



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

Citation: 2014 TMOB 233
Date of Decision: 2014-10-29

**IN THE MATTER OF A SECTION 45 PROCEEDING
requested by Fetherstonhaugh & Co. against registration
No. TMA409,183 for the trade-mark HON'S Design in
the name of Hon's Wun-Tun House (2011) Ltd.**

[1] At the request of Fetherstonhaugh & Co. (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on December 4, 2012 to Hon's Wun-Tun House (2011) Ltd. (the Owner), the registered owner of registration No. TMA409,183 for the trade-mark HON'S Design (the Mark), shown below:



[2] The Mark is registered for use in association with the services “restaurant services; Chinese wun-tun and noodle houses” and the following wares:

Fresh and frozen prepared Chinese food dishes, Chinese egg noodles; dumplings; rice noodles; rice pasta; Shanghai noodles; rice dishes; soup and noodle dishes; wun-tun wrapping; chow-mein dishes; yee mein dishes; special snacks, namely, beef, shrimp, squid, dace or fish balls; fish cakes and sauce; fish paste and dace paste; soup dishes; snacks and desserts, namely, rice wrap, rice roll, coconut pastry, sesame pudding, red bean soup; cold drinks, Chinese dim sum of all varieties, Chinese buns; egg rolls.

[3] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and services specified

in the registration at any time within the three year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use of is between December 4, 2009 and December 4, 2012.

[4] The relevant definitions of “use” in association with wares and services are set out in sections 4(1) and 4(2) of the Act:

4(1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

4(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

[5] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary and expeditious procedure for removing “deadwood” from the register and, as such, the evidentiary threshold that the registered owner must meet is quite low [*Uvex Toko Canada Ltd v Performance Apparel Corp* (2004), 31 CPR (4th) 270 (FC)].

[6] In response to the Registrar’s notice, the Owner filed the affidavit of Ray Leung, President and CEO of the Owner, sworn on March 1, 2013. Both parties filed written representations and were represented at an oral hearing held jointly with respect to the summary cancellation proceeding for registration No. TMA414,808 (HON’S). A separate decision will be issued with respect to that proceeding.

[7] For the reasons set out below, the registration will be maintained with respect to all of the registered wares and services with the exception of the wares “cold drinks”.

[8] In his affidavit, Mr. Leung states the Owner licenses use of the Mark to four licensees that operate HON’S restaurants in the Greater Vancouver area. In support, he provides a copy of the license agreement between one of the licensees and the original owner of the Mark, dated February 24, 2010. He attests that the Owner was incorporated in 2011 and purchased the assets of the original owner, Hon’s Wun-Tun House Ltd, in April of that year. Mr. Leung further

provides a copy of the assignment agreement dated April 19, 2011 as well as a letter dated April 30, 2011 that was sent to customers, vendors and suppliers, informing them of the change of ownership.

[9] Mr. Leung explains that the original owner commenced use of the Mark in association with the registered services when it opened the first HON'S restaurant in Vancouver in 1972. He further states that, in 1985, the original owner commenced use of the Mark in association with the registered wares, and that it or the Owner continued such use since that date and through the relevant period.

[10] In addition to the four restaurant locations, Mr. Leung attests that the Owner also produces a number of food products for wholesale and retail sale. He explains that the Owner operates a retail outlet and two wholesale outlets in Vancouver, and also sells its HON'S food products through outlets such as T&T Supermarket and PriceSmart stores.

[11] In support of his assertion of use with respect to all of the registered wares and services, Mr. Leung provides the following exhibits attached to his affidavit:

- Exhibit D consists of photographs of the signage displayed on the outside of the HON'S restaurants during the relevant period; the Mark is clearly displayed on the signage. I note that various food dishes are advertised on a sandwich board and in the restaurant window. Some of the advertisements are accompanied by pictures of the prepared dish. I further note that in one of the photographs, a special for "Yanjing Beer" is advertised in the window, accompanied by a picture of the bottle, which does not display the Mark.
- Exhibits E and K consist of various representative HON'S restaurant and take-out menus, including from the relevant period; the Mark is prominently displayed on the menus. A large variety of Chinese food items are listed on the menus, generally corresponding with and encompassing the registered wares (with the exception of "frozen" dishes). On the Exhibit E menu under the heading "Beverage & Desserts", I note that a variety of beverages are listed, such as "bottled water", "Dole Juice" and "Canned Soft Drink (Pepsi, Seven UP, Orange Crush, Diet Pepsi, Ginger Ale, Root Beer)".

- Exhibit F consists of a meal voucher that Mr. Leung attests was issued to China Eastern Airlines for use at one of the HON'S restaurant locations. The voucher is dated March 29, 2010 and displays the Mark.
- Exhibit J consists of a copy of a business card for one of the HON'S restaurant locations that Mr. Leung attests was used during the relevant period. While the Mark appears on the card, I note that the services are not explicitly described.
- Exhibit L consists of 12 sample invoices showing sales of various HON'S food products to T&T Supermarket and Price Smart during the relevant period. The invoices show sales of noodles, dumplings, dim sum, rice rolls and rice wraps among other products.
- Exhibit M consists of four photographs of HON's food products taken at the aforementioned stores, showing egg noodles and frozen food products. Although only the word mark HON'S is displayed on the egg noodle packaging, the Mark is prominently displayed on the packaging for the frozen dishes "pork siu mai" and "shrimp ha go".
- Exhibit N includes a photograph of the HON'S store signage outside the Owner's retail outlet in Vancouver. The exhibit also includes two interior photographs showing various packaged food products that Mr. Leung attests show use of the Mark on food packaging. However, as the photographs are of poor quality, I am only able to identify the products "chili sauce" and dumpling "vinegar" as displaying the Mark. Neither of these products clearly corresponds to any particular ware as registered.
- Nevertheless, Exhibit O consists of representative photographs of packaging and copies of labels for various HON'S food products that Mr. Leung attests are representative of the packaging and labelling used during the relevant period. The Mark is prominently displayed on the labels, including labels for rice wraps, frozen wun-tun noodles, dumplings, sesame pudding and various meat & vegetable products.
- Exhibit P is a list of frozen retail products listed on the Owner's website at *www.hons.ca* which Mr. Leung attests were available during the relevant period. Over thirty products

are listed, ranging from “Shrimp & Meat Wun-Tun” to “Frozen Ready to Cook Dumplings” of various types.

[12] Mr. Leung also provides evidence of various awards, positive customer reviews and the like that the HON’S restaurants received during the relevant period (at Exhibits G, H and I).

Analysis

[13] In its written representations, the Requesting Party questioned whether the purported license agreements were validly assigned to the Owner and further whether it or the previous owner maintained control over the character or quality of the services provided by the four licensees. However, Mr. Leung’s statements regarding the change of ownership are clear in this respect and I note that several clauses in the exhibited license agreement set out various requirements that equate to the requisite control pursuant to section 50(1) of the Act. As such, I am satisfied that any use of the Mark shown by the licensees enures to the benefit of the Owner for purposes of this proceeding.

[14] Accordingly, with respect to the registered services, the evidenced display of the Mark on exterior signage and menus during the relevant period is sufficient to demonstrate use of the Mark in satisfaction of sections 4(2) and 45 of the Act.

[15] With respect to the registered wares, the Requesting Party submits that, at best, use of the Mark has only been shown in association with a small number of the registered wares. It notes that the only products for which both pictures and invoices were furnished were for the registered wares Chinese egg noodles and Chinese dim sum.

[16] However, I agree with the Owner that the evidence furnished is representative of the various Chinese food products sold in association with the Mark during the relevant period, either at the licensees’ restaurants or via the Owner’s retail and wholesale outlets [see *Saks & Co v Canada (Registrar of Trademarks)* (1989), 24 CPR (3d) 49 (FCTD)].

[17] In a restaurant context, the Registrar has previously found that displaying a trade-mark on signage is generally sufficient to establish use in association with those food wares that were prepared on the premises [see *Oyen Wiggs Green & Mutala v Aimers* (1998), 86 CPR (3d) 89

(TMOB)]. With the exception of “cold drinks” and “frozen Chinese food dishes”, discussed further below, I find that the registered wares are generally all in the nature of prepared Chinese foods corresponding to the Chinese food items listed on the exhibited menus.

[18] Although Mr. Leung provides no direct evidence of sales at the licensees’ restaurants, the evidence as a whole must be considered and the lack of invoices in this respect is not necessarily fatal [per *Lewis Thomson & Sons Ltd v Rogers, Bereskin & Parr* (1988), 21 CPR (3d) 483 (FCTD); also see *Hudson's Bay Co v PDM Royalties Limited Partnership*, 2012 CarswellNat 5589 (TMOB)]. Considering that a customer would use the menu displaying the Mark to order and purchase the specified Chinese food wares at a HON’S restaurant, I am satisfied that the notice of association required by section 4(1) of the Act was given to customers at the time of transfer in the normal course of trade. Given the nature of the Owner’s business and the operation of four HON’S restaurants in Canada during the relevant period, I consider it reasonable to conclude, in combination with Mr. Leung’s statements of use of the Mark, that the Owner has demonstrated use in association with such prepared Chinese food items within the meaning of sections 4(1) and 45 of the Act.

[19] With respect to “frozen Chinese food dishes”, in view of Mr. Leung’s statements supported by the Exhibit M photographs and Exhibit L invoices relating to the Owner’s retail sales, I am satisfied that the Owner has demonstrated use with respect to “frozen Chinese food dishes”.

[20] With respect to “cold drinks”, however, I note that the Owner provides no specific evidence with respect to how they were sold at the HON’S restaurants or otherwise. Indeed, as noted above, it would appear that the licensees sold beverages in canned and bottled form bearing the trade-marks of others (such as “Dole” juice or “Yanjing” beer). As there is no clear evidence to show otherwise, consistent with *Aimers, supra*, I am not satisfied that the Owner has demonstrated use of the Mark in association with “cold drinks” as required by sections 4 and 45 of the Act. Consequently, these wares will be deleted from the registration.

[21] In view of all of the foregoing, with the exception of the wares “cold drinks”, I am satisfied that the Owner has demonstrated use of the Mark in association with the wares and services as registered within the meaning of sections 4 and 45 of the Act.

Disposition

[22] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act and in compliance with the provisions of section 45 of the Act, the registration will be amended to delete the wares “cold drinks”.

Andrew Bene
Hearing Officer
Trade-marks Opposition Board
Canadian Intellectual Property Office