



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2015 TMOB 113
Date of Decision: 2015-06-22

**IN THE MATTER OF AN OPPOSITION
by 1721502 Ontario Inc. to application
No. 1,408,404 for the trade-mark KING'S
MOON CAKES in the name of Hing Yip
Hong Ltd.**

FILE RECORD

[1] On August 25, 2008, Hing Yip Hong Ltd. filed an application to register the trade-mark
KING'S MOON CAKES
based on use of the mark in Canada since at least as early as August 2003 in association with
bakery goods namely, cakes and pastries.

[2] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated September 26, 2012 and was opposed by 1721502 Ontario Inc. on November 26, 2012. The Registrar forwarded a copy of the statement of opposition to the applicant on January 17, 2013, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[3] The opponent's evidence consists of the affidavit of Eric Cheung, as well as a certified copy of the opponent's trade-mark registration for its mark KING'S PASTRY used in association with pastry. The applicant's evidence consists of the affidavit of Raymond Chan. Both parties filed a written argument and both parties were represented at an oral hearing held on February 24, 2015.

STATEMENT OF OPPOSITION

[4] The opponent pleads that it is the owner of the registered mark KING'S PASTRY, used in Canada in association with the goods "pastry" prior to the applicant's claimed date of first use of the applied-for mark. On the basis of its registration and prior use, and citing confusion with its mark, the opponent alleges that the applied-for mark KING'S MOON CAKES is not registrable, pursuant to s. 12(1)(d) of the *Trade-marks Act*; that the applicant is not entitled to registration, pursuant to s.16 of the *Act*; and that the applied-for mark KING'S MOON CAKES is not distinctive of the applicant's goods, pursuant to s.2. Other grounds of opposition are alleged as well, including a ground pursuant to s.30(b), pleaded at para 1(a) of the statement of opposition:

The Opponent bases the opposition on the ground provided by subsection 38(2)(a) of the *Canadian Trade-marks Act* . . . in that Application No. 1,408,404 does not comply with the requirements of subsection 30(b) of the *Canadian Trade-marks Act* in that the Applicant, Hing Yip Hong Ltd., has not used the trade-mark KING'S MOON CAKES in Canada . . . since the claimed date of first use, namely, August 2003. Also, because the Applicant did not use the mark in association with the goods pursuant to Section 4 to the *Act*.

[5] I will next summarize the parties' evidence before dealing with the allegations in the statement of opposition.

OPPONENT'S EVIDENCE

Mr. Cheung

[6] Mr. Cheung identifies himself as the Marketing Director of the opponent company. The opponent is a leading manufacturer of wholesale French-Oriental style pastries and desserts. Its products are sold to chain retailers including Walmart, Costco, and Sobeys as well as to retail stores specializing in Chinese or Asian products. Products bearing the opponent's mark KING'S PASTRY and "KING'S PASTRY & Design" have been sold in Canada since February 1997. The value of such sales have averaged about \$30.4 million annually for the years 2005 - 2012 inclusive. Advertising and promotional expenses for products bearing the opponent's marks for the same period ranged from a high of \$64,000 in 2010 to a low of \$13,000 in 2008; the annual average was \$35,700.

[7] Mr. Cheung does not explicitly indicate what mark he is referring to when he refers to the mark “KING’S PASTRY & Design,” however, from a review of the exhibit material, it is apparent that he is referring to the word mark KING’S PASTRY written in a fanciful script form rather than in block letters. For the purposes of this proceeding, the two marks, although visually different, are equivalent: see *Canadian Jewish Review Ltd. v. The Registrar of Trade Marks* (1961) 37 CPR 89 (ExC).

[8] Exhibits A to D of Mr. Cheung’s affidavit show how the opponent’s marks are used on invoices, brochures, catalogues, business cards, company letterhead, and on its website.

[9] It appears to me, from a fair reading of Mr. Cheung’s affidavit and a review of the exhibit material, that the average consumer does not encounter the opponent’s mark KING’S PASTRY. In this regard, the opponent is a wholesaler and it appears that the opponent’s products are supplied to retailers in bulk without individual packaging or in individual packaging but under the retailers’ private labels; or presented to consumers without packaging, as, for example, in restaurant buffets. The opponent’s evidence establishes that its mark KING’S PASTRY has acquired a substantial reputation with wholesale purchasers, but not with the general public.

[10] In paragraph 15 of his affidavit, Mr. Cheung puts into issue whether the applicant has in fact been selling its products under the applied-for mark KING’S MOON CAKES since 2003 as claimed in the subject application:

15. I have investigated Hing Yip Hong Ltd. by reviewing information available online about the company. I am not familiar with this company and I do not believe it has been actively selling **KING'SMOON[sic] CAKES** branded products since August 2003. I believe that this company has only been in operation in Canada for the past 4-6 years and, as such, that it has not, as claimed, used the mark in Canada since August 2003. Furthermore, information available at the Applicant's website indicates that it is a distributor. It does not appear that Hing Yip Hong Ltd. manufactures and therefore controls the character and quality of the goods sold under the **KING'SMOON[sic] CAKES** trade-mark. Furthermore, the appearance of the Applicant's products suggests that the mark **KING'SMOON[sic] CAKES** is not applied to, or otherwise associated with, the Applicant's cakes and pastries at the time of purchase. I attach to this my affidavit as **Exhibit 'E'** information taken from various independent sites as well as the Applicant's own site upon which I base my statements.

[11] Exhibit E, referred to above, includes copies of pages from two websites which appear to provide information about Canadian incorporated companies. One source indicates that the applicant incorporated in June 2007; the other source indicates that the applicant has been doing business since 2009. Both dates are well after the applicant's claimed date of first use namely, August 2003.

APPLICANT'S EVIDENCE

Raymond Chan

[12] Mr. Chan identifies himself as the International Sales Manager for the applicant company. The applicant is "in the business of distributing certain specific, baked goods in Canada." Those goods consist of one product namely, moon cakes. It is an important pastry in the Chinese culture, comprised of a filling made with a rare ingredient namely, lotus seed paste, and egg yolks. The moon cakes are sold only for a two-week period in the fall to coincide with the Chinese mid-autumn festival. Mr. Chan goes on to describe how the product is sold in ornate tin boxes with the applied-for mark KINGS'S MOON CAKES appearing on a side panel of the box. The applicant's customers are "exclusively food-retailers and supermarkets in the Chinese community, all in large urban areas, namely the Toronto metropolitan area and Vancouver." No quantitative values are given for the extent of sales or advertising under the applied-for mark.

[13] Mr. Chan has provided evidence in para 7 of his affidavit, shown below, presumably in response to para 15 of Mr. Cheung's affidavit (shown in para 10, above):

7. The Applicant has been using the Trade-Mark [KING'S MOON CAKES] for a significant period of time in association with the Products. Upon review, the correct date of first use is around the time of incorporation of the Applicant, being June 1, 2007. We have been actively selling the Products in association with the Trade-mark since that time. Attached herein to this my affidavit as Exhibit "A" is a true copy of the corporate history of the Applicant from Industry Canada.

Exhibit A, referred to above, confirms that the applicant was incorporated on June 1, 2007.

DISPOSITION

[14] The admission made by Mr. Chan in para 7 of his affidavit, shown above, is conclusive of the ground of opposition based on s.30(b). In this regard, there is a line of opposition cases holding that an application which claims a date of first use earlier than the actual date of first use does not comply with section 30(b): see, for example, *Vibe Ventures LLC v. 3681441 Canada Inc.*, 2009 CanLII 82160 (CA TMOB) at paras 21-22:

[21] There is no doubt that non-compliance to[sic] the provisions of s. 30(b) of the Act is a valid ground of opposition (see *Structureco Inc. v. Jean* (1997), 79 C.P.R. (3d) 331 and *Lise Watier Cosmétiques Inc. v. Villoresi* (2009), 76 C.P.R. (4th) 196). By filing an application based on a date of first use earlier than the actual date of first use an applicant is preventing the filing of statement[sic] of opposition by opponents who may have prior rights that arose in between the applicant's claimed date of first use and its actual date of first use.

[22] All the other grounds of opposition are based on the alleged confusion between the Mark [the applied-for mark] and the Opponents' trade-mark VIBE. I do not intend to adjudicate on these grounds of opposition simply because the evidence is clear that the Applicant claimed an earlier date of first use than the actual date of first use. Rule 32 of the Trade-marks Regulations states that no application may be amended after it has been advertised to change the date of first use claimed in the original application. Therefore the Applicant is not in a position, at this stage or even if it decides to appeal this decision, to cure such defect. The application being invalid, there is no need to dispose of the other grounds of opposition.

(emphasis added)

[15] Similarly, in the instant case, the subject application is refused for non-compliance with section 30(b) of the *Trade-marks Act*. It is therefore not necessary to decide the other grounds which are based on the issue of confusion between the applied-for mark and the opponent's mark.

[16] I would add, however, that based on the evidence of record, it would have been my inclination to find for the opponent on the grounds of opposition alleging confusion, and alleging non-distinctiveness, given the resemblance between the parties' marks, the acquired

distinctiveness of the opponent's mark, and the potential for overlap in the parties' channels of trade.

[17] In view of the foregoing, the subject application is refused. This decision has been made pursuant to a delegation of authority by the Registrar of Trade-marks under section 63(3) of the *Trade-marks Act*.

Myer Herzig, Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office