



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

Citation: 2012 TMOB 138
Date of Decision: 2012-07-26

**IN THE MATTER OF AN
OPPOSITION by McDonald's
Corporation and McDonald's
Restaurants of Canada Limited
to application No. 1,334,814 for the
trade-mark MACDIMSUM in the
name of Tong G. Cheah**

FILE RECORD

[1] On February 12, 2007, Tong G. Cheah filed an application to register the trade-mark MACDIMSUM, based on proposed use in Canada, in association with a large number of items of food and drink, including, for example:

steamed chicken buns with mushrooms, steamed bbq pork buns, steamed custard duck egg buns, pork dumplings (shiu mai), minced pork in bean-stick rolls with oyster sauce, beef offal's delicacies with turnip, soup dumplings with minced chicken and chive, deep fried spring rolls with shredded taro and pork, sweet mango pudding, dried baby shrimps rice rolls with Chinese doughnut, diced beef and preserved vegetables in rice rolls, Buddha's feast in rice rolls, mushroom & chicken in rice rolls, assorted noodles namely, fried, braised, steamed, in soup. vegetables namely Chinese broccoli, spinach, snow peas, and whatever vegetables in season. fruits namely lychees, pineapple, star fruits, persimmons, peaches, Chinese teas (black, green, white, including herbal and fruit flavoured), coffee, soymilk, red bean drinks, bottled water, pop namely, soft

drinks, beer, wine, aperitifs, brewed alcohol beverages, cognac, lemonade, and sake.

[2] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated March 5, 2008 and was opposed by McDonald's Corporation ("McDonald's") and McDonald's Restaurants of Canada Limited ("McDonald's Canada") on May 5, 2008. The Registrar forwarded a copy of the statement of opposition to the applicant on July 10, 2008, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13.

[3] There was some uncertainty over what document constituted the applicant's counter statement. By a Board ruling dated November 5, 2008, it was determined that the applicant's counter statement consists of the applicant's document titled "Attention Opposition Board (Part 2)" dated August 6, 2008. The salient part of the counter statement pleads that the applied for mark MACDIMSUM will not create any confusion "to the Canadian public since McDonald's does not own 'MAC' or sell dim sum."

[4] The opponents' evidence consists of the affidavits of Herbert McPhail and Hope Bagozzi. The applicant's evidence consists of the affidavit of Tong G. Cheah, the applicant herein. Mr. Cheah was cross-examined on his affidavit, the transcript thereof and an exhibit thereto forming part of the evidence of record. Both parties submitted a written argument. Upon receipt of the applicant's written argument, the opponents advised the Board of their objections to portions of the applicant's written argument as constituting new evidence.

[5] At an oral hearing held on July 3, 2012, the opponents were represented by counsel while Mr. Cheah appeared on his own behalf. At the hearing, Mr. Cheah requested leave to submit four additional documents consisting mostly of further written arguments but also containing matters of new evidence. Counsel for the opponents objected to any consideration of the new evidence but did not object to my having regard to the additional legal submissions. I therefore permitted the applicant to submit the additional materials and advised the parties that I would not have regard to any matters of evidence contained in any of the applicant's written submissions.

STATEMENT OF OPPOSITION

[6] The opponent McDonald's pleads that it is the owner in Canada of a family of trade-marks featuring the prefix MC or MAC combined with a word. The family of marks cited by the opponents include, for example, the following registered marks: MCDONALD'S, for a variety of food products and restaurant services; BIG MAC, for a ready-to-eat hamburger sandwich; MACSUNDAE, for sundaes; MCCHICKEN, for cooked and uncooked fresh chicken; CHICKEN MCNUGGETS, for ready-to-eat fried chicken; MCMUFFIN, for breakfast food combination sandwich; MCNUT, for nuts; and MAC FRIES, for French fried potatoes. The opponent McDonald's Canada is a licensee of the cited family of marks and has used the marks in Canada.

1. The first ground of opposition alleges that the application does not comply with s.30(i) of the *Trade-marks Act* as the applicant could not have been satisfied that he is entitled to use the applied-for mark in association with the wares identified in the application. The opponents further allege that such use by the applicant would depreciate the value of the goodwill attaching to the opponents marks and would also be contrary to s.19 and 20 of the *Act*.

2. The second ground of opposition alleges that the applied-for mark is not registrable, pursuant to s.12(1)(d) of the *Act*, because it is confusing with McDonald's registered marks.

3. The third ground of opposition alleges that the applicant is not entitled to register the applied-for mark, pursuant to s.16(3), because at the date that the application was filed it is confusing with McDonald's aforesaid marks all of which had been previously used and made known in Canada.

4. The fourth ground of opposition alleges that the applied-for mark is not adapted to distinguish the applicant's wares from the wares and services of the opponents.

OPPONENTS' EVIDENCE

Herbert McPhail

[7] Mr. McPhail identifies himself as a trade-mark searcher with the firm representing the opponents. His affidavit serves to introduce into evidence particulars of the trade-marks relied upon by the opponents in the statement of opposition.

Hope Bagozzi

[8] Ms. Bagozzi identifies herself as Director, National Marketing for the opponent McDonald's Canada. The first McDonald's restaurant outside of the United States opened in Richmond, British Columbia in 1967. As of May 2009, there were 1,419 McDonald's restaurants operating in Canada. McDonald's owns the various trade-marks relied on in the statement of opposition and McDonald's Canada is an indirectly wholly-owned subsidiary of McDonald's. The trade-marks owned by McDonald's are used by McDonald's Canada and by franchisees of McDonald's Canada under license from McDonald's. Pursuant to this license, McDonald's maintains direct or indirect control over the character or quality of the associated wares and services.

[9] Paragraph 10 of Ms. Bagozzi's affidavit is reproduced in full below:

For each of the past five years, annual total sales from McDonald's restaurants in Canada have exceeded \$2 billion. From 2003-2008, annual sales of BIG MAC sandwiches in Canada have exceeded, on average, \$140,000,000; annual sales in Canada of MCNUGGETS have exceeded, on average, \$120,000,000; annual sales in Canada of MCMUFFINS have exceeded, on average, \$100,000,000; and annual sales in Canada of MC CHICKEN sandwiches have exceeded, on average, \$75,000,000. McDonald's also sells other food items in association with the MC-formative trade-marks, such as MCGRIDDLES, MC FLURRY, MCDONALDLAND cookies, and CHICKEN MC GRILL. From 2003 to 2008, the total cumulative annual sales of these additional items have exceeded, on average, \$65,000,000.

[10] Ms. Bagozzi further states that each year tens of millions of dollars are spent advertising the opponents' wares and services. Each advertising campaign is designed to reach 75% - 90% of the households across Canada. Attached as exhibits to her affidavit are voluminous advertising and promotional materials which illustrate use of the McDonald's marks including the marks MCCHICKEN, CHICKEN MCGRILL,

CHICKEN MCNUGGETS, MCVEGGIE BURGER, MCCAFE, EGG MCMUFFIN, MCGRIDDLES, and MCFLURRY. Ms. Bagozzi also attests to extensive advertising of the McDonald's wares and services on billboards, television, and radio as illustrated by Exhibits 12 to 16 of her affidavit. The opponents have also, since at least as early as 1987, sold Asian-themed food products in Canada such as dipping sauces (Shanghai Teriyaki, Oriental Hot Mustard, Shanghai Sweet and Sour), Chicken Salad Oriental, and CHICKEN MCNUGGETS served with Szechwan dipping sauce.

Dr. Chuck Chakrapani

[11] Dr. Chakrapani identifies himself as a Research Fellow at Ryerson University in Toronto. He has written or co-written three university texts on market research and has published over 200 articles on research methodology and statistical analysis. Dr. Chakrapani designed and oversaw a shopping mall interview survey intended to determine whether consumers would identify a particular individual, business or company as the source of products listed in the subject trade-mark application, if those products were branded with the trade-mark MACDIMSUM. Twenty nine of one hundred and one survey respondents (that is, 29%) answered that they believe McDonald's manufactures or sells MACDIMSUM food products. The most common reason given for identifying McDonald's was the presence of the element "MAC" in MACDIMSUM.

[12] The methodology of the survey is fully explained by Dr. Chakrapani and the original responses are attached as one of many exhibits detailing the conduct of the survey. Having reviewed Dr. Chakrapani's testimony and the exhibit material, I have no reason to doubt the reliability of the survey findings.

APPLICANT'S EVIDENCE

Tong Cheah

[13] Mr. Cheah asserts that the applied-for mark MACDIMSUM refers to "Malaysian/Asian/Chinese Dim Sum." The opponents note at paragraph 32 of their written argument that "the Applicant has provided no evidence to support the suggestion that the public would perceive the trade-mark MACDIMSUM to have any such

meaning.” I agree with the opponents that the applicant’s above contention is unsupported and I therefore accord it no merit.

[14] The remainder of Mr. Cheah’s affidavit serves to introduce into evidence printouts from various Internet websites and copies of various third party publications. The opponents submit at paragraph 39 of their written argument that “the evidence filed by Mr. Cheah is of little relevance, and much of it is inadmissible [hearsay].” I agree that much of Mr. Cheah’s evidence is inadmissible hearsay and in any event his evidence does not address in any meaningful way the issues raised by the opponents in the statement of opposition.

LEGAL ONUS AND EVIDENTIAL BURDEN

[15] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298 (F.C.T.D.). The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

MAIN ISSUE & MATERIAL DATES

[16] The main issue in this proceeding is whether the applied-for mark MACDIMSUM is confusing with the opponents’ mark MCDONALD’S. The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Trade-marks Act*, shown below, between the applied-for mark and the opponents’ mark:

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 . . . or performed by the same person, whether or not the wares or services . . . are of the same general class.

[17] Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by s.6(2) is whether there would be confusion of the applicant's food items sold under the mark MACDIMSUM as emanating from or sponsored by or approved by the opponent: see *Glen-Warren Productions Ltd. v. Gertex Hosiery Ltd.* (1990), 29 CPR(3d) 7 at 12 (FCTD).

[18] The material dates to assess the issue of confusion are (i) the date of decision, with respect to the ground of opposition alleging non-registrability; (ii) the date of filing of the application, in this case February 12, 2007 with respect to the ground of opposition alleging non-entitlement; and (iii) the date of filing the statement of opposition, in this case May 5, 2008, in respect of the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 CPR(3d) 198 at 206 - 209 (FCTD).

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)(e) 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.(3d) 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.

[20] This Board applied the above test for confusion in the analogous case *McDonald's Corporation and McDonald's Restaurants of Canada Limited v. Chung-Kee Noodle Shop Ltd.* 2008 CanLII 88318. In the aforementioned case, the applicant Chung-Kee Noodle Shop Ltd. applied to register the mark MCNOODLE, based on proposed use, for the wares noodles, dumplings, stewed meat and sauces and for restaurant services. The Board approached the issue of confusion with the opponents' marks (the same marks relied on by the opponents herein) as follows, at pp. 3-5:

I will first consider the issue of confusion as between the applicant's mark and the opponents' registered mark MCDONALD'S for restaurant wares and services since it is their most widely used trade-mark. As for Section 6(5)(a) of the *Act*, the applicant's mark MCNOODLE is inherently distinctive since it is a coined word. However, since it is dominated by the non-distinctive element NOODLE, it cannot be said to be an inherently strong mark. Since there is no evidence from the applicant, I must conclude that its proposed mark has not become known at all in Canada.

The opponents' mark MCDONALD'S is the possessive form of a surname and is therefore an inherently weak mark. However, given the level of sales associated with that mark, the number of outlets in Canada and the penetration of the opponents' advertising efforts, it is safe to assume that the opponents' mark is known by almost every Canadian and is therefore entitled to the status of a famous mark in association with restaurant wares and services. Such a finding is of great importance in assessing the issue of confusion . . .

As for Section 6(5)(b) of the *Act*, the length of time the marks have been in use favours the opponents. As for Sections 6(5)(c) and 6(5)(d) of the *Act*, it is the applicant's statements of wares and services and the statements of wares and services in the first opponent's [McDonald's] registrations that govern . . . However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. . .

A review of the wares and services in the first opponent's several registrations that comprise or include the mark MCDONALD'S reveals that they are similar to the wares and services listed in the applicant's application. In the absence of evidence from the

applicant, it is fair to conclude that the trades of the parties would be the same or similar.

As for Section 6(5)(e) of the *Act*, there is some resemblance between the marks at issue since both commence with the prefix MC and both comprise three syllables. More noteworthy, however, is the existence of the opponents' other MC-prefixed marks.

As an additional surrounding circumstance, I have considered the opponents' family or series of marks. The opponents submitted that their family of trade-marks which include the prefixes MC and MAC for food products and restaurant services increases the likelihood of confusion occurring in the present case in accordance with the decision in *McDonald's Corp. v. Yogi Yogurt Ltd.* (1982), 66 CPR(2d) 101 (FCTD). I agree.

The opponents have evidenced the existence of a large family of MC-prefixed marks or similarly constructed marks with some having achieved considerable fame in their own right such as MCNUGGETS, MCCHICKEN, MCMUFFIN and BIG MAC. As noted, evidence of use has been provided of a number of other similarly constructed trade-marks of the opponents in Canada. Furthermore, evidence has been provided to show that the opponents have engaged in an ongoing campaign of creating, using, advertising and promoting marks comprising the prefix MC followed by the name of a food product.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above and particularly in view of the fame associated with the registered trade-mark MCDONALD'S and a number of other MC-prefixed marks of the opponents, the similarities between the marks and the similarities between the wares, services and trades of the parties, I find that it is reasonable to assume that consumers familiar with the opponents' trade-mark MCDONALD'S would assume that the use of the trade-mark MCNOODLE has been, at the very least, approved, licensed or sponsored by the opponents. Thus, I find that the applicant has failed to satisfy the onus on it to show no reasonable likelihood between its mark and the opponents' registered marks. Thus, the second ground based on the first opponent's registered mark MCDONALD'S is successful and the remaining registered marks need not be considered.

[21] Similarly, in the instant case, (i) the opponents' evidence has established that their mark MCDONALD'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.

[23] The application is refused. This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

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