

**Date: 20061214**

**Docket: A-53-06**

**Citation: 2006 FCA 409**

**CORAM : LÉTOURNEAU J.A.  
NADON J.A.  
PELLETIER J.A.**

**BETWEEN:**

**MAISON COUSIN (1980) INC.**

**Appellant**

**and**

**COUSINS SUBMARINES INC.**

**Respondent**

Hearing held at Montréal, Quebec, on December 12 and 14, 2006.

Judgment delivered at Montréal, Quebec, on December 14, 2006.

**REASONS FOR JUDGMENT OF THE COURT BY:**

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**REASONS FOR JUDGMENT OF THE COURT**  
**(Delivered from the bench at Montréal, Quebec, on December 14, 2006)**

**PELLETIER J.A.**

[1] We are of the opinion that intervention is warranted in this case.

[2] The appellant Maison Cousin (1980) Inc. (the appellant) is appealing a decision of Mr. Justice Simon Noël of the Federal Court (“the judge”) presiding pursuant to section 56 of the

*Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), on appeal of a decision of the delegate of the Registrar of Trade-marks. This decision allowed, in part, the application for registration made by the respondent Cousins Submarines Inc. (the “respondent”) for the “Cousins” trade-mark, in spite of the appellant’s opposition.

[3] The respondent had filed an application for the registration of the “Cousins” trade-mark in association with “sandwiches, namely, submarine sandwiches; beverages, namely, carbonated beverages, coffee, milk and ice tea” and with “restaurant services”. The appellant filed its opposition to the registration of this trade-mark pursuant to section 38 of the Act. The Registrar’s delegate ruled in favour of the respondent, in part, dismissing the appellant’s opposition, except with respect to submarine sandwiches as products likely to be sold in connection with the trade-mark claimed, namely, “Cousins”.

[4] The appellant appealed this decision before the Federal Court. Alerted by the comments of the Registrar’s delegate about the flimsy evidence it had in support of its opposition, the appellant invoked its right under subsection 56(5) to supplement the evidence on record. It submitted new evidence. The judge analyzed this new evidence on the basis of the standard of review. He concluded that it was sufficiently significant and probative and that he had to apply the standard of correctness. In doing so, the judge unduly restricted his discretion to intervene, in our view, because having noted the significance and probative value of the new evidence, he was no longer called on to review the decision of the registrar’s delegate, but rather to decide the issue on the merits based on the evidence before him.

[5] This is clear from subsection 56(5) of the Act, a provision which, in exceptional cases, allows new evidence to be submitted as of right on an appeal against a Registrar's decision:

56(5) On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

56(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

[6] This is the interpretation given to this provision by Mr. Justice Evans in *Garbo Group Inc. v. Harriet Brown & Co.*, [1999] F.C.J. No. 1763 (F.C.) at paragraph 38, when he wrote the following:

[38] . . . The more substantial the additional evidence, the closer the appellate Court may come to making the finding of fact for itself.

[7] The judge deciding the issue *de novo* may intervene without having to identify any error committed by the delegate and is not obliged to defer to the delegate's decision. The judge must decide the issue on the basis of the evidence before him or her and the applicable legal principles.

[8] However, in the case at bar, we are of the opinion that the judge was mistaken on the issue of the likelihood of confusion. The appellant based its opposition on three distinct grounds with a common factor, namely, confusion between its trade-marks and the one claimed by the respondent. An analysis of the likelihood of confusion must take into account the factors set out in subsection 6(5) of the Act. These factors include the nature of the wares associated with the

trade-marks in question and the nature of the trade. The judge concluded that “the fact that the wares sold by each company are essentially very different reduces the risk of confusion” (paragraph 41 of the judge’s reasons). He came back to this point later on in the same paragraph when he wrote the following:

[41] Having received, on the one hand, the description of the products sold under the applicant’s trade-marks and the relevant evidence, and on the other hand, the description of the proposed use of the COUSINS mark by the respondent, I conclude that the types of wares sold are, with the exception of the submarine sandwiches, completely different.

[9] Likewise, the judge concluded that the products in question were not sold through the same commercial networks or in the same types of establishment, since the appellant’s products were sold in convenience and grocery stores, while those of the respondent were sold in their restaurants.

[10] In any case, the judge concluded that these distinctions favoured the respondent.

[11] With respect, we are of the opinion that the judge’s conclusions on these two related points are incorrect. As far as the products themselves are concerned, the judge did not explain the reasoning by which he came to the conclusion that the products in question, especially the breads, desserts, cold cuts and sandwiches, on one hand, and submarine sandwiches and drinks, on the other hand, are so distinct from each other as to rule out any possibility of confusion. These are all food products which are very similar and which are commonly found in the same vicinity.

[12] Moreover, even if one could say that there is a distinction between these products, the distinction is not sufficient to eliminate any possibility of confusion. Subsection 6(2) of the Act

provides for the possibility of confusion even if the products in question are not of the same general class.

6(2) The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.  
[Emphasis added.]

[13] In *Mattel Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772, at paragraph 65, the Supreme Court noted that Parliament's intent was not to require that the wares or services belong to the same class:

[65] . . . On the contrary, the point of the legislative addition of the words "whether or not the wares or services are of the same general class" conveyed Parliament's intent that not only need there be no "resemblance" to the specific wares or services, but the wares or services marketed by the opponent under *its* mark and the wares or services marketed by the applicant under *its* applied-for mark need not even be of the same *general* class.

[14] The judge ignored this distinction. Furthermore, we are of the opinion that the products in question were not sufficiently distinct from each other to eliminate any possibility of confusion, and even if they were distinct, that fact in itself does not lead to the conclusion that there was no confusion.

[15] As far as the nature of the trade is concerned, the judge was wrong to compare the respondent's present way of operating with that of the appellant. The respondent is still entitled to change its distribution networks and sell its products in the same convenience stores or other

establishments as the appellant. Its application for registration does not in any way restrict its scope of operations with respect to the distribution of its products. The judge not only had to consider what the respondent was doing, but also what it could do, considering the lack of restrictions in the registration of its trade-mark: *Mattel, supra*, at paragraph 53.

[16] The judge was also mistaken on the issue of the distinctiveness of the trade-marks in question, which is a factor that carries considerable weight in the assessment of the possibility of confusion.

[17] He was of the opinion that the two trade-marks were distinctive. As far as the appellant is concerned, this distinctiveness is acquired and not inherent. Section 12 of the Act prohibits a trade-mark that is “a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years”. According to the Registrar, the combination of the word “Maison” with a family name simply lets it be understood that this is a family business. The distinct character of the appellant’s trade-mark comes from its use in the Quebec market since 1921 in connection with food products. Therefore, the judge was not wrong in acknowledging the distinctiveness of the appellant’s “Maison Cousin” trade-mark.

[18] However, the “Cousins” trade-mark has no distinctiveness, inherent or acquired. In itself, “Cousins” may be a family name or may denote a family relationship. In either case, it has no inherent distinctiveness. The evidence showed that the “Cousins” mark had never been used in Canada or advertised in this country. Therefore, it does not have an acquired distinctiveness. This

means that the appellant's "Maison Cousin" trade-mark, given its acquired distinctiveness, was entitled to a certain degree of protection, which the judge did not grant it. This measure of protection weighs against registration of the "Cousins" mark.

[19] With regard to the connection between the "Cousins" mark and restaurant services, which the Registrar's delegate and the judge did not address, we note that nothing prevents the appellant from using its trade-mark in the restaurant industry. In fact, according to the affidavit of Mr. Samson, it already does so in fast-food counters in convenience and grocery stores. The presence of products bearing the "Cousins" mark in this context could only cause confusion.

[20] With regard to the standard of review applicable to us, we are sitting on an appeal against a trial decision of a judge of the Federal Court. Our approach is based on the principles stated in *Housen v. Nikolaisen*, [2002] 2 S.C.R. 235. We may intervene only if there are palpable and overriding errors of fact or of mixed fact and law, or if there are errors of law.

[21] We are satisfied that the errors of law and the palpable and overriding errors with respect to questions of mixed law and fact made by the judge demand our intervention.



[22] Accordingly, the appeal will be allowed, the decision of the Federal Court judge will be set aside and, to render the judgment which should have been rendered, the appeal against the decision of the Registrar's delegate will be allowed, as will the opposition to the application for registration bearing number 813,812 for the "Cousins" mark. The Registrar of Trade-marks will be ordered to reject said application for registration.

"J.D. Denis Pelletier"

J.A.

Certified true translation  
Michael Palles

**FEDERAL COURT OF APPEAL**

**SOLICITORS OF RECORD**

**DOCKET:**

A-53-06

**(APPEAL FROM AN ORDER OF THE HONOURABLE MR. JUSTICE SIMON NOËL,  
OF THE FEDERAL COURT, DATED JANUARY 5, 2006, DOCKET NO. T-422-05)**

**STYLE OF CAUSE:**

MAISON COUSIN (1980) INC. v.  
COUSINS SUBMARINES INC.

**PLACE OF HEARING:**

Montréal, Quebec

**DATE OF HEARING:**

December 12 and 14, 2006

**REASONS FOR JUDGMENT BY:**

LÉTOURNEAU, NADON and  
PELLETIER J.J.A.

**DELIVERED FROM THE BENCH BY:**

PELLETIER J.A.

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