

Federal Court



Cour fédérale

Date: 20250526

Docket: T-28-24

Citation: 2025 FC 940

Toronto, Ontario, May 26, 2025

PRESENT: The Honourable Madam Justice Aylen

BETWEEN:

GRC FOOD SERVICES LTD.

Applicant

and

**CHOCOLADEFABRIKEN LINDT & SPRÜNGLI
AG**

Respondent

JUDGMENT AND REASONS

[1] This is an appeal by the Applicant under section 56 of the *Trademarks Act*, RSC, 1985, c T-13 [Act], challenging the decision of the Trademarks Opposition Board [Board] dated October 25, 2023 [Decision], wherein the Board refused to register the trademark MASTER CHOCOLAT [Applicant's Mark] on the basis that it would be confusing with two of the Respondent's registered trademarks.

[2] Following the Board's decision, and prior to the hearing of this appeal, the Respondent's two registered trademarks that underpinned the Board's confusion finding were expunged. The central issue on this appeal has now become whether the expungement of the Respondent's marks constitutes new material evidence and if so, the knock-on consequences for this appeal.

[3] For the reasons that follow, I find that the expungement of the Respondent's trademarks constitutes new material evidence that triggers a *de novo* review. As the Board never considered the Respondent's other registered trademarks under paragraph 12(1)(d) of the *Act*, this Court must now consider them. The parties agree that it remains open to this Court to also consider, as part of its *de novo* review, the remaining grounds of opposition raised by the Respondent. Accordingly, this proceeding shall be bifurcated and a timetable shall be established for the receipt of submissions and possible further new evidence in relation to the remaining grounds of opposition.

I. Background



[4] On October 9, 2015, the Applicant applied for the Applicant's Mark under Application No. 1,749,988 [Application] for the following goods and services:

Goods: (1) Tins of metal; (2) Gift boxes, and gift packaging, namely gift wrap, paper gift tags, gift cards, paper gift bags, paper gift wrap bows, and ribbons; Chocolate recipes and cookbooks; (3) Chocolates, chocolate confectionary, candy, ice cream, cookies, cakes, and related items namely, chocolate sauces and chocolate-based spreads.

Services: Operation of a business dealing in the sale of chocolates, confectionary, candy, ice cream, cookies, cakes, and related items namely, chocolate sauces, chocolate-based spreads, gift boxes, tins, gift packaging, and chocolate recipes and cookbooks.

[5] The Application was advertised for opposition purposes in the *Trademarks Journal* of May 2, 2018.

[6] The Respondent is the owner of the following registered trademarks:

Registration No.	Trademark	Goods
TMA377,673		Chocolate and chocolate products namely chocolate cups, chocolate decorations, and chocolate shavings.
TMA837,071		Chocolate and chocolate products namely chocolate cups, chocolate decorations, and chocolate shavings.
TMA993,318	LINDT MAÎTRE CHOCOLATIER	Chocolate.
TMA993,319	LINDT MASTER CHOCOLATIER	Chocolate.

[7] TMA377,673 and TMA837,071 are referred to by the parties as the “CHOCOLATE MASTERS Marks” and TMA993,318 and TMA993,319 are referred to by the parties as the “MASTER CHOCOLATIER Marks”.

[8] The Respondent also has the following two pending trademark applications, which also form part of the group referred to as the MASTER CHOCOLATIER Marks:

Application No.	Trademark	Goods
1,773,030	MAÎTRE CHOCOLATIER	Chocolate.
1,773,029	MASTER CHOCOLATIER	Chocolate.

[9] On July 2, 2019, the Respondent filed a statement of opposition against the Application under section 38 of the *Act* (based on the *Act* as it read prior to the June 17, 2019 amendments thereto). The Respondent raised the following grounds of opposition:

- A. The Applicant's Mark was not registrable under paragraph 12(1)(d) of the *Act* as it would be confusing with the Respondent's registered CHOCOLATE MASTERS Marks and MASTER CHOCOLATIER Marks;
- B. Contrary to paragraph 16(3)(a) of the *Act*, the Applicant is not the person entitled to registration of the Applicant's Mark because, at the filing date of the Application, the Applicant's Mark was confusing with the Respondent's trademarks referenced in the two charts above, which had been previously and extensively used and made known in Canada by the Respondent or its predecessors-in-title prior to the date of filing of the Application in Canada.
- C. Contrary to paragraph 16(3)(b) of the *Act*, the Applicant is not the person entitled to registration of the Applicant's Mark because, at the date of filing of the Application, the Applicant's mark was confusing with the Respondent's trademarks MASTER CHOCOLATIER and MAÎTRE CHOCOLATIER in respect of which applications for registration (Nos. 1,773,029 and 1,773,030) had been previously filed in Canada by the Respondent prior to the date of filing of the Application in Canada.
- D. The Applicant's Mark is not distinctive within the meaning of section 2 of the *Act* because it does not actually distinguish the goods and services of the Applicant from those of the Respondent, nor is it adapted to so distinguish the applied-for goods and

services from those of the Respondent in view of the extensive use, promotion, advertising and making known in Canada of the Respondent's trademarks.

[10] Both parties filed evidence and written representations with the Board and attended a hearing.

[11] In its Decision dated October 25, 2023, the Board rejected the Respondent's grounds of opposition based on non-entitlement under paragraphs 16(3)(a) and (b) and non-distinctiveness under section 2 of the *Act*. However, the Board found in favour of the Respondent in respect of the paragraph 12(1)(d) opposition and refused the registration pursuant to subsection 38(2) of the *Act* on the basis that there was a likelihood of confusion between the Applicant's Mark and the CHOCOLATE MASTERS Marks. In light of the Board's finding regarding the CHOCOLATE MASTERS Marks, the Board did not consider the Respondent's additional opposition under paragraph 12(1)(d) in relation to the MASTER CHOCOLATIER Marks.

[12] On December 27, 2023, the Applicant commenced this appeal challenging the Board's refusal of its Application. The main argument raised by the Applicant in this appeal is that the Board erred in its confusion analysis when it concluded that the evidence showed an overlap of the channels of trade between goods bearing the Applicant's Mark and those bearing the Respondent's CHOCOLATE MASTERS Marks.

[13] The Applicant and the Respondent served and filed their respective application records in July of 2024. Included as part of the Applicant's record was the affidavit of Bernard Callebaut,

sworn February 6, 2024 [Second Callebaut Affidavit], which the Applicant asserts constitutes new material evidence that would trigger a *de novo* review by the Court.

[14] On October 8, 2024, the registrations of the Respondent's CHOCOLATE MASTERS Marks (TMA377,673 and TMA837,071) were expunged pursuant to section 45 of the *Act*.

[15] On March 17, 2025 (two weeks before the hearing of this application), the Applicant advised the Court that it sought leave to file fresh evidence regarding the state of the Trademarks Register [Register] in the form of Affidavit #2 of Lindy Grant, sworn March 20, 2025, which provided documentation from the Canadian Intellectual Property Office demonstrating the expungement of the CHOCOLATE MASTERS Marks [Expungement Affidavit]. The Applicant further advised that the parties agreed to the filing of the Expungement Affidavit, without prejudice to the right of the Respondent to contest the admissibility and relevance of the evidence at the hearing, and that each party would file supplemental submissions to address this evidence in advance of the hearing. I agreed to the parties' joint proposal.

[16] I convened a case management conference with the parties in advance of the hearing to address the potential impact of the admission of the Expungement Affidavit on the issues raised in this proceeding. I raised with the parties a number of questions that I asked them to be ready to address at the hearing, including: (a) If admissible, is the Expungement Affidavit determinative of this application? (b) If the Expungement Affidavit was not admissible but the Court found that the Second Callebaut Affidavit was material new evidence, would the Court be entitled to nonetheless consider the expungement of the Respondent's CHOCOLATE MASTERS Marks? (c) If the expungement of the CHOCOLATE MASTERS Marks is not determinative of this

application, would the Court need to make a *de novo* determination of the paragraph 12(1)(d) opposition in relation to the MASTER CHOCOLATIER Marks, which the Board did not do? (d) If the Court conducted a *de novo* review, would the *de novo* review include a determination in relation to the other grounds of opposition raised by the Respondent before the Board? (e) If any such determinations are required to be made by the Court, would the Court not need further submissions from the parties prior to making any such determinations, such that the proceeding would need to be bifurcated?

II. Admissibility and Relevance of the Expungement Affidavit

[17] As the Applicant only sought to file the Expungement Affidavit in the weeks leading up to the hearing, the Applicant requires leave of the Court to do so pursuant to Rule 312(a) of the *Federal Courts Rules*, SOR/98-106 [*Rules*]. Assuming leave is granted, the next question is whether the Expungement Affidavit constitutes new material evidence that triggers a *de novo* review of the paragraph 12(1)(d) opposition.

[18] Pursuant to Rule 312(a) of the *Rules*, a party may, with leave of the Court, file additional affidavits to those provided for in Rules 306 and 307. To obtain leave pursuant to Rule 312(a), a party must satisfy two preliminary requirements: (i) the evidence must be admissible on the application; and (ii) the evidence must be relevant to an issue that is properly before the reviewing court [see *Connolly v Canada (Attorney General)*, 2014 FCA 294 at para 6; *Forest Ethics Advocacy Association v National Energy Board*, 2014 FCA 88 at para 4].

[19] Assuming that a party meets the two preliminary requirements, the party must then convince the Court that it should exercise its discretion in favour of granting leave to file. In determining whether the granting of an order under Rule 312 is in the interests of justice, the Court should be guided by the following three questions: (i) was the evidence sought to be adduced available when the party filed its affidavits under Rule 306 or 307 (as the case may be) or could it have been available with the exercise of due diligence? (ii) will the evidence assist the Court, in the sense that it is relevant to an issue to be determined and sufficiently probative that it could affect the result? and (iii) will the evidence cause substantial or serious prejudice to the other party? [see *Connolly*, *supra* at para 6; *Forest Ethics*, *supra* at para 6].

[20] This Court has recognized that the factors or questions detailed in *Connolly* are not exhaustive and the jurisprudence does not prescribe how they are to be weighed by the Court. As each decision is discretionary and fact-specific, there may be other factors that the Court may consider. Overall, in exercising its discretion, the Court must always be mindful of the general principle in Rule 3, that the *Rules* must be interpreted and applied so as to secure the just, most expeditious and least expensive determination of every proceeding on its merits [see *Campbell v Canada (Chief Electoral Officer)*, 2008 FC 1080 at paras 26–27].

[21] There is an interplay between the test to be applied under Rule 312(a) and the test to be applied under the *Act* in relation to new material evidence and its impact on the standard of review applicable on an appeal. As such, I will deal with them together.

[22] To set the stage for this analysis, it must be recalled that the material date for considering confusion under paragraph 12(1)(d) of the *Act* is the date of the Board’s decision. However, where additional evidence is filed that would have materially affected the Board’s findings of fact or exercise of discretion, the Court must decide the issue *de novo* considering all of the evidence before it. In such circumstances, the date for considering confusion under paragraph 12(1)(d) “resets” to the date of the Court’s decision [see *Thymes, LLC v Reitmans Canada Limited*, 2013 FC 127 at para 15; *Clorox Company of Canada, Ltd v Chloretec SEC*, 2020 FCA 76 at paras 21–22; *Caterpillar Inc v Puma SE*, 2021 FC 974 at paras 32–34].

[23] Evidence may be “material” where it enhances the overall cogency of the record in a way that may have influenced the Board’s conclusions on a finding of fact or exercise of discretion [see *Seara Alimentos Ltda v Amira Enterprises Inc*, 2019 FCA 63 at para 24; *Tokai of Canada Ltd v Kingsford Products Company, LLC*, 2021 FC 782 at para 23], or fills gaps or remedies a deficiency identified by the Board [see *Promotion In Motion, Inc v Hershey Chocolate & Confectionery LLC*, 2024 FC 556 at para 57].

[24] To be considered “material,” the new evidence must be sufficiently substantial and significant, and of probative value. Evidence that merely supplements or repeats existing evidence will not surpass this threshold [see *Scott Paper Limited v Georgia-Pacific Consumer Products LP*, 2010 FC 478 at paras 48–49; *Clorox, supra* at para 21]. The test is not whether the new evidence would have changed the Board’s decision but, rather, whether it would have a material effect on the decision [see *Scott Paper, supra* at para 49]. In that regard, quality, not quantity, is key [see *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 at para 27].

[25] As such, the question before the Court is as follows: could the Expungement Affidavit, because of its significance and probative value, have had a bearing on a finding of fact or on the Board's exercise of discretion? [see *Seara Alimentos, supra* at para 25].

[26] The Applicant asserts that the answer to this question is "yes", relying on the decisions in *Park Avenue Furniture Corp v Wickes/Simmons Bedding Ltd*, 1991 CanLII 11769 (FCA), *Everlast World's Boxing Headquarters Corp v Amethyst Investment Group, Inc*, 2004 FC 875, and *H-D Michigan Inc v MPH Group Inc*, 2006 FC 538. The Applicant asserts that expungement evidence that post-dates the Board's decision is material, and that it is in the interests of justice for the Court to have an accurate appreciation of the state of the Register at the time that it considers the appeal.

[27] The Respondent asserts that the answer to this question is "no", relying on the decisions in *Nefco Furniture Ltd v The Brick Warehouse Corp*, 2003 FC 852, *Wrangler Apparel Corp v Timberland Co*, 2005 FC 722, *Hawke & Company Outfitters LLC v Retail Royalty Company*, 2012 FC 1539, *Hayabusa Fightwear Inc v Suzuki Motor Corporation*, 2014 FC 784, and *Amira Foods (India) Limited v Entreprises Amira Inc*, 2015 FC 1419. The Respondent asserts that the Expungement Affidavit is immaterial (and thus irrelevant) as the expungement of the CHOCOLATE MASTERS Marks post-dates the Decision. Opposition proceedings are a point-in-time exercise and the key point-in-time for the purpose of paragraph 12(1)(d) is the date of the Board's decision. The Respondent further asserts that any evidence post-dating the Board's decision could, logically, not have materially affected it.

[28] Turning to the cases relied upon by the parties, only three involved situations where the new evidence was of the expungement of the mark upon which the opposition was successful after the decision of the Board.

[29] The first in time decision was *Nefco*, a 2003 decision of this Court relied upon by the Respondent. In *Nefco*, the Board refused an application for MATTRESS EXPRESS on the basis of the paragraph 12(1)(d) opposition, finding that the MATTRESS EXPRESS mark was not registrable because it was confusing with the opponent's trademark, BEDDING EXPRESS. In that case, the Court noted that one of the findings made by the Board was that "the apparent discontinuance of the respondent's mark was a surrounding circumstance which [the Board] noted when considering the factors enumerated in paragraphs 6(5)(a) and (b) of the Act". Following the Board's decision, the BEDDING EXPRESS registration was expunged pursuant to section 45 of the *Act*.

[30] On appeal, the applicant submitted a number of pieces of new evidence, including evidence that the mark BEDDING EXPRESS was expunged by reason of the respondent's failure to furnish evidence of the use of the mark. Justice Dawson found that the new evidence was not material and, in relation to the expungement evidence, she stated at paragraph 15:

iv) the relevant date for assessing confusion is the date of the Registrar's decision. The fact that the section 45 notice issued and the expungement occurred after the date of the Registrar's decision makes this evidence irrelevant. Further, the Registrar concluded that it had been seven years since the last evidenced use of the mark BEDDING EXPRESS. She further concluded it was no longer known to any significant extent, and acknowledged that non-use of a registered trade-mark is a relevant factor. Thus, the Registrar was alive to the lack of use of the Brick's mark. She doubted that the Brick's opposition under section 16 of the *Act*

would have succeeded, noting that the Brick would have had to establish non-abandonment of the mark BEDDING EXPRESS as of the date of advertisement of Nefco's opposition. Given these factors, I am not persuaded that knowledge of the section 45 process would materially have affected the decision of the Registrar.

[31] All decisions of this Court after *Nefco*, that dealt with situations where the new evidence was of expungement after the decision of the Board, came to the opposite conclusion to that reached in *Nefco* and do not cite *Nefco*.

[32] In *Everlast* (a 2004 decision of this Court), the applicant sought to register the trademark EVERLAST & Design for use in association with men's personal body care products. It was rejected by the Board on the basis that the applicant had failed to show that its proposed trademark was not confusing with registered trademark 417,868. On appeal, the applicant alleged that the Board's confusion finding was made in error, as registered trademark 417,868 had been expunged prior to the Board's decision.

[33] The evidence demonstrated that prior to the Board's decision, section 45 proceedings had been commenced and, following the respondent's failure to file evidence, the respondent had been notified that its mark would be expunged. After the expiry of the two-month appeal period, and two weeks after the Board's decision, the respondent's mark was publicly recorded as expunged.

[34] Justice Pinard held that the registration of the respondent's mark was only voidable and not void until it had been pronounced void by the Registrar. Justice Pinard went on to state:

[8] It is important to recognize that the effect of expungement of a registered trade-mark is that where the registered trade-mark has been expunged and there is no evidence of use, there can be no confusion (*Borden, Inc. v. Hostess Food Products Ltd.*, [1990] 1 F.C. 570 (T.D.)).

[...]

[10] In this case, additional evidence to that adduced before the Registrar was adduced before this Court: (1) the Trade-marks Certificate of Authenticity dated January 14, 2004 indicating that registered trade-mark 417,868 was expunged on June 19, 2003 for a failure to show use, and (2) a further letter from the Canadian Intellectual Property Office dated June 19, 2003 informing the respondent that registered trade-mark 417,868 was expunged on that day. Those documents, given their dates, could obviously not be adduced before the Board.

[11] As it is now clear that as of the date of expungement of the registered trade-mark 417,868, namely June 19, 2003, there could be no confusion between the parties' marks in question, the Board's impugned decision must be set aside and the applicant's application to register the proposed trade-mark EVERLAST & Design, granted.

[12] Consequently, this application is granted. The Trade-marks Opposition Board's decision, dated June 4, 2003, rejecting the applicant's application for the trade-mark EVERLAST & Design, Canadian trade-mark application number 733,975 pursuant to paragraph 12(1)(d) and subsection 63(3) of the Act, is set aside. The matter is sent back to a differently constituted Trade-marks Opposition Board with instruction to grant the latter applicant's application to register the trade-mark EVERLAST & Design.

[35] In *H-D Michigan* (a 2006 decision of this Court), the Board granted the respondent's application for the trademark HARLEYWOOD for use in association with clothing and mugs and use in association with the service of operating a nightclub. The applicant had opposed the registration of the mark on the basis that it was confusing with a number of the applicant's

registered marks. Ultimately, both parties submitted new evidence on appeal, including evidence from the respondent that the applicant's mark in relation to bar and restaurant services had been expunged for non-use in the months following the Board's decision. The applicant argued, among other things, that evidence of expungement was irrelevant as it postdated the Registrar's decision.

[36] Justice O'Keefe held at paragraph 48:

The respondent tendered additional evidence before this Court in the form of Ms. Ford's affidavit. That affidavit establishes that on October 22, 2004, H-D Michigan's trade-mark registration no. TMA 456,051 for the mark HARLEY for use in association with restaurant and bar services was expunged for failure to show use. This evidence is significant to, and would have materially affected, the Registrar's assessment of confusion under paragraph 12(1)(d) (see *Everlast World's Boxing Headquarters Corp. v. Amethyst Investment Group, Inc.*, 2004 FC 875).

[37] He then went on to find at paragraph 53:

After the Registrar issued its decision, H-D Michigan's trade-mark registration no. TMA 456,051 for the mark HARLEY for restaurant and bar services was expunged for failure to show use. Consequently, this trade-mark must no longer be considered to be confusing with the proposed mark in respect of the services of a night club, under paragraph 12(1)(d) of the Act.

[38] The Applicant argues that *Nefco* is no longer good law, as it was influenced by the lack of clarity in the law at that time regarding the material date on a section 12(1)(d) appeal — that is, whether the material date was the date of the Court's decision or the date of the Board's decision. The Applicant noted that, after concluding that the additional evidence would not have materially

affected the decision such that the Court would be conducting a reasonableness *simpliciter* review (as opposed to a *de novo* review), Justice Dawson noted at paragraph 17:

As I am not required to come to my own conclusion on the record, it is not necessary for me to consider whether the material date for such *de novo* review is the date on which the Court renders its decision (as raised in passing in *Baylor University v. Governor and Co. of Adventurers Trading into Hudson's Bay* (2000), 8 C.P.R. (4th) 64 at footnote 15 (C.A.)).

[39] In *Baylor* (a 2000 decision of the Federal Court of Appeal), Chief Justice Marc Noël stated at footnote 15:

As the hearing before the Trial Judge was a *de novo* proceeding where new evidence was adduced, the material date might well be 18 months later when the Trial Judge rendered his decision. See *Park Avenue Furniture*, *supra* note 9 at 425 where Desjardins J.A. stated: It is important, it would seem to me, that the decision of the Registrar or the Court be taken on an accurate state of the record. Registrability should be decided at the date of registration or at the date of refusal of registration.

[40] *Park Avenue* was a 1991 decision involving an appeal to the Federal Court of Appeal from a decision of Justice Dubé of this Court, wherein he upheld the decision of the Board who refused the appellants' application for the registration of the trademark POSTURE-BEAUTY due to there being a likelihood of confusion between it and the respondent's BABYBEAUTY mark. Justice Dubé had agreed with the Board that the material date for determining the issue of confusion under subsection 6(5) of the *Act* was the date of the filing of the opposition. The appellant argued that Justice Dubé erred in relation to the material date, as the appellant asserted that there was nothing in the *Act* with regard to the material date for registrability. On this issue, the Federal Court of Appeal found at page 424:

In an opposition to registrability, the view adopted by Heald J.A. in *Oshawa* appears to me to be the most logical one. I find no fallacy in the possibility of an update of the situation by the parties when the issue is whether statutory recognition should be given to a mark. It is important, it would seem to me, that the decision of the Registrar or the court be taken on an accurate state of the record. Registrability should be decided at the date of registration or at the date of refusal of registration.

[Footnotes omitted.]

[41] The Respondent asserts that *Nefco* remains good law and that there is simply conflicting jurisprudence on this issue. The Respondent went on to suggest that the Court should view the *Everlast* case with some suspicion given the “curious language” used by the Court in paragraph 11 of that decision. However, I do not view any of the language in that paragraph as curious or otherwise unclear.

[42] The remaining cases relied on by the Respondent addressed new evidence that post-dated the decision of the Board but was unrelated to the expungement of the mark.

[43] In *Wrangler* (a 2005 decision of this Court), the Board refused the applicant’s trademark application for TIMBER CREEK BY WRANGLER for use with footwear on the ground that the proposed mark was confusing with the respondent’s registered TIMBERLAND trademark but allowed it in relation to use with clothing. On appeal, the applicant submitted new evidence that, in June 2004, TIMBERLAND sandals, shoes and boots continued to co-exist in the Canadian marketplace with TIMBERLINE sandals, shoes and boots.

[44] Justice Snider considered whether this evidence constituted “new” evidence. She found that the evidence did not meet the test for “new” evidence as it did no more than supplement the evidence that was already before the Board, such that the new evidence was “quantity” and not “quality” evidence. Justice Snider then went on to state:

[10] A second difficulty with the new evidence is that it was produced subsequent to the material dates for confusion analysis performed by the Registrar. Given that the Registrar’s decision is dated March 5, 2004, and the affidavits sworn in June 2004, the “new” evidence could not have been material to the Registrar’s opinion. This difficulty was acknowledged by the Applicant during oral submissions.

[45] In *Hayabusa* (a 2014 decision of this Court), the Board refused the applicant’s application to register the trademark HAYABUSA for use with clothing. The respondent had opposed the application on a number of grounds, including non-registrability pursuant to paragraph 12(1)(d) on the basis that it would be confusing with the respondent’s registered trademark HAYABUSA for its use in association with motorcycles and fittings. The Board decided not to deal with the paragraph 12(1)(d) opposition as the respondent was successful in its opposition under non-entitlement and distinctiveness. On appeal, the applicant filed an affidavit that addressed the applicant’s channel of trade. Justice de Montigny (as he then was) found that the affidavit was not relevant and could not have materially affected the Board’s decision. He stated:

[29] I am not persuaded by these arguments, essentially for two reasons. First, it is clear that evidence that pertains to facts posterior to the relevant material date will not be sufficient to change the standard of review from reasonableness to correctness. In the case at bar, the relevant date for non-entitlement pursuant to subsection 16(3) of the *Act* is the filing date of the application, namely, February 3, 2006. As for non-distinctiveness, the relevant date pursuant to section 2 of the *Act* is the filing date of the Statement of Opposition, namely November 13, 2007.

[30] The Clement Affidavit provides details regarding the Applicant's trade-mark and its use, but this information refers mainly to the use of the Mark after the relevant dates. [...]

[46] In *Amira* (a 2015 decision of this Court), the Board refused the applicant's application to register the trademark AMIRA and its relevant design on two grounds, the second being that contrary to paragraph 12(1)(d) of the *Act*, the proposed mark was confusing with a registered mark belonging to the respondent. On appeal, the applicant submitted new evidence in the form of two affidavits. One affidavit included search results of the word "Amira" and a search for the use of the respondent's mark prior to the application date. Justice Diner found that the evidence contained in this affidavit would not have had a material effect on the Board's decision for a number of reasons, including:

[29] Second, the search post-dates the Decision. Post-dated evidence cannot be material to a Board's decision (see *Wrangler* at para 10; *Hawke* at para 31). [...]

[47] I find that evidence of expungement of a mark that underpins a non-registrability finding under section 12(1)(d) is entirely different in nature than these other types of new evidence. It must be recalled that when conducting a paragraph 12(1)(d) confusion analysis, the first issue the Board must consider is whether the registration relied upon by the opponent is in good standing. In that regard, the Board (as does the Court on a *de novo* review pursuant to subsection 56(5) of the *Act*) has the discretion to check the Register in order to confirm the status of the registrations relied upon by the opponent [see *Schneider Electric Industries SAS v Spectrum Brands, Inc.*, 2021 FC 518 at para 29; *Quaker Oats of Canada Ltd/La Compagnie Quakers Oats du Canada Ltée v Menu Foods Ltd.*, (1986) 11 CPR (3d) 410 (CA TMOB)]. Absent a valid registered mark,

paragraph 12(1)(d) is not available to an opponent as a ground of opposition. Thus, the good standing of an opponent's mark is a threshold issue.

[48] Having considered all of the aforementioned decisions, I find that it would be contrary to the interests of justice to undertake a review of the Board's decision — be it on an appellate standard of review or a *de novo* review — and not consider whether the opponent's mark remains in good standing at the time of the Court's decision, as a proposed mark cannot be confusing with a registered mark that has been expunged. I find that this is in keeping with the Federal Court of Appeal's commentary in *Park Avenue*, that it is important the decision of the Court "be taken on an accurate state of the record".

[49] Moreover, I would note that, if the Court were not empowered to take the expungement of the opponent's mark into consideration, the consequences would be illogical. In cases where other new evidence was found to be material and the Court was thus empowered to conduct a *de novo* review, subsection 56(5) of the *Act* would permit the Court to consider the state of the Register and thus take into account the expungement. However, in cases where there was no other new evidence (beyond the expungement), the Court would have no ability to do so. That simply cannot be the case.

[50] Accordingly, I find that the Expungement Affidavit constitutes new material evidence.

[51] Turning to the test under Rule 312, in light of my finding above, the two preliminary requirements of admissibility and relevance have been met. With respect to the remaining three

considerations, there is no dispute between the parties that the evidence contained in the Expungement Affidavit was not available when the Applicant served its Rule 306 affidavits, as the CHOCOLATE MASTERS Marks had not yet been expunged. I am also satisfied that, for the reasons stated above, the Expungement Affidavit will assist the Court in its determination of the appeal.

[52] With respect to the third consideration — whether the Expungement Affidavit will cause substantial or serious prejudice — the Respondent asserts that it has suffered such prejudice as it has had to file supplemental written submissions and address this issue during the hearing. I reject this assertion. Substantial or serious prejudice is prejudice that cannot be remedied by way of an adjournment or an award of costs. The Respondent did not seek to adjourn the hearing and it conceded during oral arguments that the prejudice it asserts it has suffered could be remedied by way of an award of costs.

[53] The Respondent also points to the Applicant's delay in putting the Expungement Affidavit before the Court in support of its assertion of prejudice. I agree with the Respondent that the Applicant has offered no satisfactory explanation as to why it waited until the weeks before the hearing to do so. However, even if the Applicant had sought leave to rely upon the Expungement Affidavit in October of 2024, immediately after the expungement of the CHOCOLATE MASTERS Marks, the Respondent would still have been required to file supplemental submissions as it had already filed its responding application record.

[54] Accordingly, the Applicant is granted leave to rely upon the Expungement Affidavit on this application.

III. Procedural Impact of the Court's Determination Regarding the Expungement Affidavit

[55] The Applicant asserts that, as the CHOCOLATE MASTERS Marks have been expunged, the decision of the Board must be set aside. On the Court's *de novo* review, the Applicant submits that the expungement of the CHOCOLATE MASTERS Marks is determinative, such that the Application to register the Applicant's Mark must be granted. I disagree. The Respondent asserted both the CHOCOLATE MASTERS Marks and the MASTER CHOCOLATIER Marks as underpinning their opposition under paragraph 12(1)(d). The Board never addressed the MASTER CHOCOLATIER Marks in its decision, as the Respondent was successful in opposing the Application based on the CHOCOLATE MASTERS Marks. On a *de novo* review, I must consider the entirety of the opposition raised by the Respondent pursuant to paragraph 12(1)(d), which includes the MASTER CHOCOLATIER Marks. This will require additional submissions (and possible new evidence from the parties) as their current submissions do not address the MASTER CHOCOLATIER Marks.

[56] As for the balance of the grounds of opposition raised by the Respondent, the parties agree that, if the Court is going to make a determination of the paragraph 12(1)(d) opposition in relation to the MASTER CHOCOLATIER Marks, the Court should also make a *de novo* determination of the remaining grounds of opposition raised by the Respondent under paragraphs 16(3)(a) and (b) and section 2 of the *Act*. I concur.

[57] In light of my finding above, the Board's Decision shall be set aside. This proceeding shall be bifurcated and in the remaining portion of this proceeding [Bifurcated Proceeding], the Court will consider the following grounds of opposition *de novo*:

- A. Whether the Applicant's Mark was not registrable under paragraph 12(1)(d) of the *Act* on the basis that it would be confusing with the Respondent's registered MASTER CHOCOLATIER Marks.
- B. Whether, pursuant to paragraph 16(3)(a) of the *Act*, the Applicant is not the person entitled to registration of the Applicant's Mark because, at the filing date of the Application, the Applicant's Mark was confusing with all of the Respondents trademarks, referenced in the two charts above, which had been previously and extensively used and made known in Canada by the Respondent or its predecessors-in-title prior to the date of filing of the Application in Canada.
- C. Whether, pursuant to paragraph 16(3)(b) of the *Act*, the Applicant is not the person entitled to registration of the Applicant's Mark because, at the date of filing of the Application, the Applicant's mark was confusing with the Respondent's trademarks MASTER CHOCOLATIER and MAÎTRE CHOCOLATIER in respect of which applications for registration (Nos. 1,773,029 and 1,773,030) had been previously filed in Canada by the Respondent prior to the date of filing of the Application in Canada.
- D. Whether the Applicant's Mark is not distinctive within the meaning of section 2 of the *Act* because it does not actually distinguish the goods and services of the Applicant from those of the Respondent, nor is it adapted to so distinguish the

applied-for goods and services from those of the Respondent in view of the extensive use, promotion, advertising and making known in Canada of the Respondent's trademarks.

[58] In order to make such a determination, the Court requires new written representations from the parties, as the current representations are focused exclusively on the Board's paragraph 12(1)(d) determination vis-à-vis the CHOCOLATE MASTERS Marks. I also leave open the possibility of the need for the parties to serve and file additional affidavit evidence. Accordingly, the parties shall confer on next steps and shall, within 14 days of the issuance of this Judgment and Reasons, provide the Court with a jointly-proposed timetable for next steps in this appeal, as well as their dates and times of availability for a case management conference.

[59] With respect to the Second Callebaut Affidavit, it provides evidence that was intended to address the Board's finding regarding channels of trade vis-à-vis the CHOCOLATE MASTERS Marks. As those marks have now been expunged, I find that no determination needs to be made regarding whether the Second Callebaut Affidavit constitutes new material evidence. To the extent it may be relied upon by the Applicant in the Bifurcated Proceeding, I will hear the parties' submissions thereon and make a determination as to whether it constitutes new material evidence in relation to the issues that remain for determination.

IV. Costs

[60] While this matter has been bifurcated, I find, and the parties agree, that an award of costs should be made in relation to the first portion of this proceeding and a separate determination of costs can later be made in relation to the Bifurcated Proceeding.

[61] I see no reason to depart from the general practice that the successful party is entitled to their costs. Accordingly, I find that the Applicant is entitled to its costs of this proceeding to date. With respect to any prejudice arising to the Respondent due to the filing of the Expungement Affidavit, I am not satisfied that the prejudice is significant enough to warrant depriving the Applicant of all, or a portion, of its costs of the Application to date. There was no cross-examination on the Expungement Affidavit and the only costs incurred by the Respondent were those required to prepare brief submissions to address the admissibility and relevance of this additional evidence.

[62] In terms of quantum, the Applicant seeks costs based on the mid-point of Column III of Tariff B of the *Rules*, which I find to be reasonable.

JUDGMENT in T-28-24

THIS COURT’S JUDGMENT is that:

1. The Applicant is granted leave to rely on the Expungement Affidavit.
2. The Expungement Affidavit constitutes new material evidence.
3. The decision of the Trademarks Opposition Board dated October 25, 2023, refusing the registration of the Applicant’s Mark is set aside.
4. This application is hereby bifurcated, with the following issues remaining to be determined by the Court:
 - a. Whether the Applicant’s Mark is not registrable under paragraph 12(1)(d) of the *Act* on the basis that it would be confusing with the Respondent’s registered MASTER CHOCOLATIER Marks;
 - b. Whether, pursuant to paragraph 16(3)(a) of the *Act*, the Applicant is not the person entitled to registration of the Applicant’s Mark because, at the filing date of the Application, the Applicant’s Mark was confusing with all of the Respondents trademarks, referenced in the two charts above, which had been previously and extensively used and made known in Canada by the Respondent or its predecessors-in-title prior to the date of filing of the Application in Canada;
 - c. Whether, pursuant to paragraph 16(3)(b) of the *Act*, the Applicant is not the person entitled to registration of the Applicant’s Mark because, at the date of filing of the Application, the Applicant’s mark was confusing with the Respondent’s trademarks MASTER CHOCOLATIER and MAÎTRE

CHOCOLATIER in respect of which applications for registration (Nos. 1,773,029 and 1,773,030) had been previously filed in Canada by the Respondent prior to the date of filing of the Application in Canada;

d. Whether the Applicant's Mark is not distinctive within the meaning of section 2 of the *Act* because it does not actually distinguish the goods and services of the Applicant from those of the Respondent, nor is it adapted to so distinguish the applied-for goods and services from those of the Respondent in view of the extensive use, promotion, advertising and making known in Canada of the Respondent's trademarks;

e. Costs of the balance of the application.

5. I shall remain seized of this application.

6. The Respondent shall pay to the Applicant its costs of the proceeding to the date of this Judgment calculated pursuant to the mid-point of Column III of Tariff B of the *Rules*.

7. The parties shall, within 14 days of the issuance of this Judgment and Reasons, provide the Court with a jointly-proposed timetable for next steps in this application, as well as their dates and times of availability for a case management conference.

"Mandy Aylen"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-28-24

STYLE OF CAUSE: GRC FOOD SERVICES LTD v
CHOCOLADEFABRIKEN LINDT & SPRÜNGLI AG

PLACE OF HEARING: VANCOUVER, BRITISH COLUMBIA

DATE OF HEARING: MARCH 31, 2025

JUDGMENT AND REASONS: AYLEN J.

DATED: MAY 26, 2025
(SENT FOR TRANSLATION ON APRIL 23, 2025)

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