

Federal Court



Cour fédérale

**Date: 20240729**

**Docket: T-1945-22**

**Citation: 2024 FC 1202**

**Toronto, Ontario, July 29, 2024**

**PRESENT: Madam Justice Pallotta**

**BETWEEN:**

**51.CA INC.**

**Applicant**

**and**

**CHUN HUANG**

**Respondent**

**JUDGMENT AND REASONS**

**I. Background**

[1] The applicant (51.ca) brings this application pursuant to section 57 of the *Trademarks Act*, RSC 1985, c T-13 [*TMA*] for an order striking trademark registration no. TMA722538 from the register. 51.ca also seeks injunctive relief to prevent the registered owner, the respondent Mr. Huang, from using the registered trademark (Trademark) in the future.

[2] The Trademark consists of four Chinese characters depicted below (Characters):

加国无忧

[3] Mr. Huang applied to register the Trademark on December 13, 2006. TMA722538 issued to registration on August 27, 2008, covering use of the Trademark in association with “internet hosting services and intellectual property consulting services offered from a website”. According to the registration details, the transliteration of the Characters is “jia guo wu you” and the translation is “do not worry in Canada”.

[4] On January 2, 2018, the Registrar of Trademarks (Registrar) issued a notice under section 45 of the *TMA* that required Mr. Huang to show he had used the Trademark in association with the registered services during the three-year period preceding the notice. The Registrar issued a decision in the section 45 proceeding on June 30, 2020. The Registrar was not satisfied that Mr. Huang’s evidence demonstrated use of the Trademark in association with “internet hosting services and intellectual property consulting services offered from a website” and deleted the services.

[5] Despite this, the Registrar did not expunge TMA722538. Mr. Huang had applied to extend the registered services on January 19, 2017, and TMA722538 was amended on November 8, 2018 to add “publishing of books and magazines” and “hosting websites on the internet, hosting internet sites for others and intellectual property consulting services offered from a website”. The Registrar maintained TMA722538 because the extended services were added after the notice date and were not subject to section 45 proceedings. As it stands,

TMA722538 covers use of the Trademark in association with (1) publishing of books and magazines, and (2) hosting websites on the internet, hosting internet sites for others and intellectual property consulting services offered from a website.

[6] 51.ca states that it has operated a website since 2001 that, among other things, publishes commercial advertisements, a directory of commercial information, and coupons intended for a Chinese Canadian audience. Over the years, its business has grown to expand the services offered through the website and extend the services to other online and print media platforms. 51.ca alleges it has used the Characters as an unregistered trademark since 2001. It states the Characters were displayed on its website, its mobile app launched in 2015, and printed publications that were distributed in the Greater Toronto Area between 2011 and 2018.

[7] 51.ca alleges that TMA722538 should be struck from the register because Mr. Huang was not the person entitled to secure the registration, the Trademark is not distinctive of him, and he filed the application to register the Trademark in bad faith. Furthermore, 51.ca states the Court can infer based on the registration that Mr. Huang intends to use the Trademark, so injunctive relief is necessary and appropriate to prevent future passing off.

[8] Mr. Huang submits 51.ca's evidence does not demonstrate that it used the Characters as an unregistered trademark. Rather, 51.ca's evidence identifies two trademarks it has used since

2001, shown below. Mr. Huang states the Characters are not identifiable as a trademark on their own—they are merely incorporated as part of composite design marks.

First Composite Mark



Second Composite Mark



- Shown on printouts of 51.ca's website (2001 to 2012)
- Shown on printouts of 51.ca's website (2013 to 2021), mobile app (since 2015), and printed publications (2017 to 2018)

[9] Mr. Huang submits TMA722538 should not be struck from the register. There is no likelihood of confusion between the Trademark and 51.ca's unregistered composite marks, the Trademark is distinctive, and he did not act in bad faith. Furthermore, Mr. Huang contends that 51.ca did not allege confusion until September 2022, even though it should have known about his use of the Trademark by no later than April 2012, and the relief sought in this application is barred by a limitation period and/or the doctrines of acquiescence and laches.

## II. Issues

[10] The issues are:

- A. Is the relief that 51.ca seeks in this application barred by a limitation period or the doctrines of acquiescence or laches?
- B. Does 51.ca have standing to bring this application under section 57 of the *TMA* and has it established that TMA722538 should be struck from the register?

C. Has 51.ca established it is entitled to injunctive relief for future passing off?

[11] As a preliminary matter, at the outset of the hearing Mr. Huang tendered a compendium and book of authorities for filing. Since 51.ca's counsel had not reviewed them, the documents were accepted and filed under reserve of objection. Ultimately, 51.ca did not raise an objection to the documents.

### III. Analysis

A. *Is the relief that 51.ca seeks in this application barred by a limitation period or the doctrines of acquiescence or laches?*

[12] Mr. Huang alleges that: (i) 51.ca's application is out of time because it was commenced after the expiry of the six-year limitation period that applies to claims of passing off pursuant to subsection 7(b) of the *TMA*; and (ii) 51.ca has not met the subsection 17(2) condition for expunging a trademark registration more than five years after the registration date.

Subsection 17(2) of the *TMA* states that no trademark registration older than five years shall be expunged, amended, or held invalid on the ground of any previous use or making known of a confusing trademark by another person, unless it is established that the owner of the registered trademark adopted it with knowledge of the previous use or making known. Mr. Huang contends he did not know of 51.ca's use of a *confusing* trademark, given the differences in appearance and the nature of the services or trade associated with the parties' respective marks.

[13] Mr. Huang also alleges that 51.ca acquiesced to his rights by allowing him to promote his business in association with the Trademark on 51.ca's website for many years. He contends that he registered as a user of 51.ca, created multiple user accounts, purchased advertising space,

advertised his business, and participated in the community forum on the website, and that 51.ca issued 46 invoices for commercial advertisements between October 2010 and March 2021.

Mr. Huang states 51.ca's actions amounted to more than delay; he reasonably relied on a pattern of permissive behaviour regarding commercial use of a trademark: *Boston Pizza International Inc v Boston Market Corp*, 2003 FC 892 at para 45 [*Boston Pizza*].

[14] Furthermore, Mr. Huang argues that 51.ca would have been aware of TMA722538 no later than April 2012, when it received a trademark examiner's report regarding its application to register the first composite mark (white and grey design above). The examiner stated the mark did not appear to be registrable because it was confusing with the registered trademark TMA722538.

[15] I agree with 51.ca that the relief it seeks is not time-barred.

[16] 51.ca seeks a remedy for passing off as of the date TMA722538 is invalidated, not for past passing off. The six-year limitation period in subsection 39(2) of the *Federal Courts Act*, RSC 1985, c F-7 does not bar injunctive relief for passing off as a continuing tort: *Blossman Gas, Inc v Alliance Autopropane Inc*, 2022 FC 1794 at para 147 [*Blossman*]; LA Kelly Gill and R Scott Joliffe, *Fox on the Canadian Law of Trade-marks and Unfair Competition*, 4th ed, 2002-2023 at § 9.25. That said, 51.ca has not established that an injunction for future passing off is necessary and appropriate in this case. I will return to this point below.

[17] Turning to subsection 17(2) of the *TMA*, 51.ca did not commence this proceeding outside the five-year window. When 51.ca commenced this application on September 23, 2022, TMA722538 only covered the extended services that were added to the registration on November 8, 2018. The Registrar had deleted all of the original services specified in TMA722538 when it first issued. As 51.ca points out, an application to extend the goods or services covered by a registration has the same effect as an application to register the trademark with the goods or services specified in the extension application: *TMA*, s 41(2). Such an amendment requires examination and advertisement so third parties can oppose it: *Sim & McBurney v Parry*, 2010 FC 118 at para 40. The Registrar made similar observations in the context of the section 45 proceeding, noting that the extension application was analogous to a fresh application to register the Trademark with the extended services, the extended services were not subject to section 45 proceedings, and a registered owner is not required to furnish evidence of use in respect of goods and services that have been listed in a registration for less than three years: Canadian Intellectual Property Office, *Practice in section 45 proceedings*, section II.1.2. I find that the condition referred to in subsection 17(2) of the *TMA* that applies to registrations older than five years is not triggered in the circumstances of this case.

[18] In any event, 51.ca would have met the subsection 17(2) condition—I am satisfied that Mr. Huang adopted the Trademark with knowledge of 51.ca's prior use. Knowledge for the purposes of subsection 17(2) may be imputed: *Ottawa Athletic Club Inc (Ottawa Athletic Club) v Athletic Club Group Inc*, 2014 FC 672 at para 100, citing *Bodum USA, Inc v Meyer Housewares Canada Inc*, 2012 FC 1450 at para 153. 51.ca filed evidence demonstrating that Mr. Huang was a long-time user of its website, logging hundreds of hours under multiple user accounts.

Mr. Huang filed no evidence in response, and his written argument acknowledges that he created multiple user accounts and purchased advertising space on the 51.ca website from 2004-2021. While Mr. Huang argues he did not know of 51.ca's use of a *confusing* trademark given the differences in appearance and the nature of the services or trade associated with the parties' respective marks, whether the trademarks are confusing is a question for this Court to decide, not Mr. Huang. I find that Mr. Huang would have seen the Characters as displayed on the 51.ca website before he filed both the original and extension applications, and he adopted the Trademark with knowledge of 51.ca's previous use or making known.

[19] Finally, the relief 51.ca seeks is not barred by the doctrines of acquiescence or laches. There is an open question as to whether these equitable defences are available in response to an expungement application based on statutory grounds of non-entitlement: *Blossman* at para 34, citing *Precision Door & Gate Service Ltd v Precision Holdings of Brevard, Inc*, 2012 FC 496 at para 43 and *Ling Chi Medicine Co (HK) Ltd v Persaud*, 1998 CanLII 31084 at para 2 (FCA). However, it is not necessary to resolve this issue. Even if the defences are available, I am not persuaded they apply in this case.

[20] Acquiescence may preclude relief where a party has consented to a breach of its rights and the breaching party has detrimentally relied on that consent: *Boston Pizza* at paras 42-48. Mere delay is insufficient and silence alone does not bar a proceeding: *Norsteel Building Systems Ltd v Toti Holdings Inc*, 2021 FC 927 at paras 35-36 [*Norsteel*]. The rights holder must do something to encourage the wrongdoer, and the wrongdoer must act to its detriment in reliance on that encouragement: *Norsteel* at paras 33-35. In this case, Mr. Huang has not established that



51.ca encouraged his actions. As 51.ca points out, Mr. Huang purchased advertising space on 51.ca's website but he has not shown that he used the Trademark on the website. 51.ca also states it was not aware of use in the marketplace and asked the Registrar to issue a section 45 notice in January 2018. Mr. Huang has not filed evidence explaining why he believed 51.ca was consenting to his actions and did not intend to pursue its rights, or how he detrimentally relied on 51.ca's consent or inaction.

B. *Does 51.ca have standing to bring this application under section 57 of the TMA and has it established that TMA722538 should be struck from the register?*

[21] An application under section 57 of the *TMA*, which may be made by the Registrar or by "any person interested", allows the Court to order that any entry in the register be struck out or amended if it does not accurately define the existing rights of the registered owner.

[22] The definition of "person interested" is broad and has been described as a *de minimis* threshold: *Blossman* at para 42, citing *Yiwu Thousand Shores E-Commerce Co Ltd v Lin*, 2021 FC 1040 at para 22 [*Yiwu*], among other cases.

[23] 51.ca alleges that it was the first to use the Characters as a trademark, the Trademark is confusingly similar to 51.ca's unregistered trademark, and TMA722538 poses an obstacle to registration of 51.ca's trademark. 51.ca asserts rights that are affected by the registration in question and I agree with 51.ca that it qualifies as an interested person within the meaning of subsection 57(1) of the *TMA*.

[24] 51.ca bears the onus of establishing that TMA722538 is invalid on a balance of probabilities: *Blossman* at para 42, citing *Havana House Cigar & Tobacco Merchants Ltd v Skyway Cigar Store*, 1998 CanLII 7773 at para 43 (FC). 51.ca submits TMA722538 is invalid because: (i) Mr. Huang was not the person entitled to register the Trademark, contrary to paragraphs 18(1)(d) and 16(1)(a) of the *TMA*; (ii) the Trademark is not distinctive of Mr. Huang, contrary to paragraph 18(1)(b) of the *TMA*; and (iii) Mr. Huang filed the application to register the Trademark in bad faith, contrary to paragraph 18(1)(e) of the *TMA*.

(1) Paragraphs 18(1)(d) and 16(1)(a)

[25] TMA722538 will be invalid for non-entitlement if 51.ca demonstrates that, as of the material date, the Trademark was confusing with a trademark that had been previously used in Canada or made known in Canada by any other person: *TMA*, ss 18(1)(d) and 16(1)(a). The material date for assessing entitlement under paragraph 18(1)(d) and subsection 16(1) is the earlier of the filing date or the date of first use in Canada: *Blossman* at para 47; *Advanced Purification Engineering Corporation (APEC Water Systems) v iSpring Water Systems, LLC*, 2022 FC 388 at para 33.

[26] 51.ca submits the material date in this case is the filing date of the extension application, or in the alternative, the filing date of the original application. The extension application was filed on January 19, 2017 and the original application was filed on December 13, 2006.

[27] I agree with 51.ca that the material date in this case is the filing date of the extension application.

[28] The registration that is challenged in this application is limited to the services specified in Mr. Huang's extension application. That application was filed more than a decade after the original application. It would not make sense to use a material date of December 13, 2006 to assess whether Mr. Huang was entitled to register the Trademark in association with the services now specified in TMA722538.

[29] The registration details for TMA722538 indicate that Mr. Huang filed the extension application based on claims that he had used the Trademark in Canada since August 8, 2008 with the services "hosting websites on the internet, hosting internet sites for others and intellectual property consulting services offered from a website", and since September 1, 2016 with the services "publishing of books and magazines". However, subsection 16(1) refers to the date of first use, not the claimed date of first use:

16 (1) Any applicant who has filed an application in accordance with subsection 30(2) for the registration of a registrable trademark is entitled, subject to section 38, to secure its registration in respect of the goods or services specified in the application, unless at the filing date of the application or the date of first use of the trademark in Canada, whichever is earlier, it was confusing with

16 (1) Tout requérant qui a produit une demande conforme au paragraphe 30(2) en vue de l'enregistrement d'une marque de commerce enregistrable a droit, sous réserve de l'article 38, d'obtenir cet enregistrement à l'égard des produits ou services spécifiés dans la demande, à moins que, à la date de production de la demande ou à la date à laquelle la marque a été employée pour la première fois au Canada, la première éventualité étant à retenir, la marque n'ait créé de la confusion :

(a) a trademark that had  
been previously used in  
Canada or made known in  
Canada by any other  
person

[...]

(emphasis added)

a) soit avec une marque de  
commerce antérieurement  
employée ou révélée au  
Canada par une autre  
personne

[...]

(Je souligne)

[30] Mr. Huang has not filed evidence establishing the date when he first used the Trademark in Canada with any of the registered services.

[31] Mr. Huang attempts to rely on a July 2018 affidavit he filed in response to the section 45 notice, which is part of 51.ca's record in this proceeding, as evidence that he used the Trademark. 51.ca objects, stating Mr. Huang cannot rely on the affidavit in 51.ca's record as evidence of use in this proceeding because he did not file the affidavit in this proceeding and 51.ca was not entitled to cross-examine him on it. Mr. Huang counters that 51.ca cannot "cherry-pick" the evidence that can be relied on from the record.

[32] It is not necessary to rule on 51.ca's objection. Mr. Huang's affidavit from the section 45 proceeding consists of bare assertions that: the Trademark has been "continuously used since April 1996 in respect of the said goods and services of my immigration business", stating that the Trademark was used as a "business slogan/motto" for two immigration firms; Mr. Huang took over the magazine Coupon King on September 18, 2015 and displayed the Trademark on "the cover of the magazine, as well as, the website WWW.51COUPON.ca and as the logo of the business e-mail" and that Coupon King advertises services and coupons of various subjects including immigration; and the Trademark has been "used and displayed over Wechat, a social

media application, to advertise my business in the Chinese community since January 1, 2017”. There are no exhibits to the affidavit and the assertions in the affidavit simply do not establish that the Trademark was “used”, within the meaning of the *TMA*, in association with any of the extended services, or that any use would enure to Mr. Huang’s benefit.

[33] Consequently, the earliest material date for assessing the entitlement ground is the filing date of the extension application, January 19, 2017.

(a) *Previous Use or Making Known*

[34] 51.ca states there is no evidence that Mr. Huang has actually used the Trademark and, as noted above, it argues that it was the first to use the Characters as a trademark. 51.ca states it used the Characters on its website since 2001 and on its app since 2015. The Characters were prominently displayed and seen by hundreds of thousands of users.

[35] Mr. Huang does not dispute that 51.ca has used what he describes as two composite design marks; however, he submits the record “does not contain a single specimen” showing that 51.ca used the Characters, alone, as an identifiable trademark. He states the Characters have “merely been incorporated as parts of two different trademarks shown to be used throughout the years” and have always appeared in connection with and secondary to the website address.

[36] In my view, 51.ca has used the Characters as a trademark since as early as 2001. The Characters are prominently displayed in association with 51.ca’s online and print media, and

they stand out in a way that, in my view, would be perceived by the public as a trademark having a distinct identity from the surrounding text and designs of the composite marks.

[37] That said, Mr. Huang correctly points out that the Court's confusion analysis must be between the Trademark as registered and 51.ca's unregistered trademark as it was actually used: *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at paras 51-60 [*Masterpiece*]. In this regard, the evidence shows that 51.ca has always displayed the Characters in proximity to a website address. Therefore, I have approached entitlement by accepting Mr. Huang's assertion that 51.ca's unregistered trademarks for the purposes of the confusion analysis are the first and second composite marks shown above, used from 2001 to 2012 and since 2013, respectively.

[38] Specifically, I consider the second composite mark to be the relevant comparison for the confusion analysis because that is the trademark 51.ca was using at the material time. However, I also find a likelihood of confusion between the Trademark and the first composite mark, used from 2001 to 2012. Therefore, even if Mr. Huang can rely on the claimed dates of first use in the extension application, I would reach the same conclusion on entitlement.

(b) *Confusion*

[39] The use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with the trademarks are manufactured, sold, leased, hired, or performed by the same person, whether or not the goods or services are of the same general class or appear in the same

class of the Nice Classification: *TMA*, s 6(2); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 19 [*Clicquot*].

[40] In determining whether trademarks are confusing, the Court shall have regard to all the surrounding circumstances, including: (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, services, or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks in appearance, sound, or the ideas suggested by them: *TMA*, s 6(5).

[41] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the Trademark at a time when he or she has no more than an imperfect recollection of 51.ca's trademark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks: *Clicquot* at para 20; *Masterpiece* at paras 40-41. The factors to be considered when making a determination as to whether or not a mark is confusing to a somewhat-hurried consumer "in all the circumstances" include, but are not limited to, those enumerated in subsection 6(5) of the *TMA*: *Clicquot* at para 21; *Masterpiece* at para 44. The list of circumstances is not exhaustive, and different circumstances will be given different weight in a context-specific assessment: *Clicquot* at para 21, citing *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 [*Mattel*].

[42] The casual consumer somewhat in a hurry is not the same in all contexts. An analysis of the likelihood of confusion must account for the persons who are likely to purchase the wares (*i.e.* the actual consumer): *Baylor University v Hudson's Bay Co*, [2000] FCJ No 984 at para 27, 8 CPR (4th) 64 (FCA).

[43] 51.ca submits the casual consumer is an average Canadian who can read and understand Chinese characters. 51.ca submits these are the persons who are likely to be the users and consumers of services that are targeted to Chinese Canadians: *Cheung's Bakery Products Ltd v Easywin Ltd*, 2023 FC 190 at para 53; *Cheung Kong (Holdings) Ltd v Living Realty Inc (TD)*, [2000] 2 FC 501 at paras 64-65.

[44] Mr. Huang does not provide submissions on the casual consumer. However, when discussing the nature of the services, his written argument refers to “the average person of the Chinese Canadian community” and “the average Chinese speaking Canadian”.

[45] In my view, the casual consumer is an average Canadian who can read and understand Chinese characters.

[46] Mr. Huang argues that 51.ca's position on confusion in this application is contrary to the position it took in the context of its application to register the Characters (trademark application no. 1,868,396). Mr. Huang contends that in response to an examiner's objection, under paragraph 12(1)(d) of the *TMA*, that the applied-for trademark is confusing with TMA722538,



51.ca argued that the trademarks are not confusing. Effectively, he suggests 51.ca's response to the examiner's objection was an admission of non-confusion.

[47] I am not persuaded that 51.ca made an admission, and in my view, 51.ca's response to the examiner is not material to the confusion analysis. It appears that 51.ca attempted to overcome the examiner's objection by arguing that the parties' respective services fall into different Nice classes. The examiner rejected 51.ca's argument and maintained the confusion objection on the basis that the Nice classification is not relevant to a confusion analysis: *TMA*, s 6(2).

[48] Turning to the subsection 6(5) factors, I begin with the degree of resemblance because this factor has the greatest effect on the confusion analysis. Mr. Huang also addressed the degree of resemblance first, on the basis that the remaining factors only become significant once the trademarks at issue are found to be identical or very similar: *Masterpiece* at para 49.

(i) 6(5)(e): degree of resemblance

[49] The degree of resemblance considers the trademarks as a whole and recognizes that marks with some differences may still result in likely confusion: *Bon Appetit Danish, Inc v 2168587 Ontario Ltd*, 2019 FC 396 at para 50; *Masterpiece* at para 62. However, considering a trademark as a whole does not mean that a dominant component in a trademark, which would affect the overall impression of an average consumer, should be ignored: *Masterpiece* at para 84.

[50] 51.ca's position is that it has used the Characters as a trademark and, when considering the degree of resemblance, the registered Trademark is identical. As noted above, I have

approached the confusion analysis on the basis that the unregistered trademark as used is the composite mark, and specifically the second composite mark. The second composite mark is not identical to the registered Trademark.

[51] Mr. Huang submits the Trademark is not similar to the unregistered composite marks that 51.ca has used. While the first word used in a trademark may be important, a preferable approach is to consider whether an aspect of the trademark is particularly striking or unique (*Masterpiece* at paragraph 64) and according to Mr. Huang, the website address is the striking or unique aspect of 51.ca's unregistered trademarks and the Characters are secondary. Mr. Huang argues that 51.ca acknowledges that the Characters, which mean "no worries in Canada" or "do not worry in Canada", have minimal inherent distinctiveness, and an element with minimal inherent distinctiveness would not be the striking or unique aspect. Mr. Huang also argues that 51.ca's trademark application to register the design mark used from 2001 to 2012 (application no. 1,538,586, which was abandoned in 2013) described the trademark as "website address and four Chinese characters on top", referring to the website address first because it is such an important feature of the mark.

[52] I disagree with Mr. Huang that the Characters are secondary to the website address. In my view, the website address and the Characters are equally dominant and neither is secondary to the other. Both elements occupy a position of prominence in the composite marks—neither is relegated to a position of lesser prominence relative to the other. In the first composite mark, the Characters appear in larger font than the website address. In the second composite mark, they appear in darker font than the website address. In both, the Chinese characters are positioned in

the upper half of the composite mark. The relevant public would perceive the Characters as a dominant element of both composite marks, throughout the periods they were used.

[53] I also find that the Characters and the website address constitute distinctly recognizable elements of the composite marks. The Characters are the only foreign language element of trademarks that 51.ca has used with services directed to the average Canadian who can read and understand Chinese characters—the content of the website, mobile app, and printed publications is written almost exclusively in Chinese characters. In my view, the relevant public would perceive the composite marks as consisting of two distinctly recognizable elements.

[54] The Trademark is identical to the Character element of both composite marks. The Trademark thus consists of a distinctly recognizable and dominant or “striking” element of 51.ca’s second composite mark that has been used since 2013, as well as 51.ca’s first composite mark that was used from 2001 to 2012.

[55] In my view, the degree of resemblance factor strongly favours 51.ca.

(ii) 6(5)(a): inherent distinctiveness and extent known

[56] Distinctiveness is of the very essence and is the cardinal requirement of a trademark: *Mattel* at para 75. A trademark may have inherent or acquired distinctiveness: *Pink Panther Beauty Corp v United Artists Corp (CA)*, [1998] 3 FC 534 at para 23, 80 CPR (3d) 247 [*Pink Panther*]. Trademarks are inherently distinctive when nothing about them refers the consumer to a multitude of sources: *Pink Panther* at para 23. A trademark may acquire distinctiveness

through continual use in the marketplace if it does not have inherent distinctiveness, and acquired distinctiveness can be established by showing that the trademark has become known to consumers as originating from one particular source: *Pink Panther* at para 24; *Tommy Hilfiger Licensing Inc v Produits de Qualité IMD Inc*, 2005 FC 10 at para 53 [*Tommy Hilfiger*].

[57] 51.ca submits the Characters have minimal inherent distinctiveness, as the Chinese characters mean “no worries Canada” or “do not worry in Canada”, but it submits the Characters have acquired distinctiveness through its own use continuous use since 2001.

[58] Mr. Huang submits any distinctiveness acquired through 51.ca’s use can only be in respect of the composite design marks, not the Characters on their own.

[59] As both parties contend that the Characters have minimal inherent distinctiveness, I have focused on acquired distinctiveness.

[60] In my view, the evidence supports 51.ca’s position that the Characters have acquired distinctiveness through use in association with 51.ca’s online and print publications. 51.ca’s website had approximately 85,000 registered members in 2006. The number grew to 154,000 in 2008, 343,000 in 2013 and 613,000 in 2016. By 2022 (which is after the material date for non-entitlement) there were 876,000 users.

[61] Mr. Huang states that any acquired distinctiveness would “only” be in the composite marks as a whole and 51.ca cannot claim any acquired distinctiveness in the Characters. I

disagree. As noted above, the Characters are a dominant and distinctly recognizable element of the second composite mark. I would also note that the Characters element was preserved, even when the manner of displaying the website address changed in 2013. The Characters remained a dominant aspect of both composite marks, throughout the periods they were used.

[62] In contrast, Mr. Huang has not established that he used the registered Trademark.

[63] Overall, I find this factor favours 51.ca.

(iii) 6(5)(b): length of time in use

[64] 51.ca submits it has used the Characters as a trademark continuously since 2001 on its website and since 2015 on its app, which would have been seen by hundreds of thousands of users, and there is no evidence of Mr. Huang's use of the Trademark.

[65] Mr. Huang makes no submissions on this point.

[66] The length of time in use favours 51.ca. As noted above, the Characters have remained a distinctly recognizable and dominant element of the composite marks that 51.ca has used since 2001 and 2013, respectively. Mr. Huang has not demonstrated that he used the Trademark.

(iv) 6(5)(c) and 6(5)(d): nature of goods, services or business and nature of trade

[67] 51.ca submits it has used the Characters in association with the following services: (i) operating a website since 2001 that provides a forum for communication, news, classifieds, and

general reference information aimed at the Chinese Canadian community; and (ii) operating an app since 2015 that offers a mobile friendly version of the services provided through the website. TMA722538 specifies the following services: (1) publishing of books and magazines, and (2) hosting websites on the internet, hosting internet sites for others and intellectual property consulting services offered from a website. 51.ca submits that the nature of the services and trade overlap significantly, and it is evident from the use of Chinese characters that services would be targeted to individuals who can read such characters.

[68] Mr. Huang submits the services are not similar. “Publishing” is not, in itself, an informational or internet-based service and website hosting services differ from operating a general-interest website. Mr. Huang submits there is no logical basis for the average Chinese speaking Canadian who is familiar with 51.ca’s website to believe that any of the services described in TMA722538 would originate from the same company.

[69] What is at issue is what the registration would authorize Mr. Huang to do: *Masterpiece* at para 53, citing *Mattel* at para 53. The services described in TMA722538 are broad in scope and they are not distinct from the services 51.ca provides in association with its unregistered trademark. I agree with 51.ca that the nature of the services and trade overlap significantly, being information and internet-based services. The fact that the Trademark consists of Chinese characters also indicates that the services would likely target similar consumers, *i.e.* those who can read Chinese characters.

[70] These factors favour 51.ca.

(v) Other surrounding circumstances

[71] Mr. Huang submits there is no evidence of actual confusion despite 15 years of coexistence, which is a relevant surrounding circumstance that suggests confusion is unlikely.

[72] Evidence of actual confusion or the absence of actual confusion despite extensive concurrent use can be a relevant surrounding circumstance: *Mattel* at para 55. However, Mr. Huang has not established that he used the Trademark. There is no evidence of concurrent use or coexistence, and therefore the lack of evidence of actual confusion does not suggest that confusion is unlikely.

(vi) Conclusion on likelihood of confusion and entitlement

[73] I find 51.ca has established that Mr. Huang was not entitled to register the Trademark, as it was confusing with a trademark that had been previously used or made known in Canada by another person.

[74] As noted above, the test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry, having an imperfect recollection of 51.ca's unregistered trademark. The relevant casual consumer in this case is an average Canadian person able to read and understand Chinese characters.

[75] The registered Trademark consists of a distinctly recognizable and dominant component of 51.ca's unregistered composite marks that it has used since 2001, and the registration covers overlapping services. While the 6(5)(e) factor has the greatest effect on the confusion analysis,

all of the 6(5) factors favour 51.ca. I find that the casual consumer seeing the Trademark on first impression would likely believe that the services specified in TMA722538 and 51.ca's services offered in association with its unregistered trademark were offered by the same person.

[76] Therefore, TMA722538 is invalid and will be struck from the register.

[77] My findings on entitlement under paragraphs 18(1)(d) and 16(1)(a) are dispositive of the application, but I will briefly address the other two invalidity grounds.

(2) Paragraph 18(1)(b) of the *TMA*

[78] A trademark must be distinctive of a single source. A trademark that leads to confusion as to the source of the goods or services cannot enable the owner to distinguish its goods or services from those of others: *Yiwu* at para 32; *Blossman* at para 131.

[79] 51.ca argues that its unregistered trademark has gained substantial, significant, or sufficient reputation in Canada so as to negate any distinctiveness of the Trademark, assuming Mr. Huang used the Trademark in association with the services specified in TMA722538.

[80] 51.ca repeats its submissions on confusion and Mr. Huang repeats his submissions disputing confusion. While the material date for assessing distinctiveness under paragraph 18(1)(b) of the *TMA* is the date this proceeding was commenced (*Tommy Hilfiger* at paragraph 54), which is September 23, 2022, neither party asserts that the confusion analysis would be any different from the analysis under paragraph 18(1)(d), above.



[81] In my view, despite the different material dates, the confusion analysis and outcome for the purpose of distinctiveness under paragraph 18(1)(b) is the same as the confusion analysis and outcome for entitlement under paragraph 18(1)(d). 51.ca has established that TMA722538 is invalid because the Trademark is not distinctive.

(3) Paragraph 18(1)(e) of the *TMA*

[82] 51.ca submits TMA722538 is invalid because Mr. Huang filed the original trademark application and/or the extension application in bad faith. 51.ca states Mr. Huang had actual knowledge of its trademark rights because he used the website, and it can be inferred that he filed the original application and the extension application to trade on 51.ca's goodwill, or for the sole or primary purpose of preventing 51.ca from registering its trademark or harming 51.ca's business: *Beijing Judian Restaurant Co Ltd v Meng*, 2022 FC 743 at paras 30-39 [*Beijing*]; *Norsteel* at paras 66-70.

[83] Mr. Huang submits 51.ca must prove bad faith with clear, convincing, and cogent evidence and it has not done so in this case: *Beijing* at para 39. Mere knowledge of 51.ca's website does not prove bad faith: *Beijing* at para 42. Mr. Huang states that the affidavit he filed in the section 45 proceedings attests to his use of the Trademark since 1996. He also states that the services covered by TMA722538 differ from 51.ca's services and there is no evidence that his objective was to interfere with 51.ca's business or use the registration in order to extort 51.ca.

[84] In my view, 51.ca has not met its burden to establish that TMA722538 is invalid because the application for registration was filed in bad faith. 51.ca asks the Court to draw an inference

of bad faith based on evidence that Mr. Huang was aware of 51.ca's trademark rights through his use of 51.ca's website. While Mr. Huang's actions may have been suspect, 51.ca has not presented sufficiently clear, convincing, and cogent evidence that he filed the original or extension applications in bad faith.

C. *Has 51.ca established it is entitled to injunctive relief for future passing off?*

[85] 51.ca argues that permanent injunctive relief is necessary and appropriate to prevent Mr. Huang from contravening subsection 7(b) of the *TMA*, which is a statutory codification of the tort of passing off. While a trademark registration is a complete defence to passing off up to the date the registration is found to be invalid, the Court may enjoin use of an expunged trademark to prevent future passing off: *Blossman* at para 148, citing *Group III International Ltd v Travelway Group International Ltd*, 2020 FCA 210, among other cases.

[86] 51.ca states injunctive relief for future passing off is an appropriate remedy where a respondent has been uncooperative throughout the proceedings and does not appear to have any intention to stop using an expunged trademark: *Sani Bleu Inc v 9269-6806 Québec Inc*, 2022 FC 1711 at paras 44-46 [*Sani Bleu*]; *Parsons Inc v Khan*, 2021 FC 57 at paras 32-34 [*Parsons*]. 51.ca states Mr. Huang has been uncooperative throughout these proceedings by failing to file evidence, and 51.ca submits that without permanent injunctive relief it will suffer a loss of control over the use and commercial impact of its trademark rights, reputation, and goodwill.

[87] I do not accept that Mr. Huang's failure to file evidence in these proceedings is tantamount to being uncooperative. Furthermore, there is no evidence that Mr. Huang is actually

using the Trademark in question—a point that 51.ca stressed in its submissions on confusion. The circumstances that led to the injunctions in *Sani Bleu* and *Parsons* are distinguishable and 51.ca has not established that an injunction to prevent future passing off is necessary or appropriate in this case.

IV. **Conclusion**

[88] 51.ca has established that TMA722538 is invalid pursuant to paragraphs 18(1)(b) and 18(1)(d) of the *TMA*. The registration will be expunged.

[89] 51.ca shall serve and file any written submissions on costs together with a bill of costs within seven (7) days of this decision and Mr. Huang shall serve and file any responding written submissions within seven (7) days thereafter. Each party's written submissions shall not exceed five (5) pages.

**JUDGMENT IN T-1945-22**

**THIS COURT'S JUDGMENT is that:**

1. The application is granted in part. Trademark registration no. TMA722538 is declared invalid pursuant to paragraphs 18(1)(b) and 18(1)(d) of the *Trademarks Act*, RSC 1985, c T-13, and shall be struck from the register.
2. The application is otherwise dismissed.
3. Costs are reserved.

"Christine M. Pallotta"

Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1945-22

**STYLE OF CAUSE:** 51.CA INC. v CHUN HUANG

**PLACE OF HEARING:** TORONTO, ONTARIO AND BY  
VIDEOCONFERENCE

**DATE OF HEARING:** FEBRUARY 28, 2024

**JUDGMENT AND REASONS** PALLOTTA J.

**DATED:** JULY 29, 2024

**APPEARANCES:**

Tamara Ramsey Kimberley Graham	FOR THE APPLICANT
Mani Kakkar	FOR THE RESPONDENT
Cynthia Mason	FOR THE RESPONDENT

**SOLICITORS OF RECORD:**

Dale & Lessmann LLP Barristers and Solicitors Toronto, Ontario	FOR THE APPLICANT
Mani Kakkar Law Barristers and Solicitors Toronto, Ontario	FOR THE RESPONDENT
Mason Professional Corporation Barristers and Solicitors Kanata, Ontario	FOR THE RESPONDENT