



# Canadian Intellectual Property Office

## **THE REGISTRAR OF TRADEMARKS**

**Citation:** 2024 TMOB 108

**Date of Decision:** 2024-06-07

## **IN THE MATTER OF AN OPPOSITION**

**Opponent:** Young Group Entertainment Inc.

**Applicant:** SBE Restaurant Group, LLC

**Application:** 1,939,837 for KATSUYA

### **OVERVIEW**

[1] The application for KATSUYA (the Mark) was filed on January 9, 2019 by SBE Licensing, LLC in association with restaurant and bar services. The application was subsequently assigned to SBE Restaurant Group, LLC. Both entities will be collectively referred to as the Applicant.

[2] For the reasons that follow, the application is refused.

### **THE RECORD**

[3] The application was advertised for opposition in the *Trademarks Journal* of January 19, 2022. Young Group Entertainment Inc. (the Opponent) filed a statement of opposition pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act) on July 4, 2022.

[4] The Opponent raises a number of grounds of opposition including grounds based on section 16(1)(a) of the Act and non-distinctiveness primarily on the basis of confusion with the Opponent's trademark KATSUYA and KATSUYA Design shown below in association with its restaurants in Ontario and British Columbia.



I consider use of the KATSUYA Design trademark to also be use of the word trademark KATSUYA, as, the word element of the KATSUYA trademark stands out sufficiently within the composite trademark to maintain its identity and be recognizable as a separate trademark.

[5] The Opponent filed as its evidence the affidavit of Young Ju Lee, its CEO. The Applicant did not file any evidence in support of its application. The Opponent alone filed written representations.

### **ONUS AND LEGAL BURDEN**

[6] The legal onus is on an applicant to show that the application complies with the provisions of the Act. However, there is an initial evidential burden on an opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial burden is met, an applicant must satisfy the Registrar, on a balance of probabilities, that the grounds of opposition pleaded should not prevent the registration of the Mark [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA*, 2002 FCA 29].

### **REASONS FOR DECISION**

#### ***Section 16(1)(a) Non-entitlement Ground***

[7] The Opponent alleges that the Mark is confusing with its use of the KATSUYA and KATSUYA Design trademarks used in association with restaurant and bar services.

As there is no evidence of use of the Mark, the material date for this ground of opposition is the filing date of the application [section 16(1)(a) of the Act].

[8] The Opponent's evidence detailed in the affidavit of Young Ju Lee is sufficient to meet its evidential burden:

- The Opponent opened its first restaurant under the name KATSUYA on June 1, 2016. The Opponent operates its restaurants by itself or through licensed franchises and maintains the quality and care of the services (paras 9-11).
- The Opponent uses its KATSUYA trademark on advertisements, menus, signage, and uniforms (Exhibits E-J). The earliest evidence of signage showing the KATSUYA trademark is in a BlogTO article published on November 17, 2016 reviewing the 6048 Yonge Street location (para 31, Exhibit Z).
- The Opponent's website which advertises its KATSUYA restaurant and displays its trademark prominently, has been operating since March 28, 2016 and averages 10,000 visits per month (paras 13-14, Exhibits C-D).
- The Opponent has served 100-200 customers in its restaurants daily since 2016 (para 19).

### ***Test for confusion***

[9] The test for confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods and services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods and services are of the same general class or appear in the same class of the Nice Classification. Therefore, section 6(2) of the Act does not deal with confusion between trademarks themselves, but with the likelihood that the goods or services from one source will be perceived as being from another source.

[10] In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time the trademarks have been in use; (c) the nature of the goods and services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54].

[11] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees an applicant's mark, at a time when they have no more than an imperfect recollection of an opponent's trademark, and do not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot, supra*, at para 20].

inherent distinctiveness of the trademarks

[12] The Mark and the Opponent's trademark KATSUYA have a similar degree of inherent distinctiveness as they are identical.

extent to which they have become known and length of time in use

[13] The Opponent's trademarks have acquired distinctiveness in association with restaurant services as the Opponent operated a number of restaurants in association with the trademark KATSUSYA for more than two years before the material date. In contrast, there is no evidence that the Mark has been used or acquired any reputation in Canada.

nature of the services or business; and nature of the trade

[14] The overlap is significant. The parties' services are both restaurant services. The Opponent's evidence includes printouts of the Applicant's website which show that in

other countries it offers Japanese cuisine, the same type of cuisine offered by the Opponent (para 40, Exhibits SS-XX). Although the printouts of the websites of the Applicant's affiliates is hearsay, I accept this evidence since it was necessary for the Opponent to file them and they are reliable since the Applicant, being a party, had the opportunity to refute the evidence.

degree of resemblance between the trademarks

[15] The degree of resemblance is often considered to have the greatest effect on the confusion analysis [*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 49]. The Mark and the Opponent's trademark KATSUYA are identical.

**CONCLUSION ON LIKELIHOOD OF CONFUSION**

[16] Having considered all of the surrounding circumstances, I find that the Applicant has not satisfied its legal burden to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trademark KATSUYA. The section 16(1)(a) ground of opposition therefore succeeds. I reach this conclusion in view of the fact that the parties' trademarks and services are identical.

***Distinctiveness Ground of Opposition***

[17] While there is a legal onus on an applicant to show that its trademark is adapted to distinguish or actually distinguishes its goods and services from those of others throughout Canada [*Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)], there is first an initial evidential burden on an opponent to establish the facts relied upon in support of the ground of non-distinctiveness.

[18] Pursuant to its evidential burden, the Opponent is under an obligation to show that, as of the filing of the statement of opposition, one or more of its KATSUYA trademarks had become known sufficiently to negate the distinctiveness of the Mark [*Bojangles' International, LLC v Bojangles Café Ltd* 2004 CanLII 71764 (TMOB), 40 CPR (4th) 553, affirmed 2006 FC 657].

[19] The Opponent meets its evidential burden as its evidence establishes that the Opponent's KATSUYA trademark had become sufficiently known as of July 4, 2022, the

date of filing the statement of opposition. The yearly sales of the Opponent's services in association with the KATSUYA trademark ranged between \$2.2 and 7.2 million between 2016-2021 (para 29). At the material date, the Opponent and its licensed franchisees were operating multiple locations across Canada in association with the trademark KATSUYA.

[20] The difference in material dates is not significant and as a result my finding under the ground of opposition based on section 16(1)(a) of the Act is equally applicable here. As a result, I am satisfied that the Applicant has failed to discharge its burden of showing, on a balance of probabilities, that there was no reasonable likelihood of confusion between the Mark and the Opponent's KATSUYA trademark as of the material date. The non-distinctiveness ground of opposition also succeeds.

***Unnecessary to consider the remaining grounds***

[21] Having refused the application on the basis of two grounds of opposition, I find it unnecessary to consider the remaining grounds of opposition.

**DISPOSITION**

[22] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

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Natalie de Paulsen  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

# Appearances and Agents of Record

**No hearing held.**

## **AGENTS OF RECORD**

**For the Opponent:** Riches, McKenzie & Herbert LLP

**For the Applicant:** Cassels Brock & Blackwell LLP