLC*, 2012 FC 1539, at para 31, 424 FTR 164) [*Retail Royalty Co*]. In other words, evidence that "merely supplements or confirms earlier findings, or which pertains to facts posterior to the relevant material date" is not sufficient to displace the burden. Moreover, the test is "one of quality, not quantity" (*Canadian Council of Professional Engineers v Apa - The Engineered Wood Assn*, [2000] 184 FTR 55, at para 36, 7 CPR (4th) 239; *Timberland Co v Wrangler Apparel Corp*, 2005 FC 722, at para 7, 272 FTR 270).

[20] If fresh evidence adduced by the Applicant is found to be material, then the Court's role is to "decide the issue on its merits" based on the evidence before it (*Maison Cousin (1980) Inc v Cousins Submarines Inc*, 2006 FCA 409, at para 4 [*Maison Cousin*]; *Accessoires d'Autos Nordiques Inc v Canadian Tire Corp*, 2007 FCA 367, at para 30). While the Court is usually hesitant to substitute its own decision for that of the Registrar, where there is evidence before the Court that the Registrar did not consider "the Court will generally consider the case as if it were a trial de novo and may reverse the Registrar's decision if the new evidence so requires" (*Cordon Bleu International Ltd v Renaud Cointreau & Cie* [2000] 10 CPR (4th) 367, at para 23, 102 ACWS (3d) 1150). In this respect, the Court is not obliged to defer to the delegate's decision. Instead, the Court must decide the issue on the basis of the evidence before it and the applicable legal principles (*Maison Cousin*, above at paragraph 7).

[21] The Federal Court of Appeal recently confirmed this principle in *Cathay Pacific Airways Limited v Air Miles International Trading BV*, 2015 FCA 253 at paragraph 15:

[15] The effect of section 56 was described as follows by the Supreme Court in *Mattel U.S.A. Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 S.C.R. 772 (S.C.C.), at paragraph 35:

Where fresh evidence is admitted, it may, depending on its nature, put quite a different light on the record that was before the Board, and thus require the applications judge to proceed more by way of a fresh hearing on an extended record than a simple appeal (*Philip Morris Inc. v. Imperial Tobacco Ltd. (No. 1)* (1987), 17 C.P.R. (3d) 289 (F.C.A.)). Section 56 suggests a legislative intent that there be a full reconsideration not only of legal points but also of issues of fact and mixed fact and law, including the likelihood of confusion.

IV. Analysis

A. *Would the fresh evidence adduced by the Applicant before this Court have materially affected the Registrar's findings?*

[22] As stated above, the key issue in the present appeals is whether the Applicant's fresh evidence demonstrates that a licensing agreement between the Applicant and Mizkan existed prior to the Material date and that the Applicant exerts direct or indirect control over the character or quality of the products distributed by Mizkan which are sold in association with the SAKURA trade-mark. For the reasons that follow, I believe that the Applicant has met this burden.

[23] The relevant portion of section 50 of the Act reads as follows:

50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the goods or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

50. (1) Pour l'application de la présente loi, si une licence d'emploi d'une marque de commerce est octroyée, pour un pays, à une entité par le propriétaire de la marque, ou avec son autorisation, et que celui-ci, aux termes de la licence, contrôle, directement ou indirectement, les caractéristiques ou la qualité des produits et services, l'emploi, la publicité ou l'exposition de la marque, dans ce pays, par cette entité comme marque de commerce, nom commercial — ou partie de ceux-ci — ou autrement ont le même effet et sont réputés avoir toujours eu le même effet que s'il s'agissait de ceux du propriétaire.

[24] It is well-established that for an applicant to meet the requirements of section 50(1) of the Act, it must demonstrate that a licensing agreement existed between itself and the licensee prior to the relevant date and that the licensor has “direct or indirect control of the character of quality of the goods” (*Fairweather Ltd v Registrar of Trade-marks*, 2006 FC 1248, at paras 51 and 52, 301 FTR 263 aff'd 2007 FCA 376; *Wells' Dairy, Inc v U L Canada Inc*, [2000] 7 CPR (4th) 77, at para 42, 98 ACWS (3d) 189 [*Wells' Dairy*]). Moreover, evidence of a formal licensing agreement is not necessary to establish the existence of a licensing agreement under section 50 of the Act (3082833 *Nova Scotia Co v Lang Michener LLP*, 2009 FC 928 [*Nova Scotia*]; *Wells' Dairy*, above at para 38; *TGI Friday's of Minnesota Inc v Canada (Registrar of Trade Marks)*, [1999] 241 NR 362, *sub nom Lindy v Canada (Registrar of Trade Marks)*, at para 9, 88 ACWS (3d) 201) As stated by Justice Kelen in *Nova Scotia* at paragraph 32:

[32] [...] A licensing agreement may be inferred from the facts [and] [...] need not be in writing [Wakefield Realty Corp. v. Cushman & Wakefield Inc., 2004 FC 210, 247 F.T.R. 180 (F.C.), at para. 56]. However, the mere fact that there is some common control between the applicant's companies is not sufficient to establish that the use of the trade-mark was controlled and therefore infer a licensing agreement [Cheung Kong (Holdings) Ltd. v. Living Realty Inc. (1999), [2000] 2 F.C. 501, 179 F.T.R. 161 (Fed. T.D.), at paras. 44-45]. Evidence of control has to be adduced.

[25] In *Empresa Cubana del Tabaco v Shapiro Cohen*, 2011 FC 102, 383 FTR 164, Justice

Kelen explained at paragraph 84, the three manners in which control can be demonstrated:

[84] There are three main methods by which registered owners of trade-marks can demonstrate the control required to benefit from the deeming provision in section 50(1) of the Act:

1. they can clearly swear to the fact that they exert the requisite control: see, for example, *Mantha & Associés/Associates v. Central Transport Inc.* (1995), 64 C.P.R. (3d) 354 (Fed. C.A.), at paragraph 3;
2. they can provide evidence that demonstrates that they exert the requisite control: see, for example, *Eclipse International Fashions Canada Inc. c. Shapiro Cohen*, 2005 FCA 64 (F.C.A.), at paragraphs 3-6; or
3. they can provide a copy of a license agreement that explicitly provides for the requisite control.

[26] In my view, the affidavit of Mr. Nozawa submitted before this Court falls under the first category listed above as Mr. Nozawa swears that:

Under the verbal license concerning the trade-mark SAKURA that was in force from at least as early as 1998 until December 13, 2011 and that also covered Canada [...] [the Applicant] handled the quality control of all the goods produced by [Mizkan] that were sold in Canada under the trade-mark SAKURA during that period.

[27] In my view and in the absence of any rebuttal evidence or arguments from the Respondent, Mr. Nozawa's affidavit constitutes uncontradicted evidence that the Applicant exerts control over the quality of the rice vinegars distributed by Mizkan whose boxes are affixed with the SAKURA trade-mark. I am also of the view that given Mr. Nozawa's uncontradicted testimony and based on the record before the Court, a verbal license agreement can be inferred between the Applicant and Mizkan and that the "Confirmatory License" agreement between them was signed to confirm the existence of their verbal license agreement.

[28] Thus, the fresh evidence submitted by the Applicant fills in gaps identified by the Registrar, namely, Mr. Nozawa's testimony demonstrates that Mizkan's use of the SAKURA trade-mark accrued in favour of the Applicant since at least 1998 and would have materially affected the Registrar's determination that the Applicant did not satisfy its initial evidentiary burden under subsection 16(3) of the Act.

[29] As explained by the Registrar, the Applicant has an initial evidentiary burden to demonstrate that its SAKURA trade-mark was used or made known in Canada prior to the material date and has not been abandoned at the date of advertisement of each of the applications (*Joseph Seagram & Sons Ltd v Seagram Real Estate Ltd*, [1984] 3 CPR (3d) 325, at para 5, TMOB No 69; *John Labatt Ltd v Molson Companies Limited*, [1990] 30 CPR (3d) 293, at para 36, 36 FTR 70).

[30] To demonstrate prior use, the Applicant submitted copies of documents purporting to show orders of SAKURA marked vinegar dated between 1999 and 2012 and a number of sample

invoices. While the orders indicate that sales of SAKURA marked vinegar have been made in Canada since at least December 21, 1999, in my view, the orders are not convincing evidence that the Applicant was selling SAKURA vinegar in Canada through its verbal license agreement with Mizkan since neither Mizkan nor the Applicant's name appears on the order documents.

[31] On the other hand, the Registrar made a finding of fact that the sample invoices support Mr. Nozawa's assertions of sales of the Applicant's vinegar in Canada prior to the Material date. Of the sample invoices provided, only the first three are relevant for establishing prior use as the other invoices post-date the Material date. These three invoices indicate that Mizkan sold 240 cases of the Applicant's vinegar in Canada bearing the SAKURA label since July 19, 2010 which totaled \$4,172.00 in sales. Given the evidence of sales and the Applicant's demonstration that the SAKURA trade-mark was affixed on boxes carrying the Applicant's wares at the time of the transfer of wares in accordance with section 4(1) of the Act, I am satisfied the Applicant has met its initial evidentiary burden of demonstrating prior use of the SAKURA trade-mark (*Aerosol Fillers Inc (1980) v Plough (Canada) Ltd*, [1981] 1 FC 679, at para 11, 5 ACWS (2d) 317; *Playboy Enterprises Inc v Germain*, [1988] 1 FC 163, at para 13, 13 FTR 178).

[32] Moreover, the evidence accepted by the Registrar demonstrates that the Applicant did not abandon the SAKURA trade-mark before the material date of June 19, 2012. On this point, the Registrar found that between the signing of the confirmatory licensing agreement on December 13, 2011 and June 19, 2012, Mizkan sold 120 cases of SAKURA vinegar representing approximately \$2,300.00 in sales.

[33] Since I find that the Applicant has met its initial evidentiary burden under section 16(3)(a) of the Act and that the mark has not been abandoned, I must determine whether there is confusion between the Applicant's SAKURA trade-mark and the Respondent's trade-marks.

B. *Is there confusion between the parties' SAKURA trade-marks?*

[34] The test for confusion is set out in subsection 6(5) of the Act, which reads as follows:

6. (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark 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.

6. (1) Pour l'application de la présente loi, une marque de commerce ou un nom commercial créé 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.

[...]

[...]

(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

(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) the inherent distinctiveness of the trade-marks or trade-names and the extent to which

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure

they have become known;	dans laquelle ils sont devenus connus;
(b) the length of time the trade-marks or trade-names have been in use;	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;	c) le genre de produits, services ou entreprises;
(d) the nature of the trade; and	d) la nature du commerce;
(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.	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.

[35] As I explained in *Pizzaiolle*, above, the test for confusion is applied from the point of view of the average consumer. As I stated in that case at paragraph 54:

[54] [...] in order to determine whether there is confusion between two trade-marks, one for which registration is sought and the other already registered or previously in use, one must ask oneself whether, as a first impression in the mind of a casual consumer somewhat in a hurry, the sight of the mark for which registration is being sought is likely to give the impression, at a time when he or she has no more than an imperfect impression of the mark already registered and previously in use, and does not pause to give the matter any detailed consideration or scrutiny, or to examine closely the similarities and differences between the two marks, that the wares or services associated with these marks were produced, sold or provided, as the case may be, by the same person (*Veuve Clicquot Ponsardin c. Boutiques Cliquot Ltée*, [2006] 1 S.C.R. 824 (S.C.C.) [*Veuve Clicquot Ponsardin*] at para 20; *Masterpiece*, above, at para 40; and *Miss Universe Inc. v. Bohna* (1994), [1995] 1 F.C. 614 (Fed. C.A.) [*Miss Universe*] at paras 10-11).

[36] Generally, the Respondent has the burden of demonstrating that there is no confusion between the marks (*Pizzaiolle*, at para 57). In this case, as the Respondent did not submit any materials before the Court, I reviewed the arguments it submitted before the Registrar.

[37] Regarding the inherent distinctiveness of the SAKURA mark, I agree with the Applicant that both parties' marks are composed of the same foreign word and have approximately the same amount of inherent distinctiveness. Therefore, this factor is neutral.

[38] With respect to the length of time each mark has been in use, since the Respondent's mark is a proposed use trade-mark, it has never been used in Canada. As I stated above, the evidence suggests that the Applicant's trade-mark has been in use in Canada since at least July 19, 2010. This factor favours the Applicant.

[39] Regarding the nature of the wares, the Applicant contends that there is an overlap between the parties' activities since they both sell food products belonging to the same category, namely, condiments that enhance the taste of food. The Respondent however argued before the Registrar that while the wares fall within the food category, the descriptions are clearly different especially since the Respondent does not list vinegar as one of its wares. In my view, this factor favours the Applicant since despite the fact that the Respondent does not sell vinegar, vinegars and sauces fall under the same type of food category and it is therefore possible for the wares of both parties to be sold through the same channels of trade and potentially the same retailers (*Beavertails Brands Inc v 465708 Ontario Inc*, 2014 TMOB 90, at para 36).

[40] With respect to the nature of the trade, the Supreme Court of Canada has taken the view that the Court must consider “what the respondent was doing, but also what it could do, considering the lack of restrictions in the registration of its trade-mark” (*Masterpiece*, above at para 53; see also *Maison Cousin*, above at para 15). Since there are no restrictions to the Respondent’s trade-mark applications in this case, its SAKURA marked products could be sold in the same retail establishments where the Applicant’s products are sold. Therefore, I agree that this factor favours the Applicant.

[41] In my view, the degree of resemblance is strong since both marks share the word SAKURA. As the Supreme Court stated in *Masterpiece* at paragraph 49:

[49] [...] the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis (K. Gill and R. S. Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition* (4th ed. (loose-leaf)), at p. 8-54; R. T. Hughes and T. P. Ashton, *Hughes on Trade Marks* (2nd ed. (loose-leaf)), at §74, p. 939). As Professor Vaver points out, if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar (Vaver, at p. 532). As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start (Vaver, at p. 532).

[42] Given the strong degree of resemblance between the marks and since the other factors favour the Applicant save the neutral factor, I am of the view that the test for confusion favours the Applicant.

[43] Accordingly, the appeal is allowed and the Registrar's decision is set aside. The Respondent is not entitled to register its trade-marks bearing the applications nos. 1, 520, 586 and 1, 520, 821.

[44] Since the Applicant met its initial evidentiary burden under subsection 16(3)(a) of the Act, there is no need for me to consider the grounds of opposition under section 2 of the Act as the applicant need only raise one substantial issue for decision pursuant to subsection 38(4) and 38(4) of the Act (see also *Shell Canada Ltd v PT Sari Incofood Corp*, 32 CPR (4th) 180, at para 4, rev'd on other grounds 2008 FCA 279).

[45] Given that these appeals were brought to remedy deficiencies identified by the Registrar in the evidence submitted by the Applicant in support of its opposition to the Respondent's registration applications, and not to overturn any error that would have been committed by the Registrar, the Applicant will bear its costs in these appeals.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The appeals in both Court Docket T-382-15 and T-383-15 are allowed;
2. The decisions of the Registrar of Trade-marks, dated December 30, 2014, rejecting the Applicant's opposition against trade-mark applications bearing numbers 1, 520, 586 and 1, 520, 821 for the registration of the trade-marks SAKURA and SAKURA & DESIGN, respectively, are set aside;
3. The trade-mark applications numbers 1, 520, 586 and 1, 520, 821 for the registration of the trade-marks SAKURA and SAKURA & DESIGN, respectively, are refused;
4. The Registrar of Trade-marks shall carry out the present order; and
5. No costs.

"René LeBlanc"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKETS: T-382-15 AND T-383-15

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STYLE OF CAUSE: KABUSHIKI KAISHA MITSUKAN GROUP HONSHA v
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AND DOCKET: T-383-15

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SAKURA-NAKAYA ALIMENTOS LTDA.

PLACE OF HEARING: MONTRÉAL, QUEBEC

DATE OF HEARING: NOVEMBER 23, 2015

JUDGMENT AND REASONS: LEBLANC J.

DATED: JANUARY 7, 2016

AMENDED: JANUARY 13, 2016

APPEARANCES:

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FOR THE APPLICANT

No appearance

FOR THE RESPONDENT

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