

BETWEEN :

UNION OIL COMPANY OF CALIFORNIA,

APPELLANT;

1949
Oct. 5
Oct. 12

AND

THE REGISTRAR OF TRADE MARKS and S. F. LAWRASON & CO. LIMITED,

RESPONDENTS.

Trade mark—"Cleanx"—"Clearex"—The Unfair Competition Act, 1932, S. of C. 1932, c. 38 ss. 2(k), 2(l), 2(o), 26(c), 38—Similarity of word marks—Distinctiveness of word mark dependent on sound or idea, not on form—Test of similarity in sound of word marks a matter of first impression—Similarity of wares—Onus of proving no reasonable probability of deception on applicant for registration of trade mark.

Appellant applied to register "Clearex" as a word mark for use as applied to "liquid glass cleaners". Objection to the proposed registration was taken by the respondent which had obtained the registration of "Cleanx" as a specific trade mark for use as applied to "cleaning compounds and polishing compounds for floors, metals and the like of all descriptions" and the Registrar refused the application under section 38 of The Unfair Competition Act, 1932. From such refusal the appellant appealed.

Held: That the appeal which the form of a word or a combination of words may make to the eye must be excluded from consideration in determining whether such word or combination has the essential quality of distinctiveness, without which it cannot be a trade mark at all. The distinctiveness, if there is any, must be in the idea or sound suggested by the sequence of the letters and/or numerals in the mark and their separation into groups, and not in their form. The distinctiveness must thus be one of sound or idea and not one of form. The appeal which the form may make to the eye cannot be a test.

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2. That if two word marks are to be held similar within the meaning of section 2 (k) of the Act it can only be by reason of the similarity of their sound or the idea suggested by them, since their form can have no bearing on the question.
 3. That the answer to the question whether two word marks are confusingly similar in sound must nearly always depend on first impression. *Aristoc Ld. v. Rysta Ld.* (1945) A.C. 68 at 86 followed.
 4. That "Clearex" and "Cleanx" are confusingly similar in sound and idea within the meaning of section 2(k) of the Act.
 5. That the wares for which the registration of "Clearex" was sought are similar to those for which "Cleanx" was registered within the meaning of section 2(l) of the Act.
 6. That the onus of proving that there is no reasonable probability of deception is on the applicant for registration of a trade mark.

APPEAL from the refusal by the Registrar under section 38 of The Unfair Competition Act, 1932, of the appellant's application to register "Clearex" as a word mark.

The appeal was heard before the Honourable Mr. Justice Thorson, President of the Court, at Ottawa.

R. Quain K.C. for appellant.

M. B. K. Gordon and *R. S. Smart* for respondent *S. F. Lawrason & Co. Limited.*

W. P. J. O'Meara K.C. for respondent Registrar.

The facts and questions of law raised are stated in the reasons for judgment.

THE PRESIDENT now (October 12, 1949) delivered the following judgment:

This is an appeal from the Registrar's refusal, under section 38 of The Unfair Competition Act, 1932, Statutes of Canada, 1932, chap. 38, of the appellant's application to register the word "Clearex" as a word mark for use as applied to "liquid glass cleaners". The application was dated June 22, 1945, and received in the Patent and Copyright Office on August 10, 1945. On April 20, 1946, the Registrar informed the appellant's attorney that it was suggested that the word "Clearex" as applied to liquid glass cleaners, was confusingly similar to the word "Cleanx", as applied to "cleaning compounds and polish-

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ing compounds for floors, metals and the like of all descriptions", which had been registered as a specific trade mark under the Trade Mark and Design Act, R.S.C. 1927, chap. 201, on August 31, 1928, in Trade Mark Register No. 204, Folio 44605, on the application of the respondent S. F. Lawrason & Co. Limited, hereinafter called the respondent, and that in view of section 26 of The Unfair Competition Act, 1932, it did not appear to be registrable. Then on February 5, 1947, under section 38(1) of the Act, the Registrar, being in doubt as to whether or not the appellant's application should be granted by reason of the respondent's prior registration, by registered letter requested the respondent to state on or before March 5, 1947, whether it had any objection to the proposed registration, and if so, the reasons for such objection. On March 3, 1947, the respondent through its patent solicitors objected to the registration and set out its reasons therefor. On March 6, 1947, the Registrar sent a copy of the respondent's objection to the appellant's solicitor to which he made no response. Finally, under section 38(2) of the Act, the Registrar, being of the opinion that the reasons for the respondent's objection were not frivolous, refused the application and on April 15, 1947, notified the appellant's solicitor accordingly. It is from this refusal that the present appeal is taken.

As I see it there are two main issues in the appeal, one being whether the wares in connection with which the appellant seeks to register "Clearex" as a word mark are similar to those to which the respondent's trade mark "Cleanx" is applied, and the other whether "Clearex" and "Cleanx" are similar trade marks.

I shall deal first with the question whether the two marks are similar. Section 2(k) of the Act defines what is meant by "similar" in relation to trade marks as follows:

2(k) "Similar", in relation to trade marks, trade names or distinguishing guises, describes marks, names or guises so resembling each other or so clearly suggesting the idea conveyed by each other that the contemporaneous use of both in the same area in association with wares of the same kind would be likely to cause dealers in and/or users of such wares to infer that the same person assumed responsibility for their character or quality, for the conditions under which or the class of persons by whom they were produced, or for their place of origin.

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Reference should also be made to the statutory definition of a word mark in section 2(o) which reads as follows:

2.(o) "Word mark" means a trade mark consisting only of a series of letters and/or numerals and depending for its distinctiveness upon the idea or sound suggested by the sequence of the letters and/or numerals and their separation into groups, independently of the form of the letters or numerals severally or as a series.

Prior to the coming into force of The Unfair Competition Act, 1932, there was no division of trade marks into design marks and word marks, but since this division and in view of the statutory definition of a word mark it seems clear that the appeal which the form of a word or a combination of words may make to the eye must be excluded from consideration in determining whether such word or combination has the essential quality of distinctiveness, without which it cannot be a trade mark at all. The distinctiveness, if there is any, must be in the idea or sound suggested by the sequence of the letters and/or numerals in the mark and their separation into groups, and not in their form. The distinctiveness must thus be one of sound or idea and not one of form. The appeal which the form may make to the eye cannot be a test. Such a test is of importance in determining the distinctiveness of a design mark in view of its definition by section 2(c) of the Act, but it is not applicable in the case of a word mark. It must, I think, follow from the definition of a word mark given by section 2(o) that if two word marks are to be held similar within the meaning of section 2(k) it can only be by reason of the similarity of their sound or the idea suggested by them, since their form can have no bearing on the question.

It should be noted that the division of trade marks made by the Canadian Act does not obtain in the United Kingdom or the United States. It is, therefore, important to keep the statutory definition of a word mark in mind in applying United Kingdom or United States decisions to cases under the Canadian Act.

Whether two trade marks are similar within the meaning of section 2(k) may be said to be a question of fact, but it would be more nearly correct to regard it as a matter of opinion. In determining whether the marks are similar the Court must attempt to put itself in the position of dealers in or users of the wares in association with which

they are used and determine what effect their contemporaneous use in the same area in association with such wares would be likely to have on the minds of such dealers or users. There are cases which present no difficulty, as for example, where the marks are so definitely similar or so definitely not similar that there would be general recognition of their similarity or dissimilarity. But in between these extremes there are the cases where the contemporaneous use of the marks in the same area might have one effect on the mind of one dealer or user and the contrary one on the mind of another. In such cases the judge is faced with great difficulty, for he is required to determine the likely effect on the mind of the dealer or user, apart from his own reaction to the question, yet he is almost inevitably bound to be influenced by it. With a view to reducing the extent of this subjective attitude and attaining as large a degree of objectivity as possible the Courts have from time to time laid down certain principles as guides to be followed. Cases in which trade marks have been held to be similar are numerous and lists of such similar marks are to be found in such text books as Kerley on Trade Marks, 6th Edition, at pages 295-304, and Fox on Canadian Law of Trade Marks and Industrial Designs, at pages 80-88. But it is well established that, except when some general principle is laid down, cases of the similarity of other marks under other circumstances are of little assistance: *vide Coca-Cola Company of Canada Limited v. Pepsi-Cola Company of Canada Limited* (1).

In *The British Drug Houses Ltd. v. Battle Pharmaceuticals* (2) certain general principles were laid down both in this Court and in the Supreme Court of Canada. In the Supreme Court Kerwin J., who delivered the judgment of the Court, followed the judgment of the House of Lords in *Aristoc Ltd. v. Rysta Ltd.* (3), which adopted a passage in the dissenting judgment of Luxmoore L.J., in the Court of Appeal as a fair statement of how the Court should approach the question of the similarity of trade marks. The passage appears in the speech of Viscount Maugham, at page 86:

The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the

(1) (1942) 2 D.L.R. 657 at 661. (3) (1945) A.C. 68.

(2) (1944) Ex. C.R. 239;

(1946) S.C.R. 50.

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limits of s. 12 of the Trade Marks Act, 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter and syllable by syllable, pronounced with the clarity to be expected from a teacher of elocution. The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants.

I think it may fairly be said that this is now the leading statement of the test to be applied in determining whether words in trade marks are confusingly similar.

I find no difficulty in the present case and have no hesitation in coming to the conclusion that the first impression of users of or dealers in the wares in association with which the marks "Clearex" and "Cleanx" are used, whether by the test of sound or by that of idea, would likely be that they are confusingly similar. I, therefore, find that the marks so resemble each other in sound and so clearly suggest the idea conveyed by each other that the contemporaneous use of both in the same area in association with wares of the same kind would be likely to cause dealers in and/or users of such wares to infer that the same person assumed responsibility for their character or quality, for the conditions under which or the class of persons by whom they were produced, or for their place of origin.

I now come to the issue whether the wares are similar. Section 2(l) defines what is meant by "similar" in relation to wares as follows:

2.(l) "Similar", in relation to wares, describes categories of wares which, by reason of their common characteristics or of the correspondence of the classes of persons by whom they are ordinarily dealt in or used, or of the manner or circumstances of their use, would, if in the same area they contemporaneously bore the trade mark or presented the distinguishing guise in question, be likely to be so associated with each other by dealers in and/or users of them as to cause such dealers and/or users to infer that the same person assumed responsibility for their character or quality, for the conditions under which or the class of persons by whom they were produced, or for their place of origin.

My remarks with regard to the difficulty of arriving at an objective determination of whether marks are similar, in view of the influence which the judge's own reaction must almost inevitably have on it, apply also in the case of

the question whether wares are similar within the meaning of section 2(l), but perhaps to a lesser extent because the section indicates that certain conditions must be complied with before any question of confusing similarity can arise, namely, that the wares have common characteristics or that there is a correspondence of the classes of persons by whom they are ordinarily dealt in or used, or because of the manner or circumstances of their use. If none of these conditions are fulfilled no question of confusing similarity can arise at all. It is only if the wares meet one of these requirements that the question whether they are confusingly similar need be considered.

The respondent has his mark "Cleanx" registered for use as applied to "cleaning compounds and polishing compounds for floors, metals and the like of all descriptions" and the appellant seeks to register his mark "Clearex" for use as applied to "liquid glass cleaners".

The evidence on this appeal was all adduced by affidavits. For the respondent, evidence was given by the respondent's general manager, Albert E. Wells, of London, Ontario, where the respondent has its head office and principal place of business, and by Thomas Treehuba, an operator of an Imperial Oil station in London. The facts appearing from this evidence relating to the respondent's wares may be summarized as follows, namely, that the respondent directs a large part of its business to the manufacture and sale of chemical cleaning compounds which are sold under various trade marks; that the compounds in association with which the trade mark "Cleanx" is used are used for the cleaning of glass bottles, dishes, windows, automobile windshields, drinking glasses, metals, garage floors, floors, walls, paints, automobile radiators, and also for laundry purposes, dry cleaning purposes and cleaning purposes in the electroplating industry; that the said compounds are sold in containers of from 5 to 400 pounds; that before use they are dissolved in water in the proportions of from one to two up to six to eight ounces per gallon and that for actual cleaning purposes they are always used in liquid form rather than in powder form; that certain grades of the cleaner sold under the trade mark "Cleanx" make a clear solution when dissolved in water which has been softened and distilled; that some

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grades foam and others do not; that the large bulk sales of the "Cleanx" product are made to the industrial trade but sales in small quantities are from time to time made to the retail trade; that one grade of the "Cleanx" cleaner is sold in liquid form as "Cleanx X"; that the sale of cleaning compounds under the trade mark "Cleanx" have been extensive and that the respondent has advertised them widely.

For the appellant, evidence as to the wares was adduced by the affidavits of Arthur C. Stewart of Los Angeles, California, the vice-president in charge of sales of the appellant, Marcellus T. Flaxman, of Whittier, California, a chemist, Martin Shanahan, of Vancouver, British Columbia, the president of Shanahans Ltd., the exclusive Canadian distributor of the "Clearex" glass cleaner, and Vivian S. Young, a housewife in Vancouver, British Columbia. There are also other affidavits relating to matters other than that which we are now discussing. Before I refer to the evidence relevant to the similarity of the wares I should say that on the objection of counsel for the respondent I ruled that certain statements in the affidavits were inadmissible such as, for example, statements based on information and belief for reasons similar to those in *Battle Pharmaceutical v. Lever Brothers Limited* (1), statements based on hearsay, and expressions of opinion on matters which are for the Court to determine. There was also objection to the affidavits on the ground that they contained arguments rather than statements of fact. With these observations I summarize the appellant's evidence as to the nature of the wares as follows, namely, that the "Clearex" liquid cleaner is essentially a volatile liquid alcohol dissolved in water to form a clear aqueous solution, that its cleaning action is due to its liquid alcohol content, that it contains substantially no solid soaps or other normally solid chemical cleaning compounds such as "Cleanx", and that its particular convenience as a glass cleaner is due to the fact that the alcohol makes it evaporate quickly on easy wiping, leaving no solid residue, whereas an aqueous solution or suspension of a solid soap or detergent such as "Cleanx" will evaporate slowly and leave the solid material behind as a residue unless very

(1) (1946) Ex. C.R. 277.

carefully wiped off; that the liquid "Clearex" is sold ready for use in six ounce containers adopted for use with a plastic spray attachment, and in refill twelve ounce bottles and one gallon bottles without spray attachments; that it could not be sold as a solid product to be dissolved in water prior to use, as is "Cleanx"; that the sales are largely made through grocery stores and like retail outlets, for domestic consumption by housewives, and not for industrial use; and that the product has been marketed for use as a glass cleaner for windows and windshields. The evidence of Mr. Flaxman was particularly directed to the differences between the liquid glass cleaner composition sold under the mark "Clearex" and the compound "Cleanx" even in its liquid form. Without disclosing what the solid material in "Clearex" is he says that it is not a soap and without saying that "Cleanx" is a detergent he refers to it as if it were. There is no evidence as to whether it is a detergent or not.

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Counsel for the appellant contended that the wares for which it sought the registration of "Clearex" were not similar to those for which the respondent had its registration of "Cleanx". In support of his contention he stressed the following differences, namely, that "Cleanx" is sold as a powder and "Clearex" only as a liquid; that "Cleanx" has a soapy texture and appearance when dissolved whereas "Clearex" has not; that "Cleanx" leaves a residue on glass but "Clearex" does not; that for the most part the markets for the two products are different, "Clearex" being sold mainly to grocers and consumers and not to industrial plants; that the packages in which "Cleanx" is sold are very different from the bottles in which "Clearex" is sold; and finally that the "Clearex" liquid glass cleaner is not a compound. I am not able to accept counsel's contention. No doubt there are some differences in the wares, but this does not prevent them from being similar. Indeed, the use of the word "similar" necessarily connotes difference for without difference there would be identity, not similarity. The wares are not different because one is usually sold in powder form and the other always as a liquid, particularly since both are used only as liquids and, in fact, one grade of the "Cleanx" cleaner is sold in liquid form. Nor can the fact, even if

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it were established, that one product has a soapy texture and the other not and that one leaves a residue on the glass and the other does not make them different. Moreover, Mr. Wells' affidavit establishes that certain grades of "Cleanx" make a clear solution when dissolved in softened and distilled water and that if the proportions were used as are used by the appellant the liquid "Cleanx" would not leave any more residue on glass than "Clearex" does. Nor does the fact that one product is sold in small bottles and the other in large containers make the wares different. And there is no substance in the suggestion that the "Clearex" liquid glass cleaner is not a compound. A substance need not be a solid to be a compound. Indeed, Mr. Flaxman's affidavit makes it clear that the liquid is a compound. He speaks of it as a composition and says that its exact composition cannot be disclosed.

Against counsel's contentions two facts stand out. One is that both wares have the basic common characteristic of being cleaning compounds. The respondent has his mark "Cleanx" to be applied to cleaning compounds "of all descriptions" and it makes no difference whether the compound is solid or liquid. The other fact is that there are uses to which the two products are put that are similar. Both cleaners are used by service stations for cleaning windshields. Two of the conditions of similarity referred to in section 2(1) are thus complied with. The wares have common characteristics and the manner or circumstances of their use is similar.

In his affidavit Thomas Treehuba swears that as an operator of an automobile service station he has used the cleaning compounds which were sold to him under the trade mark "Cleanx" in liquid form for the cleaning of automobile windshields and windows and for the cleaning of windows and floors in his service station and that if he saw a liquid cleaning product to be used for the cleaning of glass which bore the trade mark "Clearex", he would be led to believe that it was the product of the respondent which it was putting out in liquid form for the special purpose of cleaning glass. While there are statements by other persons that they would not be confused as, for example, by Mrs. Young, I am of the opinion that other users of "Cleanx" would be led, as Mr. Treehuba says

he would be, to believe that a liquid cleaner under the name "Clearex" was put out by the same persons as put out "Cleanx". Under the circumstances I find that the wares for which the appellant seeks to register "Clearex" are similar within the meaning of section 2(1) to those which the respondent has the right to apply and does apply its mark "Cleanx". Both issues are thus found against the appellant.

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Even if there were some doubt as to whether the statement of Mr. Treehuba or that of Mrs. Young that if she saw a liquid solution of a detergent for sale as a cleaner for glass windows and bearing the trade mark "Cleanx" she would not be led to believe that it was a product of the same manufacturer or distributor as "Clearex", should be accepted, that would not help the appellant. The registration of a proposed trade mark is not an absolute right—*vide F. Reddaway & Co. Ltd.'s Application* (1). There is a heavy onus on the applicant for the registration of a trade mark. In *Eno v. Dunn* (2) it was held by Lord Watson that where a section prohibits the registration, with respect to the same goods or descriptions of goods, of a trade mark so nearly resembling a trade-mark already on the register with respect to such goods or descriptions of goods as to be calculated to deceive, the applicant for registration must satisfy the comptroller or the Court that the trade-mark which he proposes to register does not come within the scope of the prohibition. He summed up the positions of the applicant in these words:

here he is *in petitorio*, and must justify the registration of his trade-mark by shewing affirmatively that it is not calculated to deceive. It appears to me to be a necessary consequence that, *in dubio* his application ought to be disallowed.

There has been full acceptance of this statement: *vide McDowell's Application* (3). And in *Aristoc, Ltd. v. Rysta, Ltd.* (4) Viscount Maugham put the rule thus:

It is well settled that the onus of proving that there is no reasonable probability of deception is cast on an applicant for registration of a mark.

Moreover, I am of the view that the fact that the Registrar refused the appellant's application under section 38 and not under section 37 does not affect the nature of the

(1) (1927) 44 R.P.C. 27 at 35.

(2) (1890) A.C. 252 at 257.

(3) (1927) 44 R.P.C. 335 at 341.

(4) (1945) A.C. 68 at 85.

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onus resting on the appellant. That onus is a very heavy one and I have no hesitation in finding that the appellant has not discharged it.

The result is that the appeal must be dismissed and, since the contest has been between the appellant and the respondent, the dismissal will be with costs to the respondent S. F. Lawrason & Co. Limited. The Registrar will not be entitled to costs.

Judgment accordingly.
