

Federal Court



Cour fédérale

Date: 20230208

Docket: T-349-21

Citation: 2023 FC 190

Ottawa, Ontario, February 8, 2023

PRESENT: The Honourable Justice Fuhrer

BETWEEN:

CHEUNG'S BAKERY PRODUCTS LTD.

Applicant

and

EASYWIN LTD.

Respondent

JUDGMENT AND REASONS

I. Overview

[1] The Applicant seeks the expungement of two trademark registrations in the name of the Respondent, namely, registration numbers TMA1044058 and TMA1044062, both dated July 23, 2019, for Chinese Characters & Design.

[2] For the reasons that follow, I grant the Applicant's application.

II. The Parties and their Trademarks

[3] The parties are in direct competition in the field of bakery goods and related services.

[4] The Applicant, Cheung's Bakery Products Ltd. [CBP] began its family-owned and operated bakery business in Vancouver, British Columbia in 1974. Together with its licensee, Cheung's Bakery & Coffee Shop Ltd. [Licensee], CBP currently operates 4 stores in the Greater Vancouver Area in association with the registered trademarks shown below (having the corresponding registration numbers and dates):

CBP's Trademark	Registration Number and Date
ANNA'S CAKE HOUSE	TMA354194 March 31, 1989
安娜餅屋	TMA480506 August 14, 1997
安 Anna's 娜 Cake 餅 House 屋	TMA667403 July 12, 2006

[5] CBP also has applied to register the following trademark (having the corresponding application number and filing date):

CBP's Trademark	Application Number and Filing Date
安娜	2026952 May 6, 2020

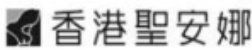
[6] CBP's main bakery, which also is the original bakery that CBP first opened in June 1974, does all the manufacturing of bakery products for that location and for the other three locations operated by its Licensee. Annual sales revenue of bakery products sold in association with


CBP's registered trademarks has exceeded \$1.8 million since 2000 and has exceeded \$2.5 million since 2011.

[7] The Respondent, Easywin Ltd. [Easywin] and Saint Honore Cake Shop Limited [Saint Honore] are wholly-owned subsidiaries of Saint Honore Holdings Limited [collectively, Saint Honore Group]. Easywin is a holding company, while Saint Honore is the operating company. The Saint Honore Group engages in the manufacture, distribution and sale of bakery and other products in Hong Kong, Macau, China and foreign markets, including in Canada. Established in 1972, Saint Honore is now one of the largest chains of bakery stores in Hong Kong, with annual revenues in excess of HKD 1 billion (approximately CAD 160 million) from 2017 to 2020.

[8] In addition to operating a bakery chain, Saint Honore offers packaged food products distributed in Hong Kong through its stores and third-party retail outlets located throughout Hong Kong, Macau and southern China. The annual revenue from packaged food products sold outside China, including in Canada, was approximately HKD 3 million in 2020 (approximately CAD 500,000).

[9] Easywin obtained registrations for the following trademarks in Canada on July 23, 2019 under the numbers indicated:

Easywin's Trademark	Registration Number
	TMA1044058

 香港 聖安娜	TMA1044062
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[10] Easywin asserts that its registered trademarks have been used in Canada in connection with the goods and services listed in their registrations since at least as early as August 2020. Easywin's goods (primarily packaged food products) have been sold and offered for sale in Ontario and British Columbia through their distributor, Canda Six Fortune Enterprise Co. Ltd. [Canda Six Fortune], since August 2020. Based on information provided by Canda Six Fortune, the retail sales value of goods bearing Easywin's trademarks in Canada was expected to exceed \$592,000 in 2020.

[11] Both parties use their respective trademarks on packaging for their products (that is, predominantly bakery-related goods and services) sold in Canada, while CBP's evidence also demonstrates the use of its registered trademarks on store signage, stationery, and in advertising and promotional material for CBP's products.

III. The Parties' Evidence

A. *Expert Witnesses*

- (1) CBP's Expert Witness: *Mr. Wenhui Zhong*

[12] Mr. Wenhui Zhong is a Certified Court Interpreter in Cantonese and Mandarin and a Certified Translator in Chinese of the Society of Translators and Interpreters of British Columbia. He is fluent in English, Mandarin, Cantonese, and in reading and understanding Chinese characters.

[13] Mr. Zhong reviewed the Chinese characters found in the CBP's trademarks, including the applied-for trademark, and in Easywin's trademarks. According to Mr. Zhong, the last two Chinese characters found in each of Easywin's trademarks are the same first two characters found in two of CBP's registered trademarks containing Chinese characters and the same two characters found in the applied-for trademark, with different script styles analogous to different fonts. The pronunciation of these same characters in Mandarin is "an na" and in Cantonese is "on naa" and would be translated in English as "Anna." Mr. Zhong opines further that, in English, CBP's trademarks containing Chinese characters translate to "Anna's Cake House", and Easywin's trademarks translate to "Hong Kong Saint Anna" or "Saint Anna of Hong Kong."

[14] Mr. Zhong was not cross-examined.

(2) Easywin's Expert Witnesses

i. *Dr. Michael Mulvey*

[15] Dr. Mulvey is a tenured faculty member and Section Head of Marketing/Organizational Behaviour and Human Resources at the University of Ottawa's Telfer School of Management.

He earned a PhD in Business Administration-Marketing from Penn State University in 1997. His field of expertise is consumer behaviour, branding, and retail marketing strategy.

[16] According to Dr. Mulvey, an average Canadian consumer generally would consider marks comprised of non-Latin character as designs, and not as word marks or trademarks comprised of words. Further, the consumer would not have the ability to deduce meanings from the non-Latin characters. Dr. Mulvey confirmed during cross-examination that he based the entirety of his opinion on the definition of a Canadian consumer that was given to him by Easywin's counsel, namely, that it refers to an average Canadian consumer who cannot read and understand Chinese characters.

[17] Dr. Mulvey opines that a Canadian consumer likely would perceive Easywin's trademarks and CBP's trademarks as marks that include design elements, and that it is unlikely an average Canadian consumer would compare the non-Latin characters with the characters of another trademark. He also is of the opinion that a Canadian consumer would be drawn to the stylized graphic feature in front of the non-Latin characters in Easywin's trademarks, and likely would draw similarities or distinguish Easywin's trademarks from other trademarks based on the presence or absence of this stylized graphic.

ii. *Mr. Sonny Wong*

[18] Mr. Sonny Wong is the co-founder of a multicultural marketing-communication agency with an emphasis on Chinese language communication and has a Bachelor of Commerce degree in Marketing. He has over 30 years of experience in marketing and communications, and

developed expertise in multicultural marketing, including marketing campaigns involving Chinese language communications.

[19] According to Mr. Wong, there are multiple market segments within the Chinese-Canadian market with varying levels of comprehension of Chinese languages. Mr. Wong opines that consumers in the Chinese-Canadian market tend to distinguish between trademarks based on small differences, particularly with respect to brand names originating from China or Asia in general. Mr. Wong explains this behaviour of these consumers by, among other reasons, their tendency to travel between Canada and China to a greater degree than the average Canadian, the operation of the “Bamboo Network” (i.e., a network consisting of connections within the Chinese community globally), and their exposure to counterfeit goods.

[20] To assess the general impression of a trademark containing Chinese characters on the mind of a consumer within the Chinese-Canadian market, Mr. Wong opines that it is necessary to consider: (i) the perception of those who can read and understand Chinese characters; and (ii) the perception of those who cannot read or understand Chinese characters.

[21] Mr. Wong expresses the view that a consumer in the Chinese-Canadian market who cannot read and understand Chinese characters is likely to pay more attention to the design element of Easywin’s trademarks and notice the difference in the number of characters between Easywin’s trademarks and CBP’s trademarks. A consumer in the Chinese-Canadian market who can read and understand Chinese characters, however, will notice the design element in

Easywin's trademarks, but this consumer will also read and understand all five Chinese characters in Easywin's trademarks and distinguish the characters from CBP's trademarks.

[22] Mr. Wong disclosed during cross-examination that he did not collect any data or conduct any statistical testing, and that he did not refer to any academically peer-reviewed articles to support his hypotheses. Mr. Wong described that his opinion is based on his observations and on his years of experience working in marketing, particularly working with Chinese-Canadian consumers.

B. *Fact Witnesses*

(1) CBP's Facts Witnesses

i. *Mr. Ron Cheung Jr.*

[23] Mr. Cheung Jr. is the Operations Manager of CBP. In his affidavit, he provides information on the background and history of CBP, CBP's operations and its Licensee, CBP's trademark use in association with its goods and services, and CBP's advertising and sales activities.

[24] Mr. Cheung Jr. was cross-examined about his estimation that about 80 to 85 percent of CBP's customers are Chinese in origin, and about his reference to an in-store survey conducted by CBP. It was revealed that CBP created the questions in the survey, that the marketing company they used only worked on the layout of the survey, that CBP collected and analyzed the data, that the survey was given to customers when they would make a purchase, and that the

survey would capture only customers who came back a second time within June and July 2010 to return their survey in exchange for ten percent off their next purchase.

ii. *Ms. Candy Ka Ning Tong*

[25] Ms. Tong is a Senior Associate in a Hong Kong law firm who conducted searches in the Hong Kong Companies Registry and Trademarks Registry. Ms. Tong declares that Easywin and Saint Honore share the same registered office address in Hong Kong and the same three directors, and that Saint Honore is the presenter of Easywin's documents filing. Ms. Tong concludes that Easywin and Saint Honore are connected and operated by the same individuals.

[26] Ms. Tong was not cross-examined.

(2) Easywin's Facts Witnesses

i. *Ms. Carrina Man Li Wong*

[27] Ms. Wong is the Managing Director of Saint Honore and a Director of Easywin. She provides information on the background and history of Saint Honore, its operations, sales, advertisements and competitors, and on its use of the registered trademarks at issue in association with goods and services.

ii. *Ms. Kathy Paterson*

[28] Ms. Paterson is a law clerk with Easywin's counsel. She attaches to her affidavit certified copies of various trademark registrations and definitions from dictionaries.

IV. The Issues and Relevant Dates

[29] There is a preliminary issue regarding CBP's standing under section 57 of the *Trademarks Act*, RSC 1985, c T-13 [*TMA*], to bring this expungement application. See Annex "A" for relevant legislative provisions.

[30] There also are preliminary issues with respect to the parties' expert witnesses that I address in the Analysis section below.

[31] Otherwise, CBP raises the following grounds of expungement under section 18 of the *TMA*:

- (1) Paragraph 18(1)(a) – Easywin's trademarks are not registrable under the *TMA* s 12(1)(d) because of confusion with CBP's trademarks registered under numbers TMA480506 dated August 14, 1997 for Chinese Characters Design and TMA667403 dated July 12, 2006 for ANNA'S CAKE HOUSE + Chinese Characters Design; the relevant date for assessing this ground is July 23, 2019, being the date of registration of Easywin's trademarks;
- (2) Paragraph 18(1)(b) – Easywin's trademarks are not distinctive as of February 22, 2021, the date when CBP commenced this proceeding;
- (3) Paragraph 18(1)(d) – Easywin is not the person entitled to registration of the impugned trademarks; the relevant date for assessing this ground is the date of filing of the underlying trademark applications, namely, September 26, 2017 (because the trademark applications were based on proposed use of the trademarks in Canada); and
- (4) Paragraph 18(1)(e) – The underlying trademark applications were filed in bad faith; the relevant date for assessing this ground also is September 26, 2017, the date of filing of the trademark applications.

[32] The relevant dates can be found directly in the claimed grounds of invalidity, with the exception of paragraph 18(1)(d) which directs us to section 16 of the *TMA* which in turn deals with entitlement. Whether considering subsection 16(3) as it existed prior to June 17, 2019 when substantial changes to the *TMA* came into force, or current subsection 16(1), the relevant date applicable to the non-entitlement ground claimed here would be the same in the circumstances, that is the date of filing of the applications. This is so because Easywin's evidence is that its trademarks were not used in Canada until after the applications to register them were filed.

[33] The parties agree, as do I, that the claimed grounds of invalidity turn on the likelihood of confusion between their respective trademarks. Consequently, after addressing the preliminary issues, the reasons below embark on the confusion analysis. A consideration of the ground of bad faith will round out the reasons.

V. Analysis

A. *Preliminary Issues*

(1) CBP's standing

[34] I am satisfied that CBP has met the low threshold of establishing that it is a "person interested" as defined in the *TMA* s 2 and as required by the *TMA* s 57.

[35] First, I note that Easywin takes no position regarding this issue.

[36] Second, it is sufficient if the person seeking expungement has used the asserted trademark(s) on which it relies in the proceeding prior to the registration of the challenged trademark(s): *CIBC World Markets Inc. v Stenner*, 2010 FC 397 at paras 19-20; *Beijing Jingdong 360 du E-commerce Ltd. v Zhang*, 2019 FC 1293 at para 11; *Blue Seal Inc. v Poorter*, 2020 FC 178 at para 10.

[37] I find that CBP's evidence in this proceeding, notably the affidavit of Ron Cheung Jr. dated May 13, 2021, establishes that CBP used its registered trademarks in Canada before Easywin's impugned trademarks were registered.

(2) Each party objects to other party's expert evidence

[38] I note that neither party sought to disqualify their respective expert(s) from providing evidence, further to Rule 52.5 of the *Federal Courts Rules*, SOR/98-106. I therefore consider their objections in the context of the weight to be assigned their respective expert evidence.

[39] Regarding CBP's expert, Mr. Wenhui Zhong, he was not cross-examined, and therefore, I agree with CBP that his evidence stands uncontroverted. It is late in the proceeding for Easywin to complain in written and oral submissions regarding this expert's qualifications. That said, in my view, his evidence must be considered in the context of his qualifications as a translator.

[40] Regarding Easywin's expert, Mr. Sonny Wong, I give low weight to his evidence. I don't disagree necessarily with Easywin's argument that experience and observation are a form of data collection. I agree with CBP, however, that Mr. Wong's hypotheses are unsupported by any

statistical testing, peer-reviewed articles, or a formal survey. To a degree, they also involve legal conclusions that fall to the Court to make.

[41] For example, Mr. Wong was questioned in cross-examination about his hypotheses that Chinese-Canadians are more able than non-Chinese-Canadians to distinguish small differences in trademarks, as between different brands, for cultural and other reasons resulting in a level of “hypersensitivity” in the relevant market. In my view, the extent to which a difference or differences between trademarks may serve to distinguish them is a legal conclusion the Court must make in a confusion analysis where, as here, confusion is an issue to be determined.

[42] Further, when asked if he had conducted a formal survey, Mr. Wong replied that his opinions are based on observation and years of experience in marketing. He also confirmed that he did not subject his hypotheses to any formal statistical analysis.

[43] In addition, I find Mr. Wong’s opinions regarding different levels of Chinese language ability in terms of fluency in speaking, reading and comprehension, and the possible consequent impact on the perception of trademarks containing Chinese characters, to be common sense.

[44] Regarding Easywin’s expert, Dr. Mulvey, CBP’s objection relates to the assumption Easywin’s counsel asked Dr. Mulvey to make, namely, that the relevant average Canadian consumer cannot read and understand Chinese characters. I agree with Easywin that an expert is permitted to provide an opinion that rests on a premise provided by counsel. That said, the

Court's acceptance of his opinion in whole or in part is dependent on whether the Court accepts that assumption, and I do not, as discussed later in these reasons.

B. *Likelihood of Confusion*

[45] For the reasons explained below, I find that CBP has established that there is a likelihood of confusion between its registered trademarks and the challenged registrations of Easywin, thus entitling CBP to the expungement of trademark registration numbers TMA1044058 and TMA TMA1044062 pursuant to paragraphs 18(1)(a), 18(1)(b) and 18(1)(d) of the *TMA*.

[46] I further find that in the circumstances, the applicable relevant dates make little difference to the analysis, except to note that Easywin's trademarks were not in use yet in Canada as of the filing date of the underlying trademark applications (in respect of paragraph 18(1)(d)), namely July 23, 2019, nor as of the registration date (in respect of paragraph 18(1)(a)), namely September 26, 2017. That said, I note that there is no evidence of any restrictions in terms of how Easywin's trademarks are used on packaging, for example, in terms of their placement or the colours in which they are displayed or with what other matter they may be shown, such as other Chinese characters.

(1) *Applicable test*

[47] The starting point for the confusion analysis is subsection 6(2) of the *TMA*. This provision informs us that confusion occurs if the use of the trademarks in issue in the same area would be likely to lead a prospective consumer to infer "that the goods or services associated

with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.” [Emphasis added.] I note that the underlined wording was added to this provision with the changes to the *TMA* that came into force on June 17, 2019. Although two of the grounds for expungement involve a relevant date that precedes this change, I am not persuaded that the added wording makes any substantial difference to the confusion analysis because of the prefatory words “whether or not the goods or services....”

[48] Further, jurisprudence teaches that 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 [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”: *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 [*Veuve Clicquot*] at para 20; see also *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 [*Masterpiece*] at para 40.

[49] The test does not include “a careful examination of competing marks or a side by side comparison”: *Masterpiece*, above at para 40. Nor should an expert, or a court, “tease out and analyze each portion of a mark alone[; r]ather, it should consider the mark as it is encountered by the consumer — as a whole, and as a matter of first impression”: *Masterpiece*, above at para 83 [emphasis added].

[50] Paraphrasing (former) Justice Rothstein in *Masterpiece* (paras 40, 41, 83), the question in the case before me is whether, as a matter of first impression, the “casual consumer somewhat in a hurry” who sees Easywin’s trademarks, when that consumer has no more than an imperfect recollection of any one of CBP’s trademarks, would be likely to be confused; that is, whether this prospective consumer would be likely to think, without conducting a careful examination or a side by side comparison, and looking at the trademarks as a whole, that Easywin was the same source of the bakery products as CBP.

[51] As further explained by Justice Rothstein, while subsequent research and care may unconfuse the consumer, what is relevant for the confusion analysis is what occurs when the consumer first encounters the trademarks in the marketplace. Put another way, whether goods or services are expensive or inexpensive, the prior or senior trademark owner is entitled to the benefit of what may occur at the consumer’s first encounter with the junior trademark in the marketplace: *Masterpiece*, above at paras 66-74, 87.

[52] As alluded by Justice Rothstein (by reference to “the trademarks in the marketplace”) but stated more plainly in other jurisprudence, it is not just any hypothetical casual consumer that must be considered in the confusion analysis but rather persons who are likely to buy the goods or services associated with the trademarks in the particular market in which those goods or services are offered: *Cheung Kong (Holdings) Ltd. v Living Realty Inc.*, 1999 CanLII 9394 (FC), [2000] 2 FC 501 [*Cheung Kong*] at paras 63-64, citing *Canadian Schenley Distilleries Ltd. v. Canada's Manitoba Distillery Ltd.* (1975), 25 CPR (2d) 1 (FCTD) at 5; *Baylor University v Hudson’S Bay Co.*, 2000 CanLII 15626 (FCA), 184 FTR 316 at para 27, citing *Cheung Kong* at

paras 63-64. See also *Carbon Trust v Pacific Carbon Trust*, 2013 FC 946 at para 104, citing *BBM Canada v Research In Motion Ltd.*, 2012 FC 666, 408 FTR 300 [BBM] at para 34; *Eclectic Edge Inc v Gildan Apparel (Canada) LP*, 2015 FC 1332 at para 100; *Loblaws Inc. v Columbia Insurance Company*, 2019 FC 961 at para 142, also citing *BBM* at para 34.

(2) Profile of average Canadian consumer

[53] With the foregoing principles in mind, I am persuaded that the issue of confusion in the matter before me must be assessed from the perspective of an average, casual Canadian consumer who can read and understand Chinese characters, albeit with varying degrees of fluency. As I explain, these are the persons who are more likely than not to buy the goods or services in the Chinese-Canadian market in which the parties offer their bakery goods and services.

[54] I find that Mr. Mulvey's evidence is undermined by the premise provided to him by Easywin's counsel, namely, that an average Canadian consumer is one who cannot read and understand Chinese characters. I have three reasons.

[55] First, the premise ignores the target market for the parties' goods and services – the Chinese-Canadian market.

[56] Second, it contradicts Mr. Wong's evidence, or suggests a redundancy in his evidence about the different levels of Chinese language ability in terms of fluency in speaking, reading and comprehension in the Chinese-Canadian market, despite some loss of Chinese language

ability among Canadian-born Chinese-Canadians (as discussed in the Statistics Canada Spring 2005 article entitled “Chinese Canadians: Enriching the cultural mosaic” [Cultural Mosaic Article] that Easywin introduced during the cross-examination of Mr. Cheung).

[57] Third, Easywin has not provided convincing evidence to contradict the Court’s previous finding that “a substantial portion of [CBP]’s actual consumers would be able to read and understand Chinese characters” and further “[t]he fact that [CBP] 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”: *Saint Honore Cake Shop Limited v Cheung's Bakery Products Ltd.*, 2013 FC 935 [*Saint Honore*] at para 47 (aff’d 2015 FCA 12), citing *Cheung Kong*, above at para 77. I add that the same reasoning applies to Easywin and its trademarks, in contradistinction to the premise Easywin provided to Mr. Mulvey.

[58] I agree with Easywin that the principle of judicial comity does not apply to factual findings: *Bauer Hockey Ltd. v Sport Maska Inc. (CCM Hockey)*, 2021 FCA 166 at para 31. That said, and although the parties in the matter before me are not precisely the same as in *Saint Honore*, Easywin nonetheless is a sister company of Saint Honore, both of which are part of Saint Honore Group and in essentially the same line of business as CBP.

[59] Further, I am not convinced that the make up of actual consumers for the parties’ products in the target market, i.e. the Chinese-Canadian market, has changed to an extent that would displace the above finding in *Saint Honore*.

[60] Before this Court, CBP relies on much the same evidence as described in paragraphs 47 and 48 of *Saint Honore* regarding CBP's use, marketing and promotion of its trademarks and its informal survey of its customers (84% of survey respondents could read and understand written Chinese). Notwithstanding the informality and of the survey, Mr. Cheung estimates in his affidavit and on cross-examination that 80-85% of CBP's customers are of Chinese origin and a significant majority of such customers read and understand the Chinese language to at least some degree.

[61] According to Mr. Cheung, the above estimate is based on his personal experience working in CBP's bakeries since 1989 (i.e. more than 30 years already at the time he swore his affidavit), not just on the informal survey conducted in 2010. Further, he believes that the demographic of CBP's consumers has not changed much since the time when the survey was conducted; hence, the reason for hiring Chinese-speaking staff who in turn report about customers speaking Chinese to the staff, placing orders in written Chinese, and requesting Chinese messages, such as on birthday cakes. It also is the reason why CBP has not conducted any further surveys.

[62] In addition, Mr. Cheung's evidence is that CBP has used its trademarks on interior and exterior store signage and packaging (boxes, bags and paper pastry cups) for its bakery products. Photos of sample signage and packaging are attached to his affidavit as exhibits. CBP also has utilized advertisements and promotional materials with Chinese characters targeting the Chinese-Canadian community that reads and understands Chinese-character based languages.

[63] I note as well that sample packaging for Easywin's products that form Exhibit "F" to Carrina Man Li Wong's affidavit display predominantly Chinese characters, either in the form of Easywin's registered trademarks, or together with additional Chinese characters. A representative sample of such packaging is depicted below. It displays the trademark that is the subject of Easywin's registration number TMA1044062, along with other matter involving what appear to be Chinese characters.



[64] I am prepared to infer in the circumstances that even Easywin expects at least some, if not a significant percentage, of its customers, including those in Canada, can read and understand Chinese characters.

[65] Finally, although Easywin disputes the admissibility of the Statistics Canada census data on which CBP relies to establish sizable Chinese communities in Vancouver and Toronto, the Cultural Mosaic Article on which Easywin relied in cross-examining Mr. Cheung points to the establishment and growth of Chinese communities in various cities in British Columbia and Ontario.

(3) *TMA* section 6(5) factors

[66] With the above test and profile in mind, I turn next to the factors to consider in assessing the likelihood of confusion, including all the surrounding circumstances, starting with the degree of resemblance.

[67] The Supreme Court of Canada guides that the resemblance factor often has the greatest effect on the confusion analysis: *Masterpiece*, above at para 49. As the term “degree of resemblance” implies, a likelihood of confusion may occur with trademarks having some differences, and not just identical marks, thus calling for a consideration of all the subsection 6(5) factors including all the surrounding circumstances: *Masterpiece*, above at para 63. The likelihood of confusion is determined on a balance of probabilities, depending on the applicable fact-specific context and possibly differing weight assigned accordingly to the *TMA* s 6(5) factors: *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 [*Mattel*] at para 54; *Veuve Clicquot*, above at para 21.

i. *Degree of resemblance: TMA s 6(5)(e)*

[68] I find that the parties' trademarks are similar in appearance, sound, and in the ideas suggested.

[69] There is no dispute that the last two characters of Easywin's registered trademarks are virtually identical (but for somewhat different font-like script style) to the first two characters of CBP's registered trademarks that contain Chinese characters, as well as the two characters that comprise CBP's pending trademark application. Easywin accepts that a consumer who can read Chinese characters would read the last three characters of its registered trademarks as either Saint Honore or Saint Anna (while the first two characters would be read as Hong Kong). This concession is supported in my view by Easywin's trademark registrations which provide that the transliteration of the Chinese characters contained in the trademarks is Xiang Gang Sheng **An Na** [emphasis added].

[70] I find that Mr. Zhong's affidavit evidence strays impermissibly into dissection and side-by-side comparison of the parties' trademarks. Given that Mr. Zhong's evidence is uncontested, however, I further find it supports the conclusion that the parties' marks – specifically, the first two characters of CBP's trademarks that contain Chinese characters, and the fourth and fifth Chinese characters of the Easywin's registered trademarks – overall share similarities in transliteration (sound) and translation into English (ideas suggested, particularly the overlap between dominant elements ANNA'S and SAINT ANNA), in addition to their appearance.

[71] While the similarities in appearance are diminished somewhat by the design element at the beginning of Easywin's trademarks, it is but one prominent element of those marks, in

addition to ANNA (i.e. An Na) or SAINT ANNA (or the corresponding Chinese-characters), which in my view is similar to the dominant element ANNA'S (or the corresponding Chinese-characters) in CBP's trademarks.

[72] Further, I find that the style of the Chinese characters in Easywin's trademarks at issue before me is even closer to the style of characters in CBP's trademarks, in contrast to the more ornate Chinese characters that formed part of the trademarks at issue in *Saint Honore*. In my view, on balance the stylization of the Chinese characters of the parties' respective marks enhances their overall similarities.

- ii. *Inherent distinctiveness and extent known, and length of time in use: TMA s 6(5)(a) and s 6(5)(b)*

[73] I find that both parties' trademarks are inherently distinctive, although they both involve descriptive words or connotations – CAKE HOUSE in connection with CBP's registered trademarks, and HONG KONG in connection with the translation of Easywin's registered trademarks according to Mr. Zhong's uncontroverted evidence.

[74] In my view, however, the extent to which they are known and their length of time in use in Canada favour CBP.

[75] The evidence shows that CBP has marketed and sold its bakery products in association with its unilingual trademarks (i.e. registration numbers TMA354194 and TMA480506) in

Canada since 1974 and the combination trademark (i.e. registration number TMA667403) since 1997.

[76] Since 2000, the number of annual individual sales transactions of CBP bakery products in association with CBP's trademarks (excluding the pending trademark) has exceeded 150,000 annual transactions and, since 2010, the number has grown to 200,000 annual transactions. The annual sales revenue of bakery products sold in association with the CBP's trademarks has exceeded \$1.8 million since 2000 and has exceeded \$2.5 million since 2011. CBP spent between \$14,000 and \$41,000 in advertisements annually since 2000.

[77] Easywin's trademarks have been used in Canada only since 2020, and in that year, generated approximately \$592,000 in revenue for the sale of 10,000 units, which would equate to approximately \$296,000 in wholesale value. There is no evidence that the Easywin's trademarks have become known to any appreciable degree in Canada, even as of the latest relevant date of February 22, 2021, when CBP commenced this proceeding (in respect of paragraph 18(1)(b)).

[78] Although not raised by CBP in the context of the extent to which Easywin's trademarks have become known in Canada nor, I add, in connection with the non-distinctiveness ground, I simply note there is a lack of evidence concerning whether Easywin has licensed Saint Honore to use Easywin's trademarks in Canada, as well as labels or information conveyed to consumers on the packages about who owns Easywin's trademarks and who is using them under licence, given Easywin's evidence that it is a holding company, while Saint Honore is the operating company. Ms. Wong's affidavit is silent on the issue. A corporate relationship in itself is insufficient to

demonstrate proper licensing of a trademark under the *TMA* s 50. Further, the cross-examination of Ms. Wong explored whether the distributor, Canda Six Fortune, has a corporate relationship within the Saint Honore Group (it does not), rather than whether Easywin licensed Saint Honore or any other entity to use Easywin's registered trademarks in Canada.

iii. *Nature of goods, services or business, and trade: TMA s 6(5)(c) and s 6(5)(d)*

[79] These factors also favour CBP in my view. The parties' goods and services overlap significantly and neither parties' trademark registrations are restricted in terms of the channels of trade. In other words, although CBP's goods and services are provided through stores that operate as ANNA'S CAKE HOUSE, it is not restricted to those channels and hence, there is potential for overlap in the channels of trade bearing in mind the test is one of a likelihood, as opposed to actual, confusion.

iv. *All surrounding circumstances*

[80] I am not convinced that the surrounding circumstances on which Easywin attempts to rely assist it.

[81] For example, Easywin argues that CBP has not shown any evidence of actual confusion since the sale of its products in Canada in association with its registered trademarks beginning at least as early as August 2020. As mentioned, however, the test is one of a likelihood of confusion, not actual confusion. The reason can be found in the *TMA* s 6(2) which contains the words "**likely** to lead to the inference" [emphasis added]. Further, the length of time its

trademarks were use in Canada prior to CBP's filing of its application to expunge Easywin's registrations was only about six months, and there is insufficient evidence to demonstrate that Easywin's trademarks had become known in Canada to any appreciable degree by then: *Mattel*, above at para 55.

[82] As another example, the affidavit of Kathy Paterson, one of Easywin's fact witnesses, shows the coexistence of differently-owned registrations for the following trademarks, only some of which involve food products:

SINNER (TMA570113) and SAINT & SINNER (TMA1027920)
ANDRE (TMA954993) and SAINT ANDRE (TMA612005)
EDEN (TMA454510) and SAINT EDEN SPA (TMA711797)
HONG KONG MX (TMA972419 and TMA972393) and MAXIM'S CAKE SHOP & Design (TMA535609)

[83] State of the register evidence may be relevant where it permits the trier to draw inferences regarding the state of the marketplace, typically in the case where a large number of relevant registrations have been demonstrated: *McDowell v Laverana GmbH & Co KG*, 2017 FC 327 [*McDowell*] at para 42. In theory, an element that is shown to be common on the register, and by inference in the marketplace, may have little distinctiveness, thus causing consumers to pay greater attention to small differences (i.e. other features) between and among trademarks containing or comprised of that element: *McDowell*, above at para 42; *Alticor Inc. v Nutravite Pharmaceuticals Inc.*, 2004 FC 235 [*Alticor*] at para 59, citing *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA) [*Kellogg*].

[84] In *Alticor*, the state of the register evidence established in excess of 100 relevant registrations of trademarks with the prefix NUTR, while in *Kellogg*, there were in excess of 50

relevant trademark registrations and more than 40 trade names involving NUTRI. In *McDowell*, on the other hand, the state of the register evidence involved just seven owners of 10 registered trademarks that included HONEY as a dominant component. In that case, the Court held it was insufficient to find HONEY common to the trade (and hence, non-distinctive), absent evidence of common use in the marketplace by third parties: *McDowell*, above at para 44-45.

[85] Here, Easywin provides some evidence of marketplace presence of the trademarks used by Maxim's Caterers Limited and by Maxim's Bakeries Ltd. In itself, I find this evidence insufficient to draw any conclusions about the parties' respective trademarks and their ability to coexist. Nor do I find the remaining third party trademarks sufficient in number to draw any inferences about their use in the marketplace: *McDowell*, above at para 46, citing *Hawke & Company Outfitters LLC v Retail Royalty Co*, 2012 FC 1539 at para 40.

v. *Overall Assessment Regarding the Likelihood of Confusion*

[86] In sum, I find that on balance the parties' evidence demonstrates that, as a matter of first impression, the casual consumer somewhat in a hurry who sees Easywin's trademarks, when that consumer has no more than an imperfect recollection of any one of the CBP's trademarks, would likely be confused. That is, this prospective consumer, being a member of the Chinese-Canadian market who can read and understand Chinese characters to varying degrees and who is likely to buy the goods or services associated with the trademarks in the particular market in which those goods or services are offered, would be likely to think, without conducting a careful examination or a side-by-side comparison and looking at the trademarks as a whole, that Easywin was the same source of the bakery products as CBP.

[87] Further, I conclude that Mr. Wong's evidence ignores the "first impression in the mind of a casual consumer somewhat in a hurry" test. Instead, his evidence suggests reasons why Chinese-Canadian consumers might scrutinize the parties' trademarks more closely. In my view this level of care and attention, or hypersensitivity as described by Mr. Wong, may unconfuse the consumer but should "not detract from the confusion relevant for purposes of the Trade-marks Act that occurred when the consumer first encountered the trade-mark": *Masterpiece*, above at para 87.

C. *Bad Faith*

[88] I am persuaded by the evidence in this matter that Easywin filed the underlying applications to register its now registered trademarks in bad faith and, therefore, CBP also is entitled to have Easywin's trademark registrations expunged pursuant to paragraph 18(1)(e) of the *TMA*.

[89] This is not a case where Easywin was unaware of CBP and its trademarks, nor was Easywin "wilfully blind as to whether it had the right to make the application[s] in the face of its competitor" in the sense of failing "to make the obvious inquiries": *Norsteel Building Systems Ltd v Toti Holdings Inc.*, 2021 FC 927 at para 75.

[90] Here, no inquiries were necessary. Rather, I find Easywin simply ignored the very facts that should have given it pause before filing the trademark applications. At the time of the filing, Easywin was familiar with CBP and knew that they targeted the same consumers and sold the same types of bakery-related goods and services. Both parties recognize the corporate

relationship between Easywin and Saint Honore. Further, Easywin was aware of the previous dispute between Saint Honore and CBP regarding similar issues (that was resolved before the Federal Court of Appeal only two years before the trademark applications were filed) and, thus, in my view Easywin could not have been satisfied that it was entitled to apply for the trademarks that resulted in the registrations having numbers TMA1044058 and TMA1044062.

VI. Conclusion

[91] For all the foregoing reasons, I conclude that Easywin's trademark registrations having numbers TMA1044058 and TMA1044062 are invalid and will be expunged pursuant to paragraphs 18(1)(a), 18(1)(b), 18(1)(d) and 18(1)(e) of the *TMA*.

VII. Costs

[92] In light of CBP's success, I find that it is entitled to its costs of this expungement application.

[93] At the request of the Court, both parties submitted their Bills of Costs subsequent to the hearing of this matter. The parties agree that the middle of Column III of Tariff B is the appropriate reference for calculating their legal fees. Noting that costs ultimately are in the discretion of the Court and finding that CBP's Bill of Costs is reasonable, I award CBP lump sum costs in the amount of \$15,122.76, inclusive of fees and disbursements, payable by Easywin.

JUDGMENT in T-349-21

THIS COURT'S JUDGMENT is that:

1. The application is granted.
2. The trademark registrations in the name of the Respondent, Easywin Ltd., namely, registration numbers TMA1044058 and TMA1044062, both dated July 23, 2019, for Chinese Characters & Design, are declared invalid pursuant to paragraphs 18(1)(a), 18(1)(b), 18(1)(d) and 18(1)(e) of the *Trademarks Act*, RSC 1985, c T-13.
3. The Registrar of Trademarks is directed to remove the Respondent's registration numbers TMA1044058 and TMA1044062, both dated July 23, 2019, for Chinese Characters & Design, from the Register.
4. The Applicant, Cheung's Bakery Products Ltd., is awarded lump sum costs in the amount of \$15,122.76, inclusive of fees and disbursements, payable by the Respondent, Easywin Ltd..

"Janet M. Fuhrer"

Judge

Annex “A”: Relevant Provisions

Trademarks Act (R.S.C., 1985, c. T-13)
Loi sur les marques de commerce (L.R.C. (1985), ch. T-13)

<p>Definitions</p> <p>2 In this Act,</p> <p><i>person interested</i> 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; (<i>personne intéressée</i>)</p>	<p>Définitions</p> <p>2 Les définitions qui suivent s’appliquent à la présente loi.</p> <p><i>personne intéressée</i> 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. (<i>person interested</i>)</p>
<p>Confusion — trademark with other trademark</p> <p>6 (2) The use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.</p> <p>What to be considered</p> <p>6 (5) In determining whether trademarks 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 trademarks or trade names and the extent to which they have become known;</p>	<p>Marque de commerce créant de la confusion avec une autre</p> <p>6 (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 produits liés à ces marques de commerce sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces produits ou services soient ou non de la même catégorie générale ou figurent ou non dans la même classe de la classification de Nice.</p> <p>Éléments d’appréciation</p> <p>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 :</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) the length of time the trademarks or trade names have been in use;</p> <p>(c) the nature of the goods, services or business;</p> <p>(d) the nature of the trade; and</p> <p>(e) the degree of resemblance between the trademarks or trade names, including in appearance or sound or in the ideas suggested by them.</p>	<p>b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;</p> <p>c) le genre de produits, 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, notamment dans la présentation ou le son, ou dans les idées qu'ils suggèrent.</p>
<p>Entitlement to registration</p> <p>16 (1) Any applicant who has filed an application in accordance with subsection 30(2) for the registration of a registrable trademark is entitled, subject to section 38, to secure its registration in respect of the goods or services specified in the application, unless at the filing date of the application or the date of first use of the trademark in Canada, whichever is earlier, it was confusing with</p> <p>(a) a trademark that had been previously used in Canada or made known in Canada by any other person;</p> <p>(b) a trademark in respect of which an application for registration had been previously filed in Canada by any other person; or</p> <p>(c) a trade name that had been previously used in Canada by any other person.</p>	<p>Droit à l'enregistrement</p> <p>16 (1) Tout requérant qui a produit une demande conforme au paragraphe 30(2) en vue de l'enregistrement d'une marque de commerce enregistrable a droit, sous réserve de l'article 38, d'obtenir cet enregistrement à l'égard des produits ou services spécifiés dans la demande, à moins que, à la date de production de la demande ou à la date à laquelle la marque a été employée pour la première fois au Canada, la première éventualité étant à retenir, la marque n'ait créé de la confusion :</p> <p>a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;</p> <p>b) soit avec une marque de commerce à l'égard de laquelle une demande d'enregistrement avait été antérieurement produite au Canada par une autre personne;</p> <p>c) soit avec un nom commercial qui avait été antérieurement employé au Canada par une autre personne.</p>
<p>When registration invalid</p> <p>18 (1) The registration of a trademark is invalid if</p> <p>(a) the trademark was not registrable at the date of registration;</p> <p>(b) the trademark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced;</p> <p>...</p>	<p>Quand l'enregistrement est invalide</p> <p>18 (1) L'enregistrement d'une marque de commerce est invalide dans les cas suivants :</p> <p>a) la marque de commerce n'était pas enregistrable à la date de l'enregistrement;</p> <p>b) la marque de commerce n'est pas distinctive à l'époque où sont entamées les procédures contestant la validité de l'enregistrement;</p> <p>...</p>

<p>(d) subject to section 17, the applicant for registration was not the person entitled to secure the registration; or</p> <p>(e) the application for registration was filed in bad faith.</p>	<p>d) sous réserve de l'article 17, l'auteur de la demande n'était pas la personne ayant droit d'obtenir l'enregistrement;</p> <p>e) la demande d'enregistrement a été produite de mauvaise foi.</p>
<p>Exclusive jurisdiction of Federal Court</p> <p>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.</p> <p>Restriction</p> <p>(2) No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.</p>	<p>Compétence exclusive de la Cour fédérale</p> <p>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.</p> <p>Restriction</p> <p>(2) Personne n'a le droit d'intenter, en vertu du présent article, des procédures mettant en question une décision rendue par le registraire, de laquelle cette personne avait reçu un avis formel et dont elle avait le droit d'interjeter appel.</p>

Past version: in force between Dec 30, 2018 and Jun 17, 2019
Version antérieure : en vigueur entre le 30 déc. 2018 et le 17 juin 2019

<p>Proposed marks</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 goods 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 person;</p> <p>(b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or</p>	<p>Marques projetées</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 produits 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 par une autre personne;</p> <p>b) soit avec une marque de commerce à l'égard de laquelle une demande d'enregistrement a été antérieurement produite au Canada par une autre personne;</p>
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(c) a trade-name that had been previously used in Canada by any other person.	c) soit avec un nom commercial antérieurement employé au Canada par une autre personne.
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Federal Courts Rules (SOR/98-106)
Règles des Cours fédérales (DORS/98-106)

<p>Objection to expert</p> <p>52.5 (1) A party to a proceeding shall, as early as possible in the proceeding, raise any objection to an opposing party's proposed expert witness that could disqualify the witness from testifying.</p> <p>Manner of raising objection</p> <p>(2) An objection may be raised</p> <p style="padding-left: 20px;">(a) by serving and filing a document containing the particulars of and basis for the objection; or</p> <p style="padding-left: 20px;">(b) in accordance with subsection 262(2) or subparagraph 263(c)(i) if, in the case of an action, the objection is known prior to the pre-trial conference.</p>	<p>Objection au témoin expert</p> <p>52.5 (1) La partie à une instance soulève, le plus tôt possible en cour d'instance, toute objection quant à l'habilité à témoigner du témoin expert de la partie adverse.</p> <p>Façon de soulever une objection</p> <p>(2) L'objection peut être soulevée, selon le cas :</p> <p style="padding-left: 20px;">a) par la signification et le dépôt d'un document contenant les détails et le fondement de l'objection ;</p> <p style="padding-left: 20px;">b) conformément au paragraphe 262(2) ou au sous-alinéa 263c)(i), si, à l'instruction d'une action, elle était connue avant la conférence préparatoire.</p>
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FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-349-21

STYLE OF CAUSE: CHEUNG'S BAKERY PRODUCTS LTD. v EASYWIN LTD.

PLACE OF HEARING: HELD VIA VIDEOCONFERENCE

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JUDGMENT AND REASONS: FUHRER J.

DATED: FEBRUARY 8, 2023

APPEARANCES:

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