

1967
*Oct. 12
Nov. 28

THE ROWNTREE COMPANY } APPELLANT;
LIMITED

AND

PAULIN CHAMBERS COMPANY } RESPONDENT;
LIMITED

AND

THE REGISTRAR OF TRADE MARKS

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

Trade marks—Registration—Candy—“Smoothies” for candy—“Smarty” for biscuits and candy and “Smarties” for confections—Whether trade marks confusing—Trade Marks Act, 1952-53 (Can.), c. 49, ss. 6(2), (5), 12(1)(d), 55(5).

The respondent’s application for registration of the trade mark “Smoothies” in respect of candy was refused by the Registrar of Trade Marks on the ground that the trade mark was “confusing” with the appellant’s previously registered trade mark “Smartie” as applied to biscuits and candy and “Smarties” as applied to confections. The Registrar concluded that the use of both marks would lead to the inference that the wares emanate from the same source. It is admitted that the trade mark “Smarties” is inherently distinctive and has been in use for a much longer time than the mark “Smoothies”, that the nature of the trade is the same for both and that the wares are the same. The Exchequer Court, on appeal from the Registrar’s decision, found that there was no probability of confusion and ordered the registration. An appeal was launched to this Court.

Held: The appeal should be allowed and the registration refused.

*PRESENT: Cartwright C.J. and Martland, Ritchie, Hall and Spence JJ.

In deciding whether or not an unregistered trade mark is "confusing" with a registered trade mark, it is enough if the words used in the registered and the unregistered trade marks respectively are likely to suggest the idea that the wares with which they are associated were produced or marketed by the same person. This was the approach adopted by the Registrar of Trade Marks and no grounds were established to justify the Exchequer Court to interfere with the conclusion reached by him.

1967
 ROWNTREE
 Co. LTD.
 v.
 PAULIN
 CHAMBERS
 Co. LTD.
 et al.

Marques de commerce—Enregistrement—Bonbons—«Smoothies» pour des bonbons—«Smarty» pour des biscuits et des bonbons et «Smarties» pour des suceries—Les marques de commerce créent-elles de la confusion—Loi sur les marques de commerce, 1952-53, (Can.), c. 49, arts. 6(2), (5), 12(1)(d), 55(5).

La demande présentée par la compagnie intimée pour obtenir l'enregistrement de la marque de commerce «Smoothies» concernant des bonbons fut rejetée par le registraire des marques de commerce pour le motif que la marque de commerce créait de la confusion avec la marque de commerce «Smartie» concernant des biscuits et des bonbons et «Smarties» concernant des suceries, marque appartenant à la compagnie appelante et enregistrée antérieurement. Le registraire a conclu que l'emploi des deux marques serait susceptible de faire conclure que les marchandises émanaient de la même source. Il est admis que la marque de commerce «Smarties» a un caractère distinct inhérent et a été en usage pour une plus longue période de temps que la marque «Smoothies», que la nature du commerce est la même dans les deux cas et que les marchandises sont les mêmes. La Cour de l'Échiquier, sur appel à l'encontre de la décision du registraire, a conclu qu'il n'y avait aucune probabilité de confusion et a ordonné l'enregistrement. Un appel a été logé devant cette Cour.

Arrêt: L'appel doit être maintenu et l'enregistrement refusé.

Pour décider si une marque de commerce non enregistrée crée de la confusion ou non avec une marque de commerce enregistrée, il suffit que les mots employés dans les marques de commerce enregistrées et non enregistrées respectivement soient susceptibles de suggérer l'idée que les marchandises avec lesquelles ces marques sont en liaison ont été produites ou mises sur le marché par la même personne. C'est de cette manière que le registraire des marques de commerce a abordé la question et aucun motif a été établi pour justifier la Cour de l'Échiquier d'intervenir dans la décision du registraire.

APPEL d'un jugement du Juge Gibson de la Cour de l'Échiquier du Canada¹ en matière de marque de commerce. Appel maintenu.

APPEAL from a judgment of Gibson J. of the Exchequer Court of Canada¹, in a trade mark matter. Appeal allowed.

Donald F. Sim, Q.C., for the appellant.

¹ (1967), 34 Fox Pat. C. 158, 51 C.P.R. 153.

1967
 ROWNTREE
 Co. LTD.
 v.
 PAULIN
 CHAMBERS
 Co. LTD.
 et al.

James D. Kokonis and Norman R. Shapiro, for the respondent.

The judgment of the Court was delivered by

ITCHIE J.:—This is an appeal from a judgment of Mr. Justice Gibson of the Exchequer Court of Canada¹ allowing the respondent's appeal from a decision by which the Registrar of Trade Marks had refused the respondent's application of September 13, 1961, for registration of the trade mark SMOOTHIES in respect of candy.

The Registrar's refusal was based on the ground that the trade mark applied for was "confusing" with the appellant's trade mark SMARTIE as applied to biscuits and candy and SMARTIES as applied to confections which had been registered on March 6, 1928, and March 7, 1940, respectively.

The effect of s. 12(1)(d) of the *Trade Marks Act*, 1952-53 (Can.), c. 49, (hereafter called "the Act") is that a trade mark is not registerable if it is "confusing with a registered trade mark" and the question of whether it is confusing or not is to be determined in accordance with the standard fixed by s. 6(2) of the Act which reads as follows:

6(2) The use of a trade mark causes confusion with another trade mark if the use of both trade marks in the same area would be likely to lead to the inference that the wares or services associated with such trade marks are manufactured, sold, leased, hired or performed by the same person, whether or not such wares or services are of the same general class.

It will be seen from these provisions that the essential question to be determined in deciding whether or not a trade mark is confusing with a registered trade mark is whether its use would be likely to lead to the inference that the wares associated with it and those associated with the registered trade mark were produced or marketed by the same company.

In determining this issue, the Court or the Registrar is directed by s. 6(5) of the Act to "have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade marks or trade names and the extent to which they have become known;
- (b) the length of time the trade marks or trade names have been in use;
- (c) the nature of the wares, services or business;

¹ (1967), 34 Fox Pat. C. 158, 51 C.P.R. 153.

- (d) the nature of the trade; and
 (e) the degree of resemblance between the trade marks or trade names in appearance or sound or in the ideas suggested by them.

It is expressly admitted, and was found by the learned trial judge, that the trade mark SMARTIES is inherently distinctive and as of September 16, 1961, the date of the application, had been used for a very long time in comparison to the length of time that SMOOTHIES had been used, and it is further admitted, in accordance with the trial judge's finding, that the nature of the trade in which the wares SMOOTHIES and SMARTIES are sold is the same and for the purpose of this appeal the respondent admits also that the wares sold under the two marks are the same.

Under these circumstances, the learned Registrar of Trade Marks directed himself, in determining the question of confusion between the marks, in accordance with the provisions of s. 6(2) of the Act and concluded:

I have considered the evidence on file and also the representations of counsel for both parties at a hearing held in my Office November 19th, 1963. The nature of the wares and the nature of the trade in both cases is identical and the wares are distributed through the same channels of trade. Both marks are slang terms commonly used to describe a 'smart aleck' or a 'smooth operator'. After carefully reviewing the evidence, I have arrived at the conclusion *that there is a strong possibility that the concurrent use of both marks would lead to the inference that the wares of the applicant and those of the opponent emanate from the same source.*

The italics are my own.

In reaching the opposite conclusion, it will be observed that the learned trial judge did not expressly apply the standards fixed by s. 6(2) and based his conclusion on his view of the meaning of the two words SMARTIES and SMOOTHIES. His finding reads as follows:

. . . that there is no resemblance between the trade marks in appearance, sound or in the idea suggested by them. There was no dispute between the parties that there is no appearance or sound resemblance, but there was a dispute as to whether there was a degree of resemblance in the idea suggested by them. As to the latter, however, it is clear that the meaning of these words are entirely dissimilar. Webster's Third New International Dictionary defines 'smarties' and 'smoothies' as follows:

smart or smartie . . . one that tries in a callow fashion to be witty or clever: smart aleck.

smoothy or smoothie . . . 1a: a person with polished manners b: one who behaves or performs with deftness, assurance, easy competence . . .

All of which, on balance, leads to the conclusion, in my view, that there is no probability of confusion within the meaning of section 6 of the *Trade Marks Act* of 'Smoothies' with 'Smarties'.

1967

ROWNTREE
Co. Ltd.

v.

PAULIN
CHAMBERS
Co. Ltd.
et al.

Ritchie J.

1967
 ROWNTREE
 Co. LTD.
 v.
 PAULIN
 CHAMBERS
 Co. LTD.
 et al.
 Ritchie J.

In the factum filed on behalf of the respondent, it is submitted that "It is the degree of resemblance between the two trade marks in appearance or sound or in the ideas suggested by them (s. 6(5)(e) of the *Trade Marks Act*) that is the essential question to be decided on the issue of confusion". As I have indicated, the learned trial judge determined this question by reference to the meaning attributed to the words in question by Webster's Third New International Dictionary and his conclusion is based on the finding that "the meaning of these words are entirely dissimilar".

On the other hand, I am, as I have stated, of opinion that the essential question to be determined is whether the use of the word SMOOTHIES by the respondent would be likely to lead to the inference that the wares associated with that word and those associated with the registered trade marks of the appellant were produced or marketed by the same company and I do not think that this necessarily involves a resemblance between the dictionary meaning of the word used in the trade mark applied for and those used in the registered trade marks. It is enough, in my view, if the words used in the registered and unregistered trade marks are likely to suggest the idea that the wares with which they are associated were produced or marketed by the same person. This is the approach which appears to me to have been adopted by the Registrar of Trade Marks.

It is contended on behalf of the respondent that the conclusion reached by the learned trial judge should not be disturbed having regard to the terms of s. 55(5) of the Act which provides that "on the appeal . . . the Court may exercise any discretion vested in the Registrar". I do not, however, take this as meaning that the Court is entitled to substitute its view for that of the Registrar unless it can be shown that he proceeded on some wrong principle or that he failed to exercise his discretion judicially.

In this latter regard I would adopt the approach outlined by Lord Evershed *In the Matter of Broadhead's Application for Registration of a Trade Mark*², where he was speaking of a case in which the Court of first instance had overruled a finding of the Registrar of Trade Marks as

² (1950), 67 R.P.C. 209.

to whether a trade mark was distinctive or not and the Court of Appeal approved the Court's judgment. At the time of this decision the English *Trade Marks Act*, 1-2 Geo. 6, 1938, c. 22, was in force, s. 22 of which provides that "the Court shall have and exercise the same discretionary powers as under this Act are conferred upon the Registrar". Lord Evershed there said at page 213:

It has been argued that, the question being one of the discretion of the Registrar, there is at any rate a strong case against interference with that discretion by the Court. Like all discretions, the Registrar's discretion must be judicially exercised; and such an exercise of discretion is, according to the principle recently laid down in the House of Lords in *Evans v. Bartlam* (1937) 53 Times L.R. (689), liable to review on grounds which are well understood. There can be added the further consideration that the subject matter in such a case as this is one with which the Registrar and his assistants are peculiarly well versed, and the greatest weight should, therefore, be attached to their experience in such matters. In the case of *Edward Hack's Trade Mark* (1941) 58 R.P.C. (91) Morton J., as he then was, referred to the well known statement of Lord Dunedin in the case of *George Banham & Coy. v. F. Reddaway & Coy. Ltd.* Lord Dunedin said: 'Now it is true that an appeal lies from the decision of the Registrar, but, in my opinion, unless he has gone clearly wrong, his decision ought not to be interfered with. The reason for that is that it seems to me that to settle whether a trade mark is distinctive or not—and that is the criterion laid down by the statute—is a practical question, and a question that can only be settled by considering the whole of the circumstances of the case.'

In my view the Registrar of Trade Marks in the present case applied the test required of him by the statute and I do not think that grounds were established justifying the learned judge of the Exchequer Court in interfering with his conclusion. For all these reasons I would allow this appeal and restore the decision of the Registrar of Trade Marks refusing the respondent's application S.N. 264951.

The appellant will have the costs of this appeal.

Appeal allowed with costs.

Solicitors for the appellant: McCarthy and McCarthy, Toronto.

Solicitor for the respondent: N. R. Shapiro, Ottawa.

1967
 ROWNTREE
 Co. LTD.
 v.
 PAULIN
 CHAMBERS
 Co. LTD.
 et al.
 Ritchie J.