

Federal Court



Cour fédérale

Date: 20130710

Docket: T-228-13

Citation: 2013 FC 774

Toronto, Ontario, July 10, 2013

PRESENT: The Honourable Mr. Justice Hughes

BETWEEN:

TONG G. CHEAH

Applicant

and

**MCDONALD'S CORPORATION, AND
MCDONALD'S RESTAURANTS OF CANADA
LIMITED**

Respondents

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is an appeal from a decision of a Member of the Trade-marks Opposition Board dated July 26, 2012 (cited as 2012 TMOB 138) respecting application No. 1,334,814 to register the word MACDIMSUM for a large number of food and drink items. The Member refused the registration of that application. For the reasons that follow, I will dismiss this appeal with costs; thus, upholding the Member's decision.

THE APPLICATION

[2] The Appellant in these proceedings, an individual named Tong G. Cheah, filed an application with the Canadian Trade-marks Office on July 2, 2007 to register the word MACDIMSUM for a vast number of food and drink items; largely, prepared food and drinks of the sort that one might find in a Chinese or other Oriental restaurant. This application, given No 1,334,814, was based on proposed use in Canada. There is no evidence as to any actual use of this trade-mark in Canada. The transcript of the cross-examination of Mr. Cheah indicates that he has not yet finalized any plans as to use, whether it be in a restaurant or fast food court, or whatever.

[3] It must be remembered that the application is simply for a word, MACDIMSUM, and not for that word in any particular type style; nor for that word in combination with any other word or design; thus, the Opposition Board and the Court cannot constrain itself into thinking that any potential use in a particular type style, or in combination with any particular design, will serve to avoid or minimize confusion.

[4] Being a proposed use application, the Board and the Court must remain open to the fact that the trade-mark could potentially be used in any type style, and in combination with any words or design, and in any trade environment as may present itself from time to time.

THE OPPOSITION

[5] The registration of the trade-mark was opposed by the Respondents in this appeal, whom I will collectively refer to as McDonald's. The opposition was framed based on a number of grounds, all of which can be summarized as being that the trade-mark sought to be registered is confusing,

with a large number of trade-marks referred to as a “family” of trade-marks registered and used by McDonald’s in Canada in association with foods and drinks and restaurant services. These are referred to in argument as the MC plus food item, or MAC plus food item, marks. It is argued that the public does not distinguish between MC and MAC for this purpose. I have no evidence before me that would serve to disabuse me of that conclusion.

[6] The Opponents, McDonald’s, filed the evidence of three persons in support of its Opposition. The affidavit of Herbert McPhail, sworn June 4, 2009, attested to a number of Canadian registered trade-marks owned by McDonald’s. They were some four score in number, all including MC or MAC; most with a food-related word following, such as MAC FRIES or MC CHICKEN. The Affidavit of Hope Bagozzi, Director, National Marketing for McDonald’s Restaurants of Canada Limited, attested to the use and advertising in Canada of the various MC and MAC trade-marks under licence from McDonald’s Corporation by that Canadian entity. Sales have exceeded \$2 billion in the previous five years. The final affidavit is that of Chuck Chakrapani, a survey expert. He conducted surveys in which members of the Canadian public were shown a card bearing the word MACDIMSUM, and, in another survey, different persons were shown a card bearing the word MAZDIMSUM. They were asked various questions. The results led Chakrapani to the conclusion that a statistically significant proportion of consumers would identify McDonald’s as the source of certain listed food products (as those listed in the application at issue) with the name MACDIMSUM. He reached other conclusions, as well.

[7] None of the McDonald’s affiants were cross-examined.

[8] The Applicant (the Appellant herein) Tong G. Cheah, filed his own affidavit in support of his application. He did not file any other affidavit.

THE DECISION UNDER APPEAL

[9] The Member's decision dated July 26, 2013 correctly placed the onus on the Applicant Cheah to show that the trade-mark was registrable having regard to the issues raised by the Opponent McDonald's. The issue was reduced to that of the likelihood of confusion as of various dates, depending on the precise issue. The differences in those dates are immaterial to the issues here.

[10] The Member correctly stated the test for confusion at paragraph 19 of his Reasons :

TEST FOR CONFUSION

[19] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing are "all the surrounding circumstances including" those specifically mentioned in s.6(5)(a) to s.6(5)(d) of the Act: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive and all relevant factors are to be considered. Further, all factors do not necessarily have equal weight as the weight to be given to each depends on the circumstances: see Gainers Inc. v. Tammy L. Marchildon and the Registrar of Trade-marks (1996), 66 C.P.R.93d 308 (F.C.T.D.). However, as noted by Mr. Justice Rothstein in Masterpiece Inc. v. Alavida Lifestyles Inc. (2011), 92 C.P.R.(4th) 361 (S.C.C.), although the degree of resemblance is the last factor cited in s.6(5), it is the statutory factor that is often likely to have the greatest effect in deciding the issue of confusion.

[11] The Member then made reference to *McDonald's Corporation v Chung-Kee Noodle Shop Ltd*, 2008 CanLII 88318, a decision of another Member of the Opposition Board, in which McDonald's successfully opposed the registration of the word MCNOODLE for a variety of food items.

[12] The Member summarized his findings as to confusion at paragraph 21 of his Reasons, and his disposition at paragraph 22, as follows:

[21] Similarly, in the instant case, (i) the opponents' evidence has established that their mark MACDONALD'S is very well known, if not famous, in Canada in association with restaurant food and services, (ii) the applied-for mark cannot be said to be a strong mark because it is dominated by the non-distinctive element DIMSUM and the applicant has not established any reputation for its mark MACDIMSUM at any material time, (iii) the length of time that the marks in issue have been in use favours the opponents, (iv) the parties' wares are similar and the applicant admitted at cross-examination that it is his intention to serve the wares specified in the application in a restaurant environment, (v) the parties' marks are prefixed by the phonetic equivalents MC and MAC and the opponents have established a family of trade-marks which include the prefixes MC and MAC for food products, (vi) the opponents' evidence shows that they continuously create, use, advertise and promote marks comprised of the prefix MC followed by the name of a food product. Further, in the instant case, the opponents' survey evidence supports the opponents' contention that a significant portion of the population would believe that the applicant's wares sold under the mark MACDIMSUM originate with the opponents.

DISPOSITION

[22] In view of the evidence presented by the opponents, and applying the same reasoning as was applied in Chung-Kee Noodle Shop Ltd., above, I find that at all material times the applicant has not met the legal onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the applied-for mark MACDIMSUM and the opponents' mark MCDONALD'S. Accordingly, the opponent succeeds on the second,

third and fourth grounds of opposition. It is therefore not necessary to consider the remaining grounds.

[13] It should be noted that the Applicant Cheah represented himself in the Opposition proceeding. Likewise, he represented himself in the appeal before me.

[14] Cheah has appealed to this Court from this decision.

NEW EVIDENCE ON APPEAL

[15] In an unusual provision, section 56(5) of the *Trade-marks Act*, RSC 1985, c. T-13, permits the filing of additional evidence on an appeal such as this. In the present case, the Appellant (Applicant) Cheah filed a further affidavit of his own. That affidavit comprises a collection of newspaper articles and other materials, largely concerning the use of MAC and the like in countries beyond Canada, and references to articles by legal scholars. It also includes correspondence between Cheah and the solicitors for McDonald's. I conclude that Cheah has not filed anything in this affidavit that has a material bearing on this appeal.

[16] McDonald's has filed a further affidavit on this appeal; namely, the further affidavit of Hope Bagozzi, sworn March 21, 2013. This affidavit attests to the continuing use of the MC and MAC trade-marks by McDonald's in Canada, including in association with food products that some may consider Oriental. I conclude that this further evidence has no material bearing on this appeal.

[17] At the hearing before me, the Appellant (Applicant Cheah) who represented himself, endeavoured to refer to and file yet further material, which he said comprised evidence that may be

useful. I refused to accept this material; it was tendered too late. The Appellant had already been granted on extension of time to file evidence on the appeal. That resulted in Cheah's further affidavit referred to previously. No notice had been given that yet further evidence would be tendered at the hearing. The time for filing new evidence has passed.

STANDARD OF REVIEW

[18] The standard of review of a Member's decision in Opposition proceedings is well known. I accept the Reasons of Justice Phelan of this Court in his decision in the recent case of *San Miguel Brewing International Limited v Molson Canada 2005*, 2013 FC 156, at paragraphs 22 to 24:

22 *The standard of review is affected by the type of new evidence (if any) filed on the appeal in accordance with s 56(5) of the Trade-marks Act. In the absence of new evidence, the standard of review is reasonableness (Groupe Procycle Inc v Chrysler Group LLC, 2010 FC 918, 377 FTR 17).*

23 *However, where new evidence is filed, it will cause the standard of review to be correctness where that new evidence is substantial and significant. Mere regurgitation or supplements of prior evidence would generally be insufficient to alter the standard of review (Vivat Holdings Ltd v Levi Strauss & Co, 2005 FC 707 at para 27, 276 FTR 40).*

24 *As summarized by K Gill and R S Jolliffe in Fox on Canadian Law of Trade-marks and Unfair Competition, 4th ed, loose-leaf, (Toronto: Thomson Carswell, 2002), at 6-48 [Fox]: "[t]he mere filing of new evidence on appeal does not necessarily lower the standard of appeal to one of correctness. The quality of the new evidence must be considered. The question is to the extent to which the additional evidence has a probative significance that extends beyond the material that was before the Board."*

Fox goes on to write: "[w]here the new evidence adds nothing of significance and is merely repetitive of existing evidence without enhancing its cogency, the standard of review will be whether the Registrar's decision was clearly

wrong. In such cases, the presence of the newly filed evidence will not affect the standard of review applied by the Court on the appeal."

I accept those statements as reflective of the law in Canada.

[19] In the case before me there has been new evidence filed on appeal, but I have concluded that the evidence has no material effect on the decision under review, or the issues decided herein.

Therefore, I will consider whether the decision is reasonable, bearing in mind that the onus rests on the Appellant (Applicant) Cheah to demonstrate that the mark is registrable.

ISSUES

[20] The Appellant (Applicant Cheah) has raised several issues on this appeal. Unfortunately, he has represented himself throughout these proceedings and these issues are often obscure or not well defined. From his written material and his argument before me, I discern that the Appellant wishes to raise the following issues:

1. Was the Member correct in determining that MACDIMSUM was likely to be confusing with the McDonald's "family" of trade-marks, including the prefix MC or MAC together with a food product?
2. Was the survey evidence flawed or improperly relied upon?
3. Were the Appellant's section 15 *Charter* rights violated?

4. Is the prefix MAC or MC so diluted that any person is free to use it in a trade-mark in Canada?

5. Is the Appellant (Applicant) being bullied?

ISSUE #1 **Was the Member correct in determining that MACDIMSUM was likely to be confusing with the McDonald's "family" of trade-marks, including the prefix MC or MAC together with a food product?**

[21] The Member reviewed the evidence and applied the correct test as to confusion. The decision is reasonable.

[22] I agree that there are other cases in this Court and in the Court of Appeal such as *McDonald's Corp v Silcorp Ltd* (1987), 24 CPR (3d) 207 (FC), 41 CPR (3d) 67 (FCA), and *McDonald's Corp v Coffee Hut Stores Ltd* (1996), 55 CPR 463 (FC), 68 CPR (3d) 168 (FCA), where McDonald's failed in respect of MAC for convenience stores or MCBEAN for coffee business to preclude those uses. This illustrates that the evidence as to use or intended use is critical to any decision such as this.

[23] In this case, the Applicant Cheah presented very little in respect of probative evidence, and McDonald's presented a great deal. I find that, on the evidence, the Member's decision as to confusion was reasonable.

ISSUE #2 **Was the survey evidence flawed or improperly relied upon?**

[24] In the present case, the affidavit evidence of Chakrapani respecting certain surveys he conducted was filed by McDonald's. Cheah filed no survey evidence, nor did he file any expert evidence criticizing the manner in which Chakrapani conducted his surveys, nor the conclusions that he had reached.

[25] The Member at paragraphs 11 and 12 of his Reasons, found that he had no reason to doubt the reliability of the survey. I agree. At paragraph 21 of his Reasons, which has been set out above, the Member found that the survey "supports" his conclusions as to confusion. In other words, the survey was not the principal reason upon which the Member arrived at his conclusion as to confusion.

[26] The Court has been suspect as to the growing use of and reliance upon surveys in proceedings such as this. The remarks of Rothstein J, in the Supreme Court of Canada decision in *Masterpiece Inc v Alavida Lifestyles Inc*, [2011] 2 SCR 387 at paragraphs 78 to 101, stating that survey evidence should be used with caution and not supplant the role of the judge, are apt.

[27] Nonetheless, in this case, the manner in which the Member used the survey evidence in this case cannot be faulted.

ISSUE #3 **Were the Appellant's section 15 Charter rights violated?**

[28] This argument appears to have been raised for the first time on appeal and should be disregarded, as new issues such as this cannot be raised on appeal.

[29] In any event, the Appellant has provided no factual basis to support his claim, nor has he identified any particular law said to offend the *Charter*; nor has he demonstrated how the law is alleged to be discriminatory. These conditions, as stated by the Supreme Court of Canada in *Ermineskin Indian Band v Canada* [2009] 1 SCR 222, especially at paragraph 188, have not been met.

ISSUE #4 **Is the prefix MAC or MC so diluted that any person is free to use it in a trade-mark in Canada?**

[30] The Appellant bases this argument largely upon the “evidence” that he filed respecting the alleged use by third parties of MC or MAC in foreign countries. Not only is this evidence hearsay, and therefore of little or no probative value, but it does not relate to Canada. If “dilution” is being argued, it must be based on sound evidence of dilution in Canada.

[31] This argument is unsupported on the evidence.

ISSUE #5 **Is the Appellant (Applicant) being bullied?**

[32] The Appellant, in reply at the hearing before me, asserted that he was being bullied by McDonald’s. I find no evidence to support this allegation. Quite the contrary; McDonald’s and its Counsel have behaved extremely properly and courteously in the proceedings before me.

[33] I believe that a hint of the Appellant’s true motivations in seeking to register MACDIMSUM is shown in correspondence from him to McDonald’s lawyers, which Cheah filed as part of the evidence on the appeal. His letter dated March 17, 2008, at the last page, states that:

“...we can together perhaps explore the possibilities of a global MACDIMSUM partnership”.

[34] I find no merit in the allegation of bullying.

CONCLUSION AND COSTS

[35] In conclusion, I find that the Member was correct in his decision as far as the law is concerned, and came to a reasonable decision upon the evidence before him. The new evidence filed on appeal makes no material difference. I will dismiss the appeal.

[36] As to costs, the Respondents McDonald's are successful and entitled to costs. They prepared the bulk of the materials used in the appeal, even though it was Cheah's obligation to do so. I will allow costs fixed at \$6,000.00.

JUDGMENT

FOR THE REASONS PROVIDED:

THIS COURT ADJUDGES that:

1. The appeal is dismissed; and

2. The Respondents are entitled to costs to be paid by the Appellant fixed in the sum of \$6,000.00.

"Roger T. Hughes"

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-228-13

STYLE OF CAUSE: TONG G. CHEAH v MCDONALD'S CORPORATION,
AND MCDONALD'S RESTAURANTS OF CANADA
LIMITED

PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: July 9, 2013

**REASONS FOR JUDGMENT
AND JUDGMENT:** HUGHES J.

DATED: July 10, 2013

APPEARANCES:

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FOR THE APPLICANT
(ON HIS OWN BEHALF)

Mr. Steven Garland
Mr. Timothy Stevenson

FOR THE RESPONDENTS

SOLICITORS OF RECORD:

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