



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

Citation: 2010 TMOB 168
Date of Decision: 2010-10-13

**IN THE MATTER OF AN OPPOSITION
by The Cheesecake Factory Incorporated,
The Cheesecake Factory Bakery
Incorporated and The Cheesecake
Factory Assets Co. LLC to application
No. 1,092,778 for the trade-mark THE
CHEESECAKE FACTORY in the name
of Tetragon Investments Limited**

[1] On February 16, 2001, Tetragon Investments Limited (the Applicant) filed an application to register the trade-mark THE CHEESECAKE FACTORY on the basis of proposed use in Canada in association with wares and services. During prosecution, the application was restricted to “restaurant services”. The right to the exclusive use of CHEESECAKE has been disclaimed apart from the trade-mark.

[2] The application was advertised in the *Trade-marks Journal* of October 25, 2006.

[3] On December 19, 2006, The Cheesecake Factory Incorporated, The Cheesecake Factory Bakery Incorporated and The Cheesecake Factory Assets Co. LLC (the Opponents) filed a statement of opposition. Generally speaking, the grounds of opposition are that: (i) the Mark is not registrable pursuant to s. 12(1)(d) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) in view of registration No. TMA489,259 for the trade-mark THE CHEESECAKE FACTORY for use in association with bakery products, namely cakes; (ii) the Applicant is not the person entitled to the registration of the Mark; and (iii) the Mark is not distinctive.

[4] The Applicant filed and served a counter statement. In addition to denying each allegation contained in the statement of opposition, the Applicant alleges that the Opponents lack status to oppose the application.

[5] Pursuant to r. 41 of the *Trade-marks Regulations*, SOR/96-195 (the Regulations), the Opponents filed the affidavit of Debby R. Zurzolo together with Exhibits “A” through “H”. Ms. Zurzolo has not been cross-examined by the Applicant.

[6] The Applicant elected to file no evidence in support of its application.

[7] The Applicant and the Opponents filed written arguments and were represented at an oral hearing.

[8] I note that at the beginning of the oral hearing, the Applicant’s agent confirmed that the Applicant no longer contended that the Opponents lacked status to oppose the application. The agent also recognized that the Applicant incorrectly indicated in its written argument that the Opponents had not filed evidence in the present proceeding. Hence, to the extent that representations made by Applicant in its written argument are premised on the Opponents not having filed evidence, these representations are moot.

Onus and Material Dates

[9] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponents to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

[10] The material dates that apply to the grounds of opposition are as follows:

- s. 38(2)(b)/s. 12(1)(d) – the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];

- s. 38(2)(c)/s. 16(3) – the filing date of the application [see s. 16(3)];
- s. 38(2)(d)/non-distinctiveness – the filing date of the statement of opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

[11] I will first review the Opponent’s evidence and comment thereon having regard to the parties’ submissions.

Opponent’s evidence

[12] At paragraph 1 of her affidavit, Ms. Zurzolo identifies herself as Executive Vice President, Secretary and General Counsel of The Cheesecake Factory Incorporated (Cheesecake Inc.) since December 2003. She goes on to state:

[...] I have knowledge of the matters set out therein through personal or corporate knowledge gained by reason of my employment or through corporate records kept in the normal and ordinary course of the business of The Cheesecake Factory Incorporated and its subsidiaries (hereinafter collectively referred to as “The Cheesecake Factory”).

[13] Unless indicated otherwise, any subsequent reference to “The Cheesecake Factory” throughout my decision is a collective reference to Cheesecake Inc. and its subsidiaries, per paragraph 1 of the Zurzolo affidavit. I wish to note, however, that any ambiguities ensuing from the collective reference to The Cheesecake Factory in the affidavit will be resolved against the interests of the Opponents [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.) (*Conde Nast*)].

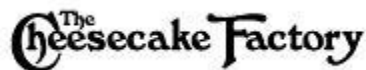
[14] The evidence introduced by the Zurzolo affidavit, as more fully discussed below, relates to: the ownership and licensed use of the registered trade-mark THE CHEESECAKE FACTORY alleged by the Opponents [paragraphs 3 and 4]; the operation of restaurants by The Cheesecake Factory in association with the trade-mark [paragraphs 5 through 12]; and the sales of bakery products by The Cheesecake Factory in association with the trade-mark [paragraphs 13 through 17]. Also, Ms. Zurzolo concludes her affidavit by opining that the trade-mark is “extremely well known with a significant reputation in Canada in association with restaurant services and bakery products” and “use of the identical trade-mark for restaurant services by an unlicensed and

unrelated party will cause confusion in Canada” [paragraph 18]. I am disregarding Ms. Zurzolo’s opinion as it goes to the merit of the opposition to be determined by the Registrar.

Ownership and use of the trade-mark THE CHEESECAKE FACTORY

[15] Ms. Zurzolo files a Certificate of Authenticity for registration No. TMA489,259 of February 4, 1998 for the trade-mark THE CHEESECAKE FACTORY [paragraph 2, Exhibit “A”]. The registration shows that the right to the exclusive use of the word CHEESECAKE has been disclaimed apart from the trade-mark. Ms. Zurzolo states that The Cheesecake Factory Assets Co. LLC (Cheesecake Co.) became the owner of the rights, title and interest into the trade-mark by way of assignment. She provides copies of the assignment filed with the Canadian Intellectual Property Office (CIPO) on August 30, 2007 and of the accompanying letter [Exhibit “B”]. I note that the assignment executed on January 16, 2001 mentions that it is effective as of August 15, 2000.

[16] At paragraph 4 of her affidavit, Ms. Zurzolo states that The Cheesecake Factory is licensed by Cheesecake Co. to use the trade-mark and that under the terms of the licence Cheesecake Co. has control over the character or quality of the wares in association with which the trade-mark is used by The Cheesecake Factory. Although I consider that paragraph 4 of the Zurzolo affidavit requires further discussion, I wish to first review the evidence with respect to the use of the trade-mark THE CHEESECAKE FACTORY in association with restaurant services and bakery products. I wish to remark that in reviewing the evidence, I am accepting the display of the design shown below, or of one similar thereto, as the display of the registered trade-mark.



Restaurants

[17] It is noteworthy that Ms. Zurzolo specifically states that The Cheesecake Factory does not operate any restaurants in Canada, although “it intends to expand its restaurant services into Canada in the foreseeable future”. In my opinion, the Opponents’ intent to expand their

restaurant services into Canada is not relevant in the present proceeding. Hence, I find it unnecessary to address the parties' submissions on the evidence introduced by the Opponents on this subject.

[18] I am summarizing below Ms. Zurzolo's written testimony on the operation of THE CHEESECAKE FACTORY restaurants in the United States.

- The Cheesecake Factory, which opened its first restaurant in 1978, operates over 125 THE CHEESECAKE FACTORY restaurants "in major cities and popular tourist destinations throughout the United States". They are "highly successful full service, upscale casual dining restaurants". In 2006 alone, nearly 90% of the revenues exceeding US\$1.3 billion were attributable to THE CHEESECAKE FACTORY restaurants. The restaurants "are often frequented by Canadians".
- She files annual reports of Cheesecake Inc. for 2000 through 2006 [Exhibit "C"] stating that these are corporate records kept in the normal and ordinary course of the business of The Cheesecake Factory. Although Ms. Zurzolo relies on "many photographs" found in the annual reports as showing the display of the trade-mark in the restaurants, she did not point out specific photographs. Based on my cursory review of the annual reports, I note that some contain photographs showing the trade-mark displayed either outside or inside a restaurant.
- A "representative menu" is filed as Exhibit "D" to show the display of the trade-mark on restaurant-related items. I note that it displays the trade-mark on the cover page.
- Extracts of The Cheesecake Factory's website at *www.thecheesecakefactory.com*, accessible to Canadians and providing information on The Cheesecake Factory and THE CHEESECAKE FACTORY restaurants, are filed as Exhibit "E". I note that the pages of the website were apparently printed on September 7, 2007. Further, I note the appearance of copyright notices at the bottom right corner of some pages, for example: "© 2002-2003, The Cheesecake Factory Incorporated. All rights reserved."
- In 2006, Canadian AMERICAN EXPRESS credit card holders made purchases totalling over US\$1.3 million in THE CHEESECAKE FACTORY restaurants in the United States (over 21,300 transactions). AMERICAN EXPRESS is just one of the major credit cards accepted from Canadians.

- Canadians can purchase gift cards for THE CHEESECAKE FACTORY restaurants. Redacted copies of “representative documents pertaining to the sale of gift cards to Canadians in 2005, 2006 and 2007” are filed as Exhibit “F”.

[19] I accept photographs found in the annual reports as evidencing the manner in which the trade-mark is used or displayed in the performance of restaurant services in the United States. I wish to add that this should not be construed as a finding that the reference to a trade-mark in an annual report necessarily constitutes evidence of use in the performance or advertising of services pursuant to s. 4(2) of the Act [see *Confédération des Caisses Populaires & D'Économie Desjardins du Québec v. Accord Business Credit Inc.* (2005), 49 C.P.R. (4th) 217 (T.M.O.B.)].

[20] In written and oral arguments, the Opponents submitted that their evidence should lead to a conclusion that the trade-mark THE CHEESECAKE FACTORY has been used in Canada in association with restaurant services. To reflect the Opponents' submissions, I reproduce paragraph 29 of their written argument:

With respect to restaurant services, and as established by the evidence, Canadians have purchased restaurant services from THE CHEESECAKE FACTORY restaurants by way of gift cards while in Canada. In addition, Canadians can access The Cheesecake Factory's website, which provides the consuming public in Canada with information on The Cheesecake Factory and its CHEESECAKE FACTORY restaurants. As such, The Cheesecake Factory has arguably used the trade-mark THE CHEESECAKE FACTORY in Canada in association with “restaurant services”. The term “services” should be interpreted broadly.

[21] According to the Opponents, their submissions are supported by the decisions *Kraft Ltd. v. Canada (Registrar of Trade-marks)* (1984), 1 C.P.R. (3d) 457 (F.C.T.D.) (*Kraft*), *Saks & Co. v. Canada (Registrar of Trade-marks)* (1989), 24 C.P.R. (3d) 49 (F.C.T.D.) (*Saks*), and *Venice-Simplon-Orient-Express Inc. v. Société nationale de Chemins de Fer Français SNCF* (2000), 9 C.P.R. (4th) 443 (F.C.T.D.) (*Orient-Express*).

[22] Although each case must be decided on its own facts, I agree with the Opponents that *Kraft* stands for the proposition that the term “services” in the Act should be interpreted broadly. Still, even if one argues that the sale of gift cards relates to the operation of THE CHEESECAKE FACTORY restaurants, I consider both *Saks* and *Orient-Express*, which involved summary expungement proceedings, to be distinguishable from the present proceeding. In *Saks*, the trade-

mark owner provided considerable fact-specific evidence of its actual activities and services provided to Canadian residents for the Court to conclude that the services were performed without Canadian customers having to leave Canada. Likewise in *Orient-Express*, the trade-mark owner provided fact-specific evidence that booking, reservations and ticketing services occurred in Canada. For the reasons that follow, the Opponents' evidence in the present proceeding does not satisfy me that Canadians did not have to leave the country to purchase gift cards for the restaurants in the United States.

[23] The law is clear that very little weight can be placed on websites as they cannot be adduced as evidence of the truth of the contents of statements made thereon [see *Candrug Health Solutions Inc. v. Thorkelson* (2007), 60 C.P.R. (4th) 35 (F.C.T.D.), rev'd (2008), 64 C.P.R. (4th) 431 (F.C.A.)]. Even if I accept Exhibit "E" as evidence that the website was in existence on September 7, 2007, or for that matter in 2002 given copyright notices, the Opponents have failed to establish that Canadians had visited the website at any time whatsoever, let alone that anyone ever purchased a gift card online from Canada. Consequently, I find Exhibit "E" to be of no significance when considering the Opponents' contention. Therefore, I do not find it necessary to address the Applicant's submission that the last website page found in Exhibit "E" shows the trade-mark THE CHEESECAKE FACTORY BAKERY as opposed to the trade-mark THE CHEESECAKE FACTORY.

[24] Turning now to Exhibit "F", I note that Ms. Zurzolo does not specify what are the representative documents pertaining to the sale of gift cards to Canadians. Having reviewed Exhibit "F", I remark that it includes one invoice to a customer in Mississauga, Ontario for items described as "The Cheesecake Factory Gift Cards". The remainder of the documents appears to be internal order forms. These forms, which do not display any company names, display the trade-mark at the top and show redacted billing information corresponding to an address in Canada. Only one order form shows a redacted shipping address in Canada, though different from the billing address. In all other cases, the shipping address either is blank or refers to an address in the United States. More importantly, I do not see any information on the invoice and the forms as to how the gift cards were ordered, nor is there a statement of the affiant in this regard. For all we know, the documents may pertain to purchases of gift cards by Canadians who

attended restaurants in the United States and so I am resolving the ambiguity against the interests of the Opponents [see *Conde Nast, supra*].

Bakery Products

[25] I am summarizing below Ms. Zurzolo's written testimony on the sales of bakery products in Canada in association with the trade-mark THE CHEESECAKE FACTORY.

- Bakery products including cakes have been sold in Canada by The Cheesecake Factory since at least as early as 1995. Canadian customers include The Keg Steakhouse and Bar, Costco and Sam's Club Canada.
- She files copies of representative sales invoices for the years 1999 through 2007 to show Canadian sales of bakery products including cakes in association with the trade-mark [Exhibit "G"].
- She files a "representative packaging that The Cheesecake Factory utilizes to ship bakery products including cakes to its Canadian customers" [Exhibit "H"]. I note that the packaging displays the trade-mark. I also note that The Cheesecake Factory Bakery Incorporated (Cheesecake Bakery) is identified as the manufacturer.
- Ms. Zurzolo states that The Cheesecake Factory's revenues generated by the sales of bakery products in Canada from 2000 to 2007 exceeded US\$1.2 million; she does not provide a yearly breakdown.

[26] Insofar as Exhibit "G" is concerned, I note that it consists of 30 invoices. The earliest invoice, dated March 5, 1999, displays the trade-mark at the top left corner, as do 15 other invoices issued between March 11, 1999 and January 13, 2005. The remaining 14 invoices, issued between July 8, 2005 and June 11, 2007, display THE CHEESECAKE FACTORY BAKERY (in a design format), at the top left corner. In oral argument, the Applicant's agent submitted that these 14 invoices did not display the trade-mark THE CHEESECAKE FACTORY. I disagree. In addition to being shown in a different font, the word BAKERY is smaller than the words THE CHEESECAKE FACTORY [see *Canada (Registrar of Trade Marks) v. Cie internationale pour l'informatique CII Honeywell Bull, S.A.*, (1985) 4 C.P.R. (3d) 523 (F.C.A.)]. I should also note that although the 30 invoices all display the trade-mark above

an address in Los Angeles, California, none of them shows a corporate name. As I accept that the invoices display the trade-mark THE CHEESECAKE FACTORY, I shall now consider whether the display on invoices amounts to use of the trade-mark in Canada in association with wares within the meaning of s. 4(1) of the Act.

[27] In *Riches, McKenzie & Herbert v. Pepper King Ltd.* (2000), 8 C.P.R. (4th) 471, the Federal Court, Trial Division, held that the Registrar cannot assume that invoices accompany wares in the absence of evidence to that effect. In the present case, there is no clear statement from Ms. Zurzolo that the invoices accompanied the wares at the time of their sales in Canada. Based on my review of the invoices, the date of shipment is the same as the date of the invoice for 14 of them. In these cases, 6 invoices show the same Canadian address for billing and delivery. Thus, in the case of these 6 invoices, I find it reasonable to infer that the wares were shipped to the same physical place (my emphasis) as the invoice was delivered, so that each invoice has been seen by the same party who received the wares. Consequently, I am prepared to accept 6 invoices issued during the years 1999 through 2002 as evidence of use of the trade-mark THE CHEESECAKE FACTORY in association with bakery products including cakes in Canada within the meaning of s. 4(1) of the Act.

[28] Finally, I note that Ms. Zurzolo's statement with respect to the "representative packaging" filed as Exhibit "H" is in the present tense. I find the absence of a clear statement with respect to the period of use of the packaging results in an ambiguity that must be resolved against the interests of the Opponents [see *Conde Nast, supra*]. Hence, I accept the packaging as showing use of the trade-mark only at the date the affidavit was sworn, namely September 11, 2007.

Summary

[29] I am satisfied that the Opponents' evidence establishes use of the trade-mark THE CHEESECAKE FACTORY in association with restaurant services in the United States, but not in Canada. I am also satisfied that the Opponents' evidence establishes use of the trade-mark THE CHEESECAKE FACTORY in Canada in association with bakery products, in particular cakes, since 1999. That being said, I wish to add that I am not accepting the evidence relating to the trade-mark THE CHEESECAKE FACTORY as evidence relating to the trade-name The

Cheesecake Factory specifically alleged in the statement of opposition. For one thing, the issue of whether there can be use of a trade-mark and a trade-name at the same time depends on the circumstances [see *Road Runner Trailer Mfg. Ltd. v. Road Runner Trailer Co. Ltd.* (1984), 1 C.P.R. (3d) 443 (F.C.T.D.)]. In most instances here, if not in all, the specimens display the ® symbol to the right of the word “factory”. In addition, and maybe more importantly, Ms. Zurzolo throughout her affidavit refers to the use of the trade-mark. In other words, there is no evidence specifically directed to the use of a trade-name, including the trade-name The Cheesecake Factory. Even if it could be argued that the packaging shows the use of Cheesecake Bakery’s corporate name, once again it would show use of a trade-name at the date of the affidavit only.

[30] In my view, the next issue becomes whether the use of the trade-mark THE CHEESECAKE FACTORY within the meaning of s. 4 of the Act amounts to use by Cheesecake Co. and by its predecessor in title, Cheesecake Inc., pursuant to s. 50 of the Act.

Section 50 of the Act

[31] Section 50(1) of the Act requires the owner of a trade-mark to have direct or indirect control of the character or quality of the wares or services in order for the use of a trade-mark by a licensee to be deemed to be use by the owner. Pursuant to s. 50(2) of the Act, where public notice is given of the fact that the use of the trade-mark is a licensed use and the owner of the trade-mark is identified, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and that the character or quality of the wares or services is under the control of the owner.

[32] The evidence in the present proceeding does not show that Cheesecake Co. can benefit from the presumption created by s. 50(2) of the Act. This leads me to revert to paragraph 4 of the Zurzolo affidavit, which reads as follows:

The Cheesecake Factory is licensed by The Cheesecake Factory Assets Co. LLC to use the trade-mark THE CHEESECAKE FACTORY. Under the terms of the licence, The Cheesecake Factory Assets Co. LLC has control over the character or quality of the wares in association with which the trade-mark THE CHEESECAKE FACTORY is used by The Cheesecake Factory.

[33] A fair reading of paragraph 4 must lead to the conclusion that the owner of the trade-mark, Cheesecake Co., is not using itself the trade-mark. Rather, the trade-mark is used under license by The Cheesecake Factory, which per paragraph 1 of the Zurzolo affidavit refers to Cheesecake Inc. and its subsidiaries. As discussed hereafter, given the deficiencies and ambiguities of the aforementioned paragraph, I find the Opponents' evidence with respect to the licensed use of the trade-mark to be open to criticism.

- Ms. Zurzolo states that Cheesecake Co. “has control over the character and quality of the wares” (my emphasis). She is silent about the restaurant services.
- As a result of the collective reference to “The Cheesecake Factory”, we do not know the identity of any of the subsidiaries of Cheesecake Inc.
- Except for the packaging, none of the exhibits accepted as specimen of use of the trade-mark identify an entity. Even if I infer that Cheesecake Bakery, whose name is shown on the packaging, is a subsidiary of Cheesecake Inc., I am not prepared to infer that it is the only subsidiary using the trade-mark. Indeed, I interpret Ms. Zurzolo's reference to “subsidiaries” as a reference to multiple entities. Thus, I am prepared to infer only that Cheesecake Bakery was one of the subsidiaries using the trade-mark in 2007.
- Ms. Zurzolo's reference to “the terms of the license” suggests that there exists a written agreement, but none was filed by the affiant. That being said, I acknowledge that s. 50(1) of the Act does not require a written agreement. Evidence of control by the owner can support the existence of an implied license agreement [see *Well's Dairy Inc. v. UL Canada Inc.* (2000), 7 C.P.R. (4th) 77 (F.C.T.D.)].
- I am not prepared to infer from the statement that Cheesecake Co. “has control” that Cheesecake Co. has had either direct or indirect control over the character or quality of the wares associated with the trade-mark since August 15, 2000, the effective date of the assignment.
- The Zurzolo affidavit is silent on the users of the trade-mark under the ownership of Cheesecake Inc.
- While Ms. Zurzolo is an Officer of Cheesecake Inc., there is no evidence that she is also an Officer of Cheesecake Co. Further, I am not satisfied that Ms. Zurzolo's access to

corporate records is sufficient to conclude that she is involved in the day-to-day operations of Cheesecake Inc. and its subsidiaries.

- Finally, when considering the evidentiary value of Ms. Zurzolo's statement as to control, I am not affording any significance to her "corporate knowledge". Suffice it to say that corporate structure alone is insufficient to establish the existence of a license within the meaning of s. 50(1) of the Act [see *MCI Communications Corp. v. MCI Multinet Communications Inc.* (1995), 61 C.P.R. (3d) 245 (T.M.O.B.)].

[34] Although not specifically referred to by Ms. Zurzolo, nor pointed out by the Opponents in written or oral argument, I have noted references to "quality assurance programs" for the bakery operations in at least two annual reports. That being said, these annual reports concern Cheesecake Inc. Assuming any weight was to be given to the mention of "quality assurance programs" in annual reports, it would have to be concluded that these programs are those of Cheesecake Inc., not Cheesecake Co. In any event, given the above-discussed deficiencies and ambiguities of the Zurzolo affidavit, surely no significance can be afforded to the annual reports as corroborating evidence of control.

[35] In the end, I am not satisfied that the Zurzolo affidavit evidences the control required by s. 50 of the Act in order for the use of the trade-mark THE CHEESECAKE FACTORY to be deemed to be use by Cheesecake Co. since August 15, 2000 or by Cheesecake Inc. as its predecessor in title, be it in association with restaurant services or in association with bakery products. I wish to add that my finding is based on the evidence filed in the present proceeding and is not a finding with respect to the validity of registration No. TMA489,259 [see *Petro-Canada v. Air Miles International Holdings N.V.* (1998), 83 C.P.R. (3d) 111 (T.M.O.B.)].

[36] I now turn to the analysis of the grounds of opposition.

Analysis of the Grounds of Opposition

[37] I wish to deal at the outset with representations made by both parties in written or oral arguments.

[38] I disagree with the Applicant's submission that the case *Markus Cohen Law Office v. Cheesecake Factory Inc.* (2003), 29 C.P.R. (4th) 277 (T.M.O.B.) (*Markus*) is a binding authority in the present proceeding. The issues in the opposition proceeding differ from the issues in *Markus*, which is the decision whereby "restaurant services" was deleted from registration No. TMA489,259 pursuant to s. 45 of the Act. In deciding the merit of the opposition, I must have regard to the particular facts and the evidence of record in the present proceeding. That being said, it is the statement of wares of registration No. TMA489,259, which reads "bakery products, namely cakes", that will govern my assessment of the likelihood of confusion between the trade-marks under the s. 12(1)(d) ground of opposition.

[39] The Opponents submitted in oral argument that the use of the Mark by the Applicant in association with restaurant and cakes would be an infringement of the registered trade-mark THE CHEESECAKE FACTORY. I note that it is the Applicant's right to the *registration* of the Mark that is at issue in the present proceeding.

Registrability pursuant to s. 12(1)(d) of the Act

[40] Having exercised the Registrar's discretion, I confirm that registration No. TMA489,259 for the trade-mark THE CHEESECAKE FACTORY is extant and stands in the name of Cheesecake Co. According to the second to last footnote on the registration page, Cheesecake Co. was recorded as owner of the registration by CIPO on September 24, 2007 further to the assignment from Cheesecake Inc.

[41] Since the Opponents have discharged their initial evidentiary burden, the burden of proof lies on the Applicant to convince the Registrar, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the registered trade-mark THE CHEESECAKE FACTORY.

[42] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that 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.

[43] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time the trade-marks have been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) (*Mattel*)].

[44] There is no evidence directed to the use of the Mark. Further, the evidence does not establish that Cheesecake Co. or its predecessor in title benefited from the use of the registered trade-mark THE CHEESECAKE FACTORY pursuant to s. 50 of the Act. Thus, the extent to which the trade-marks at issue have become known as well as the length of time they have been in use is of no significance in assessing the surrounding circumstances of the present case.

[45] I find that both trade-marks possess some measure of inherent distinctiveness. The Applicant submits that the Mark is more distinctive than the registered trade-mark. However, by disclaiming the right to the exclusive use of “cheesecake” apart from the Mark, the Applicant is seemingly acknowledging that “cheesecake” is descriptive of its services. In any event “cheesecake” is clearly descriptive of the registered wares. I also find “cheesecake” descriptive of the Applicant’s services in that it describes food that can be sold in a restaurant. Ultimately, I assess the inherent distinctiveness of the trade-marks at issue as about the same and so I consider this factor to be of little significance in the present case.

[46] Since the trade-marks at issue are identical, the Opponents are clearly favoured by the degree of resemblance in appearance, sound and in the ideas suggested. It has been held that in most cases this factor is the dominant one in assessing a likelihood of confusion [see *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980) 47 C.P.R. (2d) 145 (F.C.T.D.), *aff’d* (1982), 60 C.P.R. (2d) 70 (F.C.A.)]. Therefore, I should consider whether the differences between “restaurant services” and “bakery products, namely cakes” are such that the nature of the wares, services or business and the nature of the trade outweigh the degree of resemblance between the trade-marks.

[47] In its written argument, the Applicant points to two trade-marks comprising the word AVALON registered for wares (dairy products) co-existing on the register with the trade-mark AVALON for services (dining and bar facilities). As I understand the Applicant's position, the presence on the register of these three registrations in the name of distinct entities supports its contention that the Mark for restaurant services should be allowed to co-exist with the identical trade-mark for bakery products. However, I am not affording any significance to the Applicant's submission. For one thing, the Applicant has failed to properly introduce the three registrations into evidence. It is not the practice of the Registrar to exercise his discretion to check the status of registrations other than in the case of a registration alleged in support of a registrability ground of opposition. I wish to add that even if the registrations had been evidenced properly, I would still have disregarded the Applicant's submission; third parties' registrations in the context raised by the Applicant are not relevant in considering the surrounding circumstances of the present case.

[48] I am also disregarding the Applicant's submissions that the decision *Interprovincial Cooperative Ltd. v. Habbib* (1994), 55 C.P.R. (3d) 87 (T.M.O.B.), where Member Herzig concluded that there would be no reasonable likelihood of confusion between the trade-marks COFFEE DELIGHT for coffee and tea catering services and COFFEE DELIGHT for coffee creamer, supports a finding of no confusion in the present case. Suffice it to once again note that each case must be determined on its own facts.

[49] There is no evidence to determine the kind of restaurants to be operated in association with the Mark. I find it reasonable to conclude that most restaurants sell deserts, such as cakes. As a result, I view the Applicant's services to be somewhat related to the registered wares.

[50] In oral argument, the agent for the Applicant submitted that a bakery products business is distinct from a restaurant business. He went on to submit that the reference to "[b]akery sales to other foodservice operators, retailer and distributors" (my emphasis) at page 17 of the 2000 Annual Report shows that the Opponents' bakery products business is separate and apart from their restaurant business. I do not find this argument to be of any assistance to the Applicant's case. Indeed, it is the probable purchasers of the wares and services associated with the trade-marks at issue that ought to be considered. In my view, it can reasonably be concluded that the

probable purchaser of the Applicant's services and of the Opponents' wares is the ordinary purchasing public. Thus, I conclude to an overlap between the channels of trade of the parties.

[51] In its written argument, the Applicant relies on *Mattel* to submit that the lack of any evidence of confusion is an additional relevant surrounding circumstance. The Applicant also submits that as there is no evidence of confusion, "denial of registration would be based purely on hypothetical and speculative views as to how the respective parties might carry on business in the future". According to the Applicant, the decision *Tradition Fine Foods Ltd. v. Oshawa Group Ltd.* (2005), 44 C.P.R. (4th) 81 (F.C.A.), affirming (2004) 33 C.P.R. (4th) 289 (F.C.) (*Tradition*) "suggests this ought not to be done".

[52] In addition to differences between the facts of the present case and of *Tradition*, the latter decision involved an infringement action, which in my view is sufficient to distinguish *Tradition* from the present proceeding [see *Mondo Foods Co. v. Mondo Gelato (Denman) Inc.* (2008), 74 C.P.R. (4th) 28 (T.M.O.B)]. With respect to opposition proceeding, it has often been said that an opponent needs not to prove instances of confusion. The burden is on an applicant to demonstrate the absence of likelihood of confusion. In other words, the absence of evidence of confusion does not relieve an applicant from its burden of proof.

[53] In *Mattel*, the Supreme Court of Canada recited the remarks made by Décaré J. in *Christian Dior S.A. v. Dion Neckwear Ltd.* (2002), 20 C.P.R. (4th) 155 in reference to the implication of "actual confusion":

While the relevant issue is "likelihood of confusion" and not "actual confusion", the lack of "actual confusion" is a factor which the courts have found of significance when determining the "likelihood of confusion". An adverse inference may be drawn when concurrent use on the evidence is extensive, yet no evidence of confusion has been given by the opponent. (My underlining).

[54] Since there is no evidence of use of the Mark, I find the lack of evidence of actual confusion to be of no significance.

[55] The Opponent relies on the decisions *Orkin Exterminating Co. v. Pestco of Canada* (1985), 5 C.P.R. (3d) 433 (Ont. C.A.) (*Orkin*) and *Enterprise Rent-A-Car v. Singer* (1996) 66 C.P.R. (3d) 453 (F.C.T.D.); aff'd 79 C.P.R. (3d) 45 (F.C.A.) (*Enterprise*) to submit that the use

of the trade-mark THE CHEESECAKE FACTORY in the United States should be taken into consideration as an additional surrounding circumstance. I would first observe that *Orkin* and *Enterprise* involved passing-off actions, which by itself should be sufficient to distinguish them from the present proceeding [see *Unilever Canada Inc. v. Sunrider Corp.* (March 27, 2006) T.M.O.B. (unreported) application No. 786,941]. In any event, I find it not necessary to address this alleged surrounding circumstance in order to find in favour of the Opponents under the registrability ground of opposition.

[56] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances, in particular the nature of the wares and services, the nature of the trade and the resemblance between the trade-marks in appearance, sound and in the ideas suggested, I am not satisfied that the Applicant has met its burden to show that there is no reasonable likelihood of confusion between the Mark and the registered trade-mark THE CHEESECAKE FACTORY.

[57] In view of the above, the ground of opposition based upon s. 12(1)(d) of the Act is successful.

Non-entitlement

[58] Based on a fair reading of the pleading, which I reproduced hereafter, the Opponents appear to allege that the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a), (b) and (c) of the Act:

The Applicant is not the person entitled to registration of the [Mark] for the advertised wares since, contrary to section 38(2)(c) of the [Act], at the date of filing of the advertised application it was confusing with the Opponents' aforesaid trade-mark THE CHEESECAKE FACTORY and trade-names including THE CHEESECAKE FACTORY, which had been extensively used in Canada by the Opponents, had been previously made known in Canada and in respect of which an application for registration under the [Act] had been previously filed in Canada by the Opponents.

Non-entitlement pursuant to s. 16(3)(a) of the Act

[59] The ground of opposition based upon s. 16(3)(a) appears to be pleaded as a two-prong ground. The first prong is based upon previous use of the trade-mark THE CHEESECAKE FACTORY whereas the second prong is based upon the making known of the trade-mark. Yet, the Opponents did not allege whether they rely upon previous use and making known of the trade-mark in association with bakery products *and* restaurant services. Considering both the evidence and the statement of opposition [see *Novopharm Ltd. v. Astrazeneca et al* (2002), 21 C.P.R. (4th) 289 (F.C.A.) (*Novopharm*)], it seems to me that the Applicant could at most understand that the Opponents were relying upon previous use and making known of the trade-mark THE CHEESECAKE FACTORY in association with bakery products.

[60] I will consider each prong of the ground of opposition.

Previous Use

[61] Despite the onus resting on the Applicant, the Opponent has the initial onus of proving that the alleged trade-mark was used prior to the material date, namely February 16, 2001, and had not been abandoned at the date of advertisement of the application [s. 16(5) of the Act].

[62] As previously discussed, there is evidence of use of the trade-mark THE CHEESECAKE FACTORY in Canada in association with bakery products, including cakes, since 1999. However, I am not satisfied that the Opponents have shown that Cheesecake Co. or its predecessor in title, Cheesecake Inc., benefited from the use of the trade-mark pursuant to s. 50 of the Act. Thus, I find that the Opponents have failed to meet their initial evidentiary burden respecting the first prong of the ground of opposition based upon s. 16(3)(a) of the Act.

Made Known

[63] Despite the onus resting on the Applicant, the Opponents must establish that the alleged trade-mark had been made known in Canada by the specific means set out in s. 5 of the Act, such that the trade-mark had become well known at the material date. In accordance with s. 16(5) of the Act, the Opponent must also establish that the trade-mark had not been abandoned at the date of advertisement of the application.

[64] Even if the evidence establishes that bakery products were distributed in Canada prior to the material date, I am not satisfied that the Zurzolo affidavit is sufficient for the Opponents to meet their initial evidentiary burden. For one thing, since the revenues have not been broken down on a yearly basis, I am not satisfied that the evidence establishes that the trade-mark THE CHEESECAKE FACTORY was sufficiently well known in Canada in association with bakery products, as of February 16, 2001, to meet the requirements of s. 5 of the Act [*Valle's Steak House v. Tessier* (1980), 49 C.P.R. (2d) F.C.T.D.]. Alternatively, I find that the Opponents have failed to meet their initial evidential burden to show that the trade-mark had become well known at the material date as the trade-mark of Cheesecake Co. given the latter did not benefit from the use of the trade-mark pursuant to s. 50 of the Act.

[65] Having regard to the foregoing, I dismiss the non-entitlement ground of opposition based upon s. 16(3)(a) of the Act.

[66] In the event one concludes that the ground of opposition was also based upon the previous use and making known of the trade-mark THE CHEESECAKE FACTORY in association with restaurant services, I find that it should still be dismissed. For one thing, the Opponents have failed to show use of the trade-mark in Canada in association with restaurant services before February 16, 2001. Also, there is no evidence to show that the trade-mark would have been made known through the means set out in s. 5 of the Act. Thus the lack of evidence of use of the trade-mark under the control required by s. 50 of the Act is a moot point.

Non-entitlement pursuant to s. 16(3)(b) of the Act

[67] The Opponents did not allege any previously filed applications in support of the ground of opposition. Considering both the evidence and the statement of opposition [see *Novopharm, supra*], I find that the most that can be inferred is that the Opponents were relying upon the application for the trade-mark THE CHEESECAKE FACTORY of registration No. TMA489,259. However, as the application had already proceeded to registration at the advertisement date of the Mark, I dismiss the ground of opposition for having been improperly pleaded [see *Governor and Co. of Adventurers of England trading into Hudson's Bay v. Kmart Canada Ltd.* (1997), 76 C.P.R. (3d) 526 (T.M.O.B.)].

Non-entitlement pursuant to s. 16(3)(c) of the Act.

[68] I would first remark that based on a plain reading of s. 16(3)(c) of the Act, the “making known” of a trade-name cannot form the basis of a non-entitlement ground of opposition. Thus, once again considering both the evidence and the statement of opposition, I find the most that can be inferred is that the ground of opposition is based upon the previous use of the trade-name The Cheesecake Factory.

[69] Despite the onus resting on the Applicant, the Opponents have the initial onus of proving that the alleged trade-name had been used in Canada prior to the material date and had not been abandoned at the date of advertisement of the application [s. 16(5) of the Act].

[70] As I have concluded that the Zurzolo affidavit fails to evidence use of the trade-name The Cheesecake Factory, I dismiss the ground of opposition because the Opponents have failed to meet their initial evidentiary burden. I wish to add that if one is to argue that the corporate names of the three distinct entities collectively referred to as the Opponents were included in the pleading “trade-names including THE CHEESECAKE FACTORY”, I would still dismiss the ground of opposition on the basis that the Opponents failed to meet their evidentiary burden of showing use of any of these corporate names prior to the filing date of the application.

Non-distinctiveness

[71] The Opponents allege that the Mark is not adapted to distinguish and does not distinguish the Applicant’s services from the wares and services “in association with which the Opponents have used, advertised and made known THE CHEESECAKE FACTORY trade-mark and trade-names.”

[72] As I have found that the Opponents have failed to provide evidence of use of any trade-names, including the trade-name The Cheesecake Factory, the ground of opposition essentially turns on the issue of confusion between the Mark and the trade-mark THE CHEESECAKE FACTORY of Cheesecake Co.

[73] There is an initial burden on the Opponents to show that the trade-mark THE CHEESECAKE FACTORY had become known sufficiently as a mark of Cheesecake Co. as of

December 19, 2006, to negate the distinctiveness of the Mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.*, 56 C.P.R. (2d) 44 (F.C.T.D.); *Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)].

[74] Contrary to the determination of the ground of opposition based upon s. 16(3)(a) of the Act, a consideration of whether Cheesecake Co.'s trade-mark THE CHEESECAKE FACTORY had become known sufficiently to negate the distinctiveness of the Mark is not restricted to the factors enumerated in s. 5 of the Act. Also, the material date for consideration of the evidence of use under the non-distinctiveness ground of opposition is five years later than under the non-entitlement ground of opposition.

[75] That being said, my finding that the evidence fails to establish that the trade-mark THE CHEESECAKE FACTORY has been used under the control of Cheesecake Co. as required by s. 50 of the Act, be it in association with restaurant services or bakery products, remains applicable. It follows that there has been non-distinctive use of the trade-mark THE CHEESECAKE FACTORY. Thus I find that the Opponents have failed to discharge their initial burden to show that the trade-mark THE CHEESECAKE FACTORY had been used by Cheesecake Co. as of December 19, 2006, so as to negate the distinctiveness of the Mark as pleaded by the Opponents.

Disposition

[76] Having regard to the foregoing, pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office