

1923

HOME APPLIANCES MANUFACTUR- }  
 ING COMPANY (PETITIONER)..... } APPELLANT;

AND

THE ONEIDA COMMUNITY (OBJECT- }  
 ING PARTY) ..... } RESPONDENT.

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

*Trade-mark—Refusal to register—General trade-mark—Application to register for use as to goods not manufactured by holder—“Calculated to deceive or mislead the public.”*

A manufacturing company had registered the word “Community” as a general trade-mark descriptive of the goods which it made and another company applied to have the same word registered as a specific trade-mark to be used in connection with the sale of washing machines which were not made by the former company.

*Held*, affirming the judgment of the Exchequer Court ([1923] Ex. C.R. 44) Duff J. dissenting, that such use of the word “Community” as a specific trade-mark was calculated to “deceive or mislead the public” and its registration was properly rejected.

*Per* Brodeur J., Duff J. *contra*. A general trade-mark protects the registered owner not only in respect to goods which it makes but also as to those which it is authorized to make by its charter.

APPEAL from the judgment of the Exchequer Court of Canada (1) refusing to overrule the refusal of the Minister of Agriculture to register the word “Community” as a specific trade-mark descriptive of the washing machines manufactured by the appellant company.

The Oneida Community does a very large manufacturing business in connection with which it has registered the word “Community” as its general trade-mark. The Home Appliance Co. applied for registration of the same word as a specific trade-mark to designate the electrical washing machines which it makes and which have never been made by the Oneida Community though it could do so under its charter. The application of the Home Appliance Co. was refused and such refusal was confirmed by the judgment of the Exchequer Court (1). The Home Appliance Co. appealed from this judgment to the Supreme Court of Canada.

PRESENT:—Sir Louis Davies C.J. and Idington, Duff, Anglin, Brodeur and Mignault JJ.

*R. S. Smart* for the appellant. A general trade-mark only protects the owner in regard to goods which use and mode of dealing have rendered definite. *Edwards v. Dennis* (1). And see *In re Vulcan Trade-Mark* (2).

The goods designated by the specific trade-mark applied for cannot possibly be mistaken for those of the respondent and therefore are not calculated to mislead or deceive the public. *Payton & Co. v. Snelling, Lampard & Co.* (3); *Lambert Pharmacal Co. v. J. Palmer & Sons* (4).

*W. L. Scott K.C.* for the respondent. The word "Community" has become so identified with respondent's goods that any use of it by other manufacturers is calculated to deceive. See *In re Gutta Percha and Rubber Company's Application* (5); *Aunt Jemima Mills Co. v. Rigney & Co.* (6).

Where there is a doubt as to whether or not the registration will cause confusion it should be refused. *Eno v. Dunn* (7); *E. Z. Waist Co. v. Reliance Mfg. Co.* (8).

THE CHIEF JUSTICE.—I am of the opinion that this appeal should be dismissed with costs.

I would do so on the ground that the Minister having exercised his discretion and having properly, under the circumstances, refused the appellant's application for the registration of the word "Community" as a specific trade-mark, on the ground that its use by the appellant was calculated to deceive or mislead the public and this having been confirmed by the Exchequer Court to which an appeal had been taken, this court should not now interfere.

Everything that could have been said for the appeal was well said by Mr. Smart, for the appellant.

IDINGTON J.—The appellant made an application, to the Commissioner of Patents, to have registered under the provision of the "Trade-Mark and Design Act," a specific trade-mark consisting of the word "Community" which

(1) 30 Ch. D. 454.

(2) 15 Ex. C.R. 265; 57 Can.

S.C.R. 411.

(3) 17 Cut. P.R. 628.

(4) Q.R. 21 K.B. 451.

(5) 26 Cut. P.R. 428.

(6) 247 Fed. R. 407.

(7) 15 App. Cas. 252.

(8) 286 Fed. R. 461.

1923  
HOME  
APPLIANCES  
MFG. Co.  
v.  
THE ONEIDA  
COMMUNITY  
Idington J.

the respondent had previously, many years before, adopted as its general trade-mark and had obtained the registration thereof under said Act.

The minister in charge of the department having to consider such application, acting under the powers conferred upon him by said Act, refused said application of the appellant.

The question raised herein is whether the said minister acted within his powers, under section 11 of said Act, R.S.C., chapter 71, which reads as follows:—

11. The Minister may refuse to register any trade-mark,—

(a) if he is not satisfied that the applicant is undoubtedly entitled to the exclusive use of such trade-mark;

(b) if the trade-mark proposed for registration is identical with, or resembles, a trade-mark already registered;

(c) if it appears that the trade-mark is calculated to deceive or mislead the public;

(d) if the trade-mark contains any immorality or scandalous figure;

(e) if the so-called trade-mark does not contain the essentials necessary to constitute a trade-mark, properly speaking.

There is ample authority, in my opinion, for the minister, within the said first three subsections which I quote, upon the relevant evidence presented herein, to reject said application.

The appellant appealed by way of petition to the late Sir Walter Cassels, the President or Judge of the Exchequer Court of Canada, to overrule the said decision of the Minister. He refused to do so, and dismissed the application with costs.

There happen to have been two cases in which the minister, at the respective times there in question, was overruled, and in one of them, *In re Vulcan Trade-Mark* (1), the question so raised was brought before this court. See (2), in which the jurisdiction of the court below was in question.

We upheld the jurisdiction and agreed in the result the court below had reached.

That case does not seem to me to have any resemblance to this. The petitioner there had, in fact, long used a specific trade-mark which it was contended was being infringed, and seemed likely to be liable to suffer an injustice unless the registration of it was permitted.

(1) 15 Ex. C.R. 265.

(2) 51 Can. S.C.R. 511.

The numerous cases cited, and questions raised, by the appellant therein seem to me almost all beside the question involved herein which is simply whether or not the minister's power has been exceeded.

1923  
HOME  
APPLIANCES  
MFG. Co.  
"  
THE ONEIDA  
COMMUNITY  
Idington J.

The impropriety of adopting respondent's name and general trade-mark for its own purpose is to me quite sufficient ground for the minister's refusal.

Then there are others who had adopted the word "Community" as part of the corporate name.

The confusion liable to be created by a new company coming in and obtaining the use of such name as Community, even as a specific trade-mark, is one of the many things the minister, in order to protect the public as well as the parties so concerned, is not only entitled, but also bound, I submit, to consider.

The appellant's persistence suggests something, not its own, is to be gained at the expense of others if we should unhappily give it what it asks for, and make of the court below and this court such superintendents of the minister as never was, I imagine, within the contemplation of Parliament.

I think this appeal should be dismissed with costs.

DUFF J. (dissenting).—This appeal, in my opinion, should be allowed. There is no ground, I think, on which it can properly be held that the use of the word "Community" by the appellant is calculated to mislead the public into thinking that the appellants' washing machines are the products of the respondents' manufactory. The respondents have, in point of fact, confined their trade in Canada to animal traps, silverware, cut glass and fruits. The evidence adduced by the respondents is worthless, and there are no facts from which I feel entitled to concur in an inference that such will be the effect of the use of the word "Community" by the appellants.

I am unable to agree with the learned trial judge that the registration of a general trade-mark gives a right to exclude others from the use of it as a specific trade-mark in connection with any goods of any description that a corporation, being the registered holder of it, is entitled to manufacture or sell under its constitution. That, I think,

1923  
 HOME  
 APPLIANCES  
 MFG. Co.  
 v.  
 THE ONEIDA  
 COMMUNITY.  
 Duff J.

is not consistent with the description given by statute of a general trade-mark (section 4 (a) ), which shews, I think, very plainly that it was only intended to protect the use of it by the registered proprietor in connection with some class of commodities in which the proprietor deals at the critical moment when the question arises. I adopt the view advanced by Mr. Smart in his able argument that the protection accorded by the statute to the proprietor of a general trade-mark does not affect the use of it by others as a specific trade-mark in connection with the sale of articles not within the scope of the trade, business, occupation or calling carried on by him at the time when any question of infringement or proprietorship arises. I have no hesitation in holding that the use of the word "Community" by the appellants as descriptive of their washing machines would not have been at the date of their application an infringement of the respondents' trade-mark.

Much was made upon the argument of a supposed exercise of discretion by the Minister. The conclusion to which I have come is that there was no exercise of discretion by the minister. I am convinced that in this case the minister has, in accordance with the usual practice, dismissed the appellants' application for the sole reason that the word "Community" appears on the register as the respondents' general trade-mark.

The appeal should, in my opinion, be allowed with costs.

ANGLIN J.—By section 11 (c) of The Trade-Mark and Designs Act (R.S.C. c. 71) the minister is empowered to refuse to register any trade-mark \* \* \* if it appears that the trade-mark is calculated to deceive or mislead the public.

By section 42 the Exchequer Court is given jurisdiction to order the entry of a rejected trade-mark on information \* \* \* of any person aggrieved by any omission without sufficient cause to make (such) entry in the register of trade-marks.

In the case at bar the minister refused the appellant's application to register the word "Community" as a trade-mark for washing machines. The respondent already had that word registered as its general trade-mark—"destined to be (its) sign in trade" (subsection 4 (a) and 16), but had never applied it to washing machines. We are not

informed as to the grounds on which the Minister proceeded.

The late President of the Exchequer Court in dismissing the appellant's petition or information, preferred under section 42, after referring to the extended business of the respondent, the fact that it is a well known trading company and the enormous sums spent by it in advertising, said:—

There is no reason why the petitioner should have adopted this particular name for its trade-mark. It appears as if the object of the petitioner was to gain some benefit from the market created by the objector's company at enormous expense.

There was in the circumstances before the learned judge, apart from any evidence of dubious admissibility, quite enough in my opinion to justify the inference that the trade-mark which the appellant seeks to have registered "is calculated to deceive or mislead the public."

It would I think be unwarrantable on the record before us to find that the appellant was "aggrieved by an omission without sufficient cause to make (the) entry" which it sought.

The appeal fails and should be dismissed with costs.

BRODEUR J.—The respondent company, the Oneida Community, is a large manufacturing company incorporated under the laws of the State of New York and carries on a hardware business.

In 1908, it had the word "Community" registered in Canada as a general trade-mark. The goods which it has manufactured and sold since have borne this trade-mark.

The appellant company, which is manufacturing washing machines, applied for the registration of the same word "Community" as a trade-mark for its washing machines. The application was refused, on account of the existence on the register of the respondents' general trade-mark, under the provisions of section 11 of the Trade-Mark and Design Act.

This section 11 provides that

the Minister may refuse to register any trade-mark (a) if he is not satisfied that the applicant is undoubtedly entitled to the exclusive use of such trade-mark, (b) if the trade-mark proposed for registration is identical with or resembles a trade-mark already registered, (c) if it appears that the trade-mark is calculated to deceive or mislead the public.

1923  
HOME  
APPLIANCES  
MFG. CO.  
v.  
THE ONEIDA  
COMMUNITY  
Anglin J.

1923  
 HOME  
 APPLIANCES  
 MFG. Co.  
 v.  
 THE ONEIDA  
 COMMUNITY  
 Brodeur J.

The powers and discretion of the Minister are very wide under this section. The trade-mark legislation protects the trader who has established a reputation from the unfair competition of other persons who might sell their goods in such a guise that the purchaser would think that they were his. It constitutes for its owner a statutory monopoly.

The goods of the respondent company command in the city of Winnipeg, where the appellant has established lately its business, a very high reputation and their *per capita* sales in that city are larger than in any other city, Canadian or American.

It is true that to-day the Oneida Company does not manufacture washing machines; but under their charter they are authorized to manufacture machinery generally and their corporate powers would not prevent them from dealing with this class of goods.

A general trade-mark which is used by a manufacturer or a dealer gives him the exclusive use of the mark not only as respects articles which he is actually manufacturing but also concerning articles which he has the right to manufacture. The rights arising out of the possession of a registered trade-mark are not limited to the exact kind of goods for which the mark has been used and may depend on the circumstance that the goods in question are sold by the same class of persons. Kerly, Trade-Marks, 4th ed., p. 34.

The word which constitutes his trade-mark should not be used by others and the minister has not only the power but it was his duty to avoid any confusion which would necessarily result from the use of this same word as a trade-mark by some other manufacturers. Besides, the minister has exercised a discretion with which I would not like to interfere. The discretion which entitles the minister to refuse to register marks on the-ground of similarity to other marks should be exercised even where the owners of the latter have consented. *In re Dewhurst's Application for a Trade-Mark* (1).

For these reasons the appeal should be dismissed with costs.

(1) [1896] 13 Cut. P.C. 288.

MIGNAULT J.—With some doubt I have come to the conclusion not to interfere with the judgment of the late President of the Exchequer Court. I am not clear that section 11 of the Trade-Mark and Design Act confers on the minister a discretion which should not be reviewed by the court except where a case of abuse of discretion is made out. But here the specific trade-mark “Community” in connection with washing machines could well be said to be “calculated to deceive or mislead the public.” It further seems probable that the application for the registration of this specific trade-mark was prompted by the desire to profit by the reputation which the respondent had created for its trade-mark as applied to goods put by it on the market. And no doubt purchasers of the appellant’s goods under such a name might be induced to believe that they were buying the respondent’s goods.

1923  
HOME  
APPLIANCES  
MFG. Co.  
v.  
THE ONEIDA  
COMMUNITY  
Mignault J.

I do not mean to hold that by registering a general trade-mark a person can monopolize the use of the mark for any purpose whatsoever. The judgment here can rest on the simple ground that the specific trade-mark which the appellant sought to have registered was objectionable under section 11.

I would therefore dismiss the appeal with costs.

*Appeal dismissed with costs.*

Solicitors for the appellant: *Fetherstonhaugh & Co.*

Solicitors for the respondent: *Ewart, Scott, Kelley & Kelley.*