BETWEEN:

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ALBANY PACKING COMPANY INC APPELLANT;

AND

THE REGISTRAR OF TRADE MARKS... RESPONDENT.

- Trade mark—Unfair Competition Act, 22-23 Geo. V, c 38, sects 26 (1) (c) and 28 (1) (d) and (2)—Convention of the Hague (1925)—Word mark "Tenderized" descriptive or misdescriptive—"Country of origin"— Word "Tenderized" not a distinctive mark—Appeal from Registrar of Trade Marks dismissed.
- Appellant, a corporation organized under the laws of the State of New York, USA, applied in Canada for registration of the word mark "Tenderized" to be applied to "hams, pork shoulders and picnics". The Registrar of Trade Marks refused registration on the ground that the proposed mark was considered descriptive or misdescriptive of the character or quality of the wares with which it was used.
- On appeal to this Court the appellant claimed the right to registration of the mark "Tenderized" on the grounds that prior to the Canadian application the mark had been registered in the US, the "country of origin" of such registration; that having regard to all the circumstances, including the length of time the mark had been used, the mark had acquired a distinctive character or was not wholly without distinctive character.
- Held: That the proposed mark "Tenderized" is descriptive of the character or quality of the products with which it is proposed to be used and therefor unregistrable under s 26 (1) (c) of the Unfair Competition Act.
- 2 That the "country of origin" as used in s. 28 (1) (d) and (2) of the Unfair Competition Act refers to a country, other than Canada, which has acceded to the Convention of the Hague (1925), and in which a person has registered a trade mark, which he now seeks to register in Canada under s 28 (1) (d) and (2) of the Act.
- 3. That the appellant's registration in the United States is not one made in the "country of origin" as contemplated by s. 28 (1) (d) and (2) of the Unfair Competition Act since the mark was registered under the United States Act of 1920, the purpose of which was "to give effect to certain provisions of the Convention for the Protection of trade mark and commercial names, made and signed in the City of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes", to which Convention the United States was a signatory, but not Canada.
- 4. That the mark "Tenderized" designates or describes a character or quality imparted to certain meat products by some process or treatment and the evidence does not establish that the mark by user or otherwise, has acquired a distinctive character as provided for in s. 28 (1) (d) (iv) of the Unfair Competition Act, the onus to establish such being on the applicant for registration

5. That a word which is merely a description of the goods with which it is associated is not a distinctive mark, because it is not adapted to distinguish the goods of one trader from those of other traders, and it cannot acquire a secondary signification by user to denote solely the goods of any particular trader.

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APPEAL from the refusal of the Registrar of Trade MARKS. Marks to register a word mark applied for by appellant.

The appeal was heard before the Hon. Mr. Justice Maclean, President of the Court, at Ottawa.

O. M. Biggar K.C. for the appellant. W. L. Scott K.C. for the respondent.

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

THE PRESIDENT, now (August 1, 1940) delivered the following judgment:

This is an appeal, heard on affidavits, from the refusal of the Registrar of Trade Marks to register the word mark "Tenderized", to be applied to "hams, pork shoulders, and picnics", on the application of Albany Packing Company, Inc., a corporation organized under the laws of the State of New York, U.S.A., and having its principal place of business at West Albany, in the said State of New York. The case involves some important questions, and is, I think, a novel one in this jurisdiction, and is not without its difficulties. Had I been made acquainted earlier with the nature of the questions presented by this appeal it is probable I should have required that public notice by advertisement be given of the hearing of the appeal, under s. 51 (3) of the Unfair Competition Act.

In February, 1938, an application was made by Dumarts Ld., of Kitchener, Ontario, to register as a word mark the word "Tenderized", which word. the application states "(indicates a special process)". In a letter accompanying the application the applicant stated that: "This word denotes a special process which we are commencing to use in connection with our meats, and therefore wish to have this word registered", and in a letter to the Registrar, in May, 1938, the applicant stated: "You may be interested to know that this word was registered in the United States, and we might state that the word denotes a special process of producing this Ham". In a still later letter to the results are the state that the word denotes a special process of the the test of test of the test of the test of the test of test of test of the test of test

1940 Registrar the applicant stated: "We still, however, con-ALBANY PACKING CO. INC. D. RECISTRAR OF TRADE MARKS MARKS Maclean J. to indicate that such wares were sold by it. 1940 Registrar the applicant stated: "We still, however, contend that the word 'Tenderized ' denotes a special process, of making this Ham tender". The application states that the applicant had used the mark since February 15, 1938, in Canada, on wares ordinarily and commercially described by it as "Meats & Sausage—Fresh—Smoked—or Canned", Maclean J. to indicate that such wares were sold by it.

In November, 1939, the application of Dumarts Ld. was formally and finally refused registration by the Registrar on the ground that the proposed mark was considered descriptive or misdescriptive of the character or quality of the wares with which it was used, and was therefore not registrable under the provisions of s. 26 (1) (c) of the Unfair Competition Act. In December, 1939, Dumarts Ld. wrote the Registrar, saying: "We have now completed arrangements whereby we proposed to have the Albany Packing Company of Albany, N.Y., register this trade mark in Canada and transfer same to us."

Prior to the dates just above mentioned, in March, 1939, objection was made in writing to the Registrar by the Solicitor of Canada Packers Ld., and J. M. Schneider Ld., two Canadian corporations, against the registration of the mark "Tenderized" by Dumarts Ld., on the ground that it was "distinctly descriptive of a quality of the goods", and that it was "being quite commonly used by most of the Packing House Trade". It was pointed out therein that the term "Tenderized" had been used by Canada Packers Ld., and by J. M. Schneider Ld., for some months, and that the same word mark was "being used in the United States and goods so marked are being sold in Canada by The Tobin Packing Company Inc., of Fort Dodge, Iowa". This protest was accompanied by samples of printed matter used and circulated in some way by Canada Packers Ld., and The Tobin Packing Company, referable to their meat products, but just how this printed matter was used, or when such use was commenced, was not made clear. In the printed matter used and circulated by The Tobin Packing Company the following excerpts therefrom may be mentioned: "Genuine Tenderized Ham", and "Tenderized Canned Ham". In the printed matter used and circulated by Canada Packers Ld. the following words extracted therefrom may be mentioned:

Ex. C.R.] EXCHEQUER COURT OF CANADA

"Canada Packers are producers of the 'New Maple Leaf' Tendersweet Ham", and, "An improved process so ten-Albany PACKING derizes the Ham that it cooks in much less time than formerly. And when cooked the delicate flavour is v. REGISTRAE OF delicious and the meat so tender you can cut it with a fork."

In May, 1939, the Albany Packing Company. Inc., Maclean J. applied for the registration of the word mark "Tenderized", in Canada. The application states that the applicant had used the said mark principally in the United States, on such wares as "hams, pork shoulders, and picnics", but the applicant was commercially concerned with meat products generally. The application further stated that the applicant had caused the said mark to be registered in the United States in September, 1937, a certificate of which registration accompanied the application; that the applicant had a real and substantial commercial establishment in the town of Colonie, in the State of New York; and that the applicant considered it was entitled to adopt and use the said mark in Canada, having regard to the provisions of the Unfair Competition Act, no doubt having particular reference to s. 28 (1) (d) of that Act.

The Registrar decided that the word mark "Tenderized "was descriptive or misdescriptive of the character or quality of the products with which it was used, and accordingly the application of Albany Packing Company Inc. (hereafter called "the appellant") was rejected, and this appeal is from that decision. Subsequent to the Registrar's refusal of the appellant's application, and before this appeal had actually been asserted, the appellant filed with the Registrar the affidavit of Wilson C. Codling, and this affidavit was referred to by Mr. Biggar on the hearing of the appeal. That affidavit reads as follows:

1 That I am Vice-President and General Manager of the Albany Packing Company, Inc., the applicant for registration of the trade mark "TENDERIZED" filed in the Canadian Trade Marks Office on May 9. 1939, under Serial No 175,632. The word "TENDERIZED" has been used by the applicant company as a trade mark for specially processed hams since about May 14th, 1934, its use having been coupled with widespread advertising which has circulated in both Canada and the United States

2 In all the markets in which the applicant company's product is sold the trade and the purchasing public recognize the word "TENDER-13480---2<u>1</u>a

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IZED " as indicating the fact that the meat products originate with the 1940 applicant company, and that the word is not used merely as a term Albany descriptive of the quality of the product. PACKING

3. The fact that the word "TENDERIZED" is distinctive of the Co INC v. products of the applicant company has been generally recognized by the REGISTRAR OF trade. TRADE

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The facts referred to in this affidavit, it will be observed, are stated in very general terms, and no further material was placed before the Registrar, or before the Court on the hearing of the appeal, in support of the several allegations set forth in the affidavit of Mr. Codling, of the appellant company.

It will be convenient now to refer to an affidavit introduced by Mr. Scott, on the hearing of the appeal, and particularly because it is directed to the ineligibility of the word "Tenderized" as a trade mark, on the ground that it is descriptive of the character or quality of the goods to which it was to be applied. The affidavit to which I refer is that of Frederick B. Schneider, a member of the firm of J. M. Schneider Ld., of Kitchener, Ontario, which concern is engaged in the meat packing business. This affidavit was sworn to on March 7, 1940. It will be more satisfactory if I quote the relevant portions of that affidavit than if I attempted to summarize its substance. The affidavit states:

That I am aware that a Process for tenderizing meat has been developed and has been in use by various packers for a period of between two and three years:

That the word "TENDERIZED" was commonly used in the United States in connection with hams treated by this Process;

That the Process of tenderizing hams has been developed in Canada over a period of two years or more; that the word "TENDERIZED" is commonly used by a number of the Canadian Firms in the Packing House business using such Process;

That the firm of J. M Schneider Limited has been stamping hams with the word "TENDERIZED" thereon for a period of fifteen months or better;

That specifically to my knowledge Canada Packers Limited use the word "TENDERIZED" in their advertising and have been doing so for a considerable period:

That the suffix "IZE" is commonly used in the formation of verbs from nouns or adjectives and meaning to be or do the thing denoted by the noun or adjective, such for instance as to dextrinize, pauperize, sensitize, parkerize, botanize, jeopardize, tenderize, etc., etc., as is found in the Century Dictionary and Encyclopedia, Volume 5, page 3206, published 1911, and that the word is, in accordance with my knowledge and understanding essentially descriptive of the character of the meat to which the term is applied

It will appear from this affidavit that J. M. Schneider Ld. commenced the use of the word "Tenderized", by stamp-ALBANY PACKING ing the same on its hams, prior to the date of the appel-Co. INC. lant's application for registration, in Canada. It is also REGISTRAR OF to be observed that the affidavit states that a process for tenderizing meat has been in use by various packers for a period between two and three years, and the affiant Maclean J. would seem to state that a process of tenderizing hams has been used in Canada over a period of two years or more.

This would seem an appropriate stage at which to express my opinion as to whether the word "Tenderized" is descriptive of the character or quality of the goods with which it is to be associated, in which event it would be unregistrable under s. 26 (1) (c) of the Unfair Competition Act. I did not understand Mr. Biggar to contend definitely that this word was not descriptive of the goods with which it was to be associated. Mr. Codling, in his affidavit, states that the word in question "is not used merely as a term descriptive of the quality of the product" but he does state definitely that it was "distinctive" of the products of the appellant company and that this distinctiveness was recognized by the trade. It seems to me that the real purpose of the affidavit of Mr. Codling was to establish that the word "Tenderized", while descriptive of the character or quality of the product with which it was associated, was nevertheless registrable under s. 28 (1) (d)of the Act. because that word, used as a trade mark, had already acquired a distinctive character, a secondary meaning, which indicated to dealers in or users of such products that the same were manufactured and sold by the appellant. It appears to me to be hardly debatable but that the word mark "Tenderized" is descriptive of the character or quality of the products to which it is to be applied, and was so intended. It can only mean that the meat products with which this mark is to be associated have been "tenderized" by some process, or in some manner, that is, the meat products were made tender in some way, and the mark "Tenderized" was used to indicate the presence of such quality or character in such products. I have already pointed out that Dumarts Ld., in its application, and in its correspondence with the Registrar, explained that the word "Tenderized" denoted

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"a special process of producing this Ham", and, that it 1940 "denotes a special process, of making this Ham tender". ALBANY PACKING And Mr. Codling in his affidavit stated that the word Co Inc. "Tenderized" was "used as a trade mark for specially 1). REGISTRAR OF processed hams", and that, I think, was intended merely TRADE MARKS to signify that such hams were "tender"; the consumer Maclean J. would have no knowledge of the employment of the process. Can there be any doubt but that was the purpose of using such a mark, or that the consuming public would give to such a mark the meaning that the appellant's meat products possessed the quality of tenderness? I think not. The word "tender" has a well-known meaning when applied to meats and in that connection is a word of common usage. It is immaterial in what grammatical sense the word "Tenderized" is used. I think that word is here used adjectively, so as to convey the idea, for example, of a "Tenderized Ham", just as the word "Sweet" might be used before the word "Ham" to indicate a "Sweet Ham", if such a thing there be. I can hardly believe that the mark was not intended to be descriptive of the character or quality of the meats "specially processed"; and that will perhaps more clearly appear when I explain the nature of the trade mark statute under which the mark was registered in the United The mark in question being, in my opinion, States. descriptive of the character or quality of the products with which it is proposed to be used, it is therefore unregistrable, unless upon other grounds, by way of an exception to s. 26 (1) (c) of the Act, it may be registered, but that is another question and will presently be considered. A word which is descriptive of the character or quality of the goods with which it is associated is not one adapted to distinguish the goods of one trader from goods of the same class of other traders. No monopoly can be allowed in names clearly descriptive of the character or quality of the goods. If that were so it would give the first user a monopoly in the term. I think therefore the Registrar was right in refusing to register the mark upon the grounds already mentioned, and his decision must stand unless the appellant can bring itself within s. 28 (1) (d) of the Act, which Mr. Biggar contends his client has done.

> The real foundation of the appellant's claim to registration of the mark in question, as presented on the appeal,

is (1) that prior to the Canadian application the mark had been registered in the United States, the "country of origin" of such registration it is claimed; (2) that having regard to all the circumstances, including the length of time the mark had been used, the mark had acquired a distinctive character, or was not wholly without distinctive character; and (3) that even if the mark were unregistrable Maclean J. under the Unfair Competition Act because it was descriptive of the goods with which it was to be used, or were unregistrable upon other grounds, yet, notwithstanding this, it was registrable upon the facts mentioned in (1) and (2) above, as provided by s. 28 (1) (d) of the Act.

Sec. 28 (1) (d) and (2) of the Act reads as follows:

(1) Notwithstanding anything hereinbefore contained:

(d) A word or group of words, which the applicant or his predecessor in title, without being guilty of any act of unfair competition, has already caused to be duly and validly registered as a trade mark in the country of origin of such registration, shall, although otherwise unregistrable by reason of its or their form, sound or meaning, be registrable under this Act provided (i) that its use as a trade mark is not prohibited by this Act; (ii) that it is not calculated to deceive nor otherwise contrary to some law or regulation directly concerned with the maintenance of public order; (iii) that is not in conflict with any mark already registered for similar wares; (1v) that having regard to all the circumstances, including the length of time its use has continued, it cannot be said to be wholly without distinctive character; (v) that it does not include the personal or trade name of any person domiciled or carrying on business in Canada.

(2) For the purpose of this section, the expression 'country of origin' means the country of the Union other than Canada in which the applicant for such registration had at the date of the application a real and substantial industrial or commercial establishment, or if he had no real and substantial commercial or industrial establishment in any country of the Union means the country of the Union in which he was then domiciled, or if at the said date he neither had a real and substantial commercial or industrial establishment in any country of the Union nor was domiciled in any such country, means the country, if any, of the Union of which he was then a national.

It will be seen therefore, that a prerequisite to registration in Canada, under s. 28 (1) (d) of the Unfair Competition Act, is that the appellant has already caused its trade mark to be validly registered in the "country of origin of such registration". Sub-s. (2) of s. 28 defines, for the purpose of that section, the expression " country of origin " to mean any country of the Union other than Canada, and "Country of the Union" is defined by s. 2 (b) of the Act to mean any country which has acceded to the Union for

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the Protection of Industrial Property under the Convention defined in s. 2 (a) of the Act, now known as the Convention of The Hague (1925), to which Convention both Canada and the United States are signatories. Mr. Biggar contended that the appellant's registration in the United States was a registration in the "country of origin", as contemplated by s. 28 (1) (d), while Mr. Scott argued that this registration was not one made in the "country of origin", within the true meaning of that statute, and that point of controversy may be considered first.

Turning now to the words "country of origin" as used in s. 28 (1) (d) and (2) of the Act, and their relevance, if any, to the appellant's application to register its mark in Canada. There can be no doubt but that those words have reference to a country, other than Canada, which has acceded to the Convention of The Hague, and in which a person has registered a trade mark, which he now seeks to register in Canada, under s. 28 (1) (d) and (2) of the Act. The contracting countries under the Convention constituted themselves into a Union for the protection of industrial property, which property comprises trade marks. The fundamental principle of the Union is that of national treatment, that is to say, in each of the member countries the nationals of the others, as also all persons domiciled or possessing industrial or commercial establishments in the Union, enjoy the same advantages, rights, remedies, and protection that are now granted or will be granted in the future to nationals of that country. For the protection of trade marks the following specific rights. inter alia, are granted by the Convention: (1) a right of priority of six months for registration in other countries after filing an application for a trade mark in the country of origin; and (2) validation of trade marks in their original form in the member countries after their registration in the country of origin, subject to certain defined exceptions. Article 6 of the Convention provides that every trade mark duly registered in the country of origin shall be admitted for deposit and protected in its original form in the other countries of the Union, but nevertheless registration may be refused or cancelled of "marks which have no distinctive character, or which consist exclusively of signs or indications which serve in trade to designate the kind, quality, destination, value, place of origin of the goods or

date of production . . . ", and the Article also provides that "in arriving at a decision as to the distinctive character of a mark, all the circumstances of the case must be taken into account, including the length of time during v. REGISTRAB OF which the mark has been in use ". The Article also provides that the "country of origin" shall be considered to be the country of the Union where the depositor has a real Maclean J. and effective industrial or commercial establishment, and if he has no such establishment then the country where he is domiciled, and if he is not domiciled in the Union the country of his nationality if he is a person within the iurisdiction of one of the countries of the Union.

It will be apparent that one of the purposes of s. 28 (1) (d) and (2) of the Unfair Competition Act was to give legislative effect to Article 6 of the Convention of The Hague, and not any provision of any other Convention. The right of priority for the registration in Canada of trade marks registered in the "country of origin", as provided for by the Convention, was given operative effect in Canada by s. 40 (1) (a) of the same Act. The appellant's Canadian application would appear to suggest that it was claiming registration in Canada, because it had already registered the mark in question in the United States, which is in point of fact a country of the Union, and because it had in the United States a substantial commercial or industrial establishment. Such a contention was advanced but it was contested by Mr. Scott who urged that the appellant's United States mark was not one entitled to registration or protection under s. 28 (1) (d)and (2) of the Unfair Competition Act because it was not a mark previously registered in "the country of origin", within the meaning of the Unfair Competition Act. These opposing contentions must therefore be discussed. Before proceeding to do so, however, I should perhaps here add that, I think, it is correct to say that the terms of the AConvention of The Hague may be referred to by the Court as a matter of history, in order to understand the scope and intent of the terms of that Convention, and under what circumstances any of the provisions of the Unfair Competition Act were enacted, in order to give legislative effect to the same. But the terms of the Convention cannot, I think, be employed as a guide in construing any of such provisions so enacted, for the reason

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that in Canada a treaty or convention with a foreign state binds the subject of the Crown only in so far as it has been embodied in legislation passed into law in the ordinary way.

I come then to a consideration of the terms of the trade mark legislation under which the appellant's mark was registered in the United States. In the United States there are two Public Acts relating to the registration of trade marks. The principal Act, the Act of 1905 so called, is one which authorizes-as its title indicates-" the registration of trade marks used in commerce with foreign nations or among the several States, or with Indian Tribes, and to protect the same". Sec. (5) of that Act provides, inter alia, that no mark which consists "merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods . . . shall be registered under the terms of this Act". The other Act was enacted in March, 1920, and is usually referred to as "the 1920 Act", and it was under this Act that the appellant's mark was registered in the United States. The purpose of this Act, as is stated in its title, was "to give effect to certain provisions of the Convention for the protection of trade marks and commercial names, made and signed in the City of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes", and to this Convention the United States was a signatory, but not Canada. The purpose of this Convention was to create a Union between the American States for the protection of trade marks and commercial names. This Convention concerning the protection of trade marks attempts to institute the principle of automatic registra-Every mark registered in any of the contracting tion. countries shall be considered as also registered in the others, with the qualification, however, "without prejudice to the rights of third persons and to the provisions of the law of each state governing the same". This broad reservation practically nullifies the principle of automatic registration, since the provisions of the law of each country are not derogated from in any way. Sec. 1 (b) of the 1920 Act provides for the registration of marks not registrable under the 1905 Act, except those specified in paragraphs (a) and (b) of section 5 of the latter Act.

The Act of 1920 would accordingly permit of the registration of a mark which is descriptive of the character or quality of the goods with which they are to be used, while the Act of 1905 expressly prohibits the registration of $\frac{v}{\text{RegISTRAR OF}}$ such a mark. Rule 19, one of the Rules governing the registration of trade marks under the Trade Mark Acts of the United States, provides that no trade mark will be registered under s. (1) (b) of the 1920 Act which is registrable under the Act of 1905. It is not necessary that I should refer to other provisions of the 1920 Act.

It will be seen therefore that if the appellant's registration in the United States under the Act of 1920 is to be accepted as one made in the "country of origin", as defined by s. (28) (1) (d) and (2) of the Unfair Competition Act, then, the result would be that while the appellant could not register his mark in the United States under the Act of 1905, and it was not registrable in Canada by a national of Canada because it offended against s. 26 (1) (c) and (d)of the Unfair Competition Act, yet, as is contended, it would be registrable in Canada by the appellant under the terms of s. 28 (1) (d) and (2) of the Act, because its mark was previously registered in a "country of origin" under a Convention other than that of the Convention of The Hague. If this contention should be a correct one then it would appear to reflect an anomalous and inequitable state of affairs.

There was introduced on the hearing of the appeal, by Mr. Scott, the affidavit of Kennard N. Ware, a member of the bars of the District of Columbia and of the State of Pennsylvania, wherein is expressed the affiant's opinion of the applicability of the provisions of the United States Trade Mark Act of 1920, to the matter in issue here. This affidavit is quite lengthy, and it is not easily or briefly summarized without incurring the risk of stating inaccurately the affiant's expressed opinions, and disturbing the continuity of his reasoning in support of the conclusions of law at which he arrives. Therefore, it will, I think, be more satisfactory if I quote fully this affidavit, even though it consumes a considerable space. It is possible that two or three paragraphs of this affidavit are hardly admissible

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as evidence, but that is not, I think, of any serious conse-1940 quence. After stating his professional qualifications and ALBANY PACKING experience Mr. Ware proceeds to state: Co. INC.

n. REGISTRAR OF Legislation in the United States, it must be borne in mind that trade TRADE Marks

marks are not, in the purview of our legal system creatures of statute. Substantive rights in and to trade marks are based on the principles of Maclean J. common law-ownership is not derived from statute, but from priority of adoption and use. The Federal general registration statute (Act of February 20, 1905) merely recognizes and records claums to ownership of common law trade marks and furnishes a prima facie presumption of ownership and inferentially of validity. It also confers certain procedural advantages upon those who have registered their common law marks in compliance with the permissive provisions of that statute

In order to understand the scope and limitations of the Trade Mark Registration Act of March 19, 1920, it is important to appreciate the circumstances under which it was passed and the objectives sought

The general registration act of the United States, as pointed out above, is the Trade Mark Act of February 20, 1905. (A copy of this Act is hereto annexed and marked "Exhibit 1") Generally stated, the object of that statute was to provide a Federal Register for trade marks which were of a character recognized as the subject of qualified ownership under the principles of common law and which were used in interstate and foreign commerce Section 5 (U.S.C Title 15 Sec. 85) has a number of provisos excluding various categories of alleged trade marks including the proviso.

"That no trade mark which consists . . merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods . . . shall be registered under the terms of this Act,"

This was, of course, merely a statutory recognition of an established canon of the common law that a designation descriptive of the goods to which it is applied, is not the subject of trade mark ownership There is a qualified exception to the common law prohibition of exclusive appropriation of descriptive designations, ie, where a designation intrinsically descriptive has been exclusively used in a trade mark sense and the character and extent of such use has been sufficient to cause the originally descriptive designation to acquire a widely recognized "secondary" significance indicating a particular origin. This common law exception was, to a degree, recognized in a proviso of Section 5 of the Act reading:

"That nothing herein shall prevent the registration of any mark used by the applicant or his predecessors, or by those from whom title to the mark is derived, in commerce with foreign nations or among the several States or with Indian tribes, which was in actual and exclusive use as a trade mark of the applicant, or his predecessors from whom he derived title, for ten years next preceding February twentieth, nineteen hundred and five: etc."

The Act of 1905 thus provides a somewhat inelastic and arbitrary, but easily applied test for determining the existence of "secondary meaning". It is to be noted with reference to the general doctrine of "secondary meaning" that the courts in the United States, in determining the existence of facts which justify recognition of a quasi trade mark status in a designation inherently descriptive, have been relatively

strict. Such marks have been granted recognition only on the basis of 1940an exclusive use of long duration and great notoriety. Even when the applicability of the "secondary meaning" rule has been recognized in a given case, the proprietor cannot prevent the use of the designation by a competitor when the competitor uses the designation in a clearly primary sense and in a manner not calculated to confuse a purchaser or REGISTRAR OF prospective purchaser. (Thaddeus Davids v. Davids, 233 U.S. 461 at page 469)

There were several difficulties which led to the enactment of the Maclean J. Act of March 19, 1920. One was a general dissatisfaction with the inelastic "ten year clause" of the Act of 1905 referred to above There were many marks of a primarily descriptive nature which had been in such widespread and exclusive use for sufficient time to give them a secondary meaning, but which had not been in use as early as 1895. Such marks, despite their "secondary meaning" did not fall within the ten year clause and were thus not registrable. A second difficulty which led to the enactment of the Act of March 19, 1920, was the unsatisfactory situation with respect to trade marks existing in most of the Latin-American countries. Trade mark rights, under the legal systems of these countries, were created not by priority of adoption and use, but by registration under a statute. It appears to have been the practice in such countries to permit the registration of descriptive marks. A foreigner was permitted registration however only where he could show a corresponding registration in his home country. This led to wholesale piracy of American trade marks because of the fact that there was no provision for the registration of descriptive marks in this country.

As originally proposed, the bill leading to the enactment of the Act of 1920, was intended to cure both of the difficulties referred to above. However, in the course of its progress through the houses of Congress, less and less emphasis was placed upon the domestic difficulty and increased emphasis upon the foreign trade difficulty. As a result, the bill as it was modified and finally enacted into law, presents certain anomalous features to which attention will now be directed.

Referring now to the text of the Act of March 19, 1920 (copy of which is hereto annexed and marked "Exhibit 2"), it will be noted that Section 1 (b) provides for registration of certain marks not registrable under the Act of February 20, 1905, including marks which are descriptive of the quality of the goods to which they are applied It is clear from the language of the Act that a primary object of the Act was to permit the registration of marks not theretofore registrable in this country (USA) because descriptive and thus not true or valid trade marks at common law As will hereinafter be pointed out, the Act as construed by the courts, did not by granting registration of such mark, intend to affect any change in their domestic status-although, as pointed out above, such had been the original intention

Section 6 of the Act of 1920, adopts by reference various sections of Among these sections are 17, 19 and 20 which confer the Act of 1905 jurisdiction of infringement suits upon the "District and Territorial Courts of the United States, etc.", and make available relief by injunctive process and reparation by means of the recovery of damages and profits, etc. There is, however, no provision in the Act which, explicitly or by reference, makes registration a prima facie evidence of ownership as is the case with registrations under the Act of 1905 Thus the Registrant under the Act of 1920 has the right to bring suit on his registered trade mark in United States District Courts and if he shows himself qualified to such relief, may obtain an injunction and damages, but there is no

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presumption whatever in his favour as to ownership and there is actually a negative presumption as to validity, for if a registered mark were inherently a proper trade mark at common law, it could and would have been registered under the Act of 1905.

The Act of 1920 has uniformly been construed by the courts as con-REGISTRAR OF ferring no domestic benefits whatever, except those of a jurisdictional nature upon registrants thereunder. The limited scope of registration under the Act of 1920 will be apparent from a brief consideration of the leading cases in which it has been judicially construed. An early and leading case on the subject is that of Charles Broadway Rouss, Inc., v. Winchester Co., reported in Volume 300 of the Federal Reporter at page 706. The mark in issue was "The Winchester" as applied to shirts. The designation was not a technical trade mark because of its geographical significance. Having been refused registration under the Act of 1905, it was registered under the Act of 1920 In an infringement suit the Court of Appeals for the Second Circuit held that the registration was not even prima facie evidence of title. A copy of the pertinent portion of a long decision is attached hereto as an appendix.

> In Sleight Metallic Ink Co. v. Marks, 52 Fed. (2d) 664 (D.C.Pa.), the Court, in dismissing the bill of complaint charging infringement of the trade mark "Metallic" as applied to ink, which was registered under the Act of 1920, said, inter alia:

"The first question is as to the plaintiff's rights in the word 'Metallic' as a technical trade mark. It has been noted that the plaintiff was refused registration under the Act of 1905. The effect of registration under the Act of 1920 is fully considered in Charles Broadway Rouss, Inc, v. Winchester Co. (C.C.A.) 300 F. 706, and the conclusion reached that registration under the Act of 1920 does not give the registrant even a prima facie title to the word as a trade mark or trade name. The statement of the committee, in recommending passage of the bill, was that the Act would have no effect upon the domestic rights of any one. I accept the view of the scope of the Act of 1920 taken by the court in the Rouss Case This plaintiff's case, therefore, stands entirely upon the plaintiff's commonlaw rights, as though there had been no registration at all "

The Act was construed by the Supreme Court of the United States in the case of Armstrong Paint & Varnish Works v. Nu-Enamel Corp., in a decision rendered on December 5, 1938, and reported in 305 U.S. 315-336. The trade mark in issue was "Nu-enamel" as applied to enamel, varnish, etc The court, after commenting upon the legislative history of the Act, held that registration thereunder, while it gave the right of access to Federal Courts, did not confer any substantive rights nor any prima facie evidence of title. The mark was then considered merely on a common law basis and the plaintiff denied relief.

It is thus apparent that the Act of 1920 has no effect upon substantive domestic rights and that its primary and essential function is to permit the registration of trade marks regarded as invalid in this country for the purpose of obtaining registration primarily in the Latin-American countries, in which such marks which could otherwise be pirated regardless of any question of priority of use. It is clear that in passing this Act, there was no thought or intention of obtaining any advantage in the Dominion of Canada and, in fact, there was no mechanism for securing such advantage in existence at the time since the Act was passed prior to the Convention of The Hague of 1925 to which both the United States and the Dominion of Canada are now signatory.

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In view of the limited scope of registrations under the Act of 1920, it has been and is my practice to advise clients who are not interested in Latin-American trade to refrain from obtaining registration under this PACKING Act of trade marks qualified thereunder. The reason for this attitude is the fact that, in general, the procedural advantages obtained do not compensate for the virtual concession of invalidity inherent in such registra- REGISTRAR OF tion. I believe that this procedure is common among practitioners in the field of my specialty.

It is submitted, with diffidence as somewhat beyond your affiant's presumed competence, that under subsection 2 of Section 6 of The Hague Convention, there is no obligation on the part of the Canadian Government to permit the registration of a mark previously registered in the United States under the Act of 1920 since registration under that Act constitutes in effect an admission that the mark so registered is, in the language of said subsection, a mark which has "no distinctive character, or which consist exclusively of signs or indications which serve in trade to designate the kind, quality . . . of the goods"

In the writer's opinion, the concluding paragraph of subsection 2 raises an issue of fact which is to be determined without reference to registration under the Act of 1920. In other words, it appears to the writer that marks registered in the United States under the Act of 1920 fall within the exception of sub-paragraph 2 of Section 6 of The Hague Convention and are not entitled to registration in any other signatory country unless by reason of the establishment to the satisfaction of the country in which application for such registration is made, of a fact situation which brings it within the scope of the concluding paragraph of said subsection 2.

Your affiant has read the affidavit submitted by Wilson C. Codling and is of the opinion that the vague, indefinite and undocumented statements set forth in said affidavit fall far short of furnishing an adequate basis according to the standards of the courts in this country for establishing the existence of a secondary meaning for the alleged trade mark "TENDERIZED"

In brief, my opinion with respect to the Trade Mark Act of March 19, 1920, is that it is an ill-drafted piece of legislation which was intended to secure two inconsistent objectives:

(a) To permit the registration of words or designations which are not true technical trade marks because they are merely descriptive or merely surnames or merely geographical. In order to secure the right of registration in certain countries which permits the registration of marks of such character, but allows foreigners to procure such registrations only upon proof of such registration in the home country;

(b) To permit the registration of words which, though intrinsically unregistrable, have been used so extensively and intensively as to have acquired a secondary meaning, i.e., to liberalize the ten year clause of the Act of 1905.

That in the prosecution of the bill through Congress considerations of registrability in certain Latin-American countries were emphasized at the expense of the creation of new domestic rights and that the bill while somewhat ambiguous in its terminology, has been construed in the light of its legislative history to bestow practically no right in the domestic market.

To use this Act as a means for procuring registration in a foreign country under a statute which does not permit registration of descriptive marks to its own citizenship, impresses your affiant as being beyond the intended scope of the Act and utterly unwarranted.

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It is thus apparent that the Act of 1920 has no effect upon substantive domestic rights and that its primary and essenial function is to permit the registration of trade marks regarded as invalid in this country for the purpose of obtaining registration primarily in the Latin-American countries, in which such marks which could otherwise be pirated regardless of any question of priority of use. It is clear that in passing this Act, there was no thought or intention of obtaining any advantage in the Dominion of Canada and, in fact, there was no mechanism for securing such advantage in existence at the time since the Act was passed prior to the Convention of The Hague of 1925 to which both the United States and the Dominion of Canada are now signatory.

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That in the prosecution of the bill through Congress considerations of registrability in certain Latin-American countries were emphasized at the expense of the creation of new domestic rights and that the bill while somewhat ambiguous in its terminology, has been construed in the light of its legislative history to bestow practically no right in the domestic market.

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I have carefully considered the provisions of the 1920 Act, under which the appellant's mark was registered in the United States, the authorities mentioned by Mr. Ware in his affidavit, and I have referred to other sources having reference to the same subject matter, and I agree with the conclusion expressed by Mr. Ware, a conclusion which I may say I had reached independently altogether of this affidavit. It is my opinion that the appellant's registration in the United States is not one made in the "country of origin" as contemplated by s. 28 (1) (d) and (2) of the Unfair Competition Act, and that is, I think, of itself conclusive of the whole matter, that is to say, that s. 28 (1) (d) of the Act is not available to the appellant in support of its application for registration in Canada. However, lest I be found in error in reaching this conclusion, and because of the skilful argument advanced by Mr. Biggar in respect of the eligibility of the appellant's mark for registration under the remaining terms of s. 28 (1) (d) of the Act, and particularly clause (IV) thereof, I feel that I cannot in fairness refrain from a further consideration of those provisions of that section.

Sec. 28 (1) (d) would appear to enact that if an applicant has registered a word mark-not a design mark- in the "country of origin", and though it be unregistrable under any previous section of the Act, it shall nevertheless be registrable if not barred by any one of the five provisos therein mentioned. Mr. Biggar argued that the mark in question was not one the "use" of which was prohibited by the Act, and that contention is, I think, a correct one. Proviso (i) has, I think, reference to those marks the "use"--not the registration--of which is prohibited by s. 14 of the Act, though possibly it has reference also to s. 13. I do not think that a mark which is descriptive of the goods to which it is to be applied, such as in this case, can be said to be "calculated to deceive ", within the meaning of proviso (11). If the mark here is not descriptive in the sense I have earlier indicated, then it would convey a false description of the goods, and would be "calculated to deceive", and therefore in any event unregistrable. I prefer, however, to regard the mark as being merely descriptive, and one not calculated to deceive. Proviso (iii) may be disregarded because the mark in question has not been

shown to be in conflict with a mark already registered, and proviso (v) clearly does not enter into the controversy. Mr. Biggar contended that upon the facts disclosed, and the authorities, the appellant's mark was one not "wholly $\frac{v}{\text{Registration}}$ without distinctive character", and therefore entitled to registration. In this connection Mr. Biggar referred to certain provisions of the English Trade Mark Acts, 1905 Maclean J. to 1919, and certain English decisions.

The Unfair Competition Act contains no definition of the words "distinctive character", as used in s. 28 (1) (d)(iv). Bearing in mind the evident purpose of s. 28 (1) (d), those words can only mean that a mark otherwise unregistrable, may, in a certain state of facts be registrable, if a case on the merits is proved sufficiently strong to induce the Registrar in the first instance, or the Court in the event of an appeal, to do so. In this case it is open to the appellant to show that its mark, notwithstanding it is unregistrable on account of being descriptive of the character or quality of the goods to which it is applied, has, in fact, by user become more or less completely identified with its goods by having been continuously used in connection therewith, and thus acquired a distinctive character; and this section of the Act expressly provides that the length of user, and all other circumstances, may be considered in deciding whether or not the mark has in fact acquired a distinctive character. There may be cases where the Registrar, or the Court, might say that a mark cannot be distinctive solely of the applicant's goods because it is merely descriptive of the goods, but the applicant may show that in fact the mark has become so. To overcome the statutory obstacles in the way of registration of such a mark, the applicant must show that his mark is able to conform to the conditions mentioned in the five provisos to s. 28 (1) (d), and particularly in this case, to the proviso numbered (iv) which states "that having regard to all the circumstances, including the length of time its use has continued, it cannot be said to be wholly without distinctive character". Whether a mark has acquired a "distinctive character" is therefore a question of fact, to be determined upon the merits of each individual case. Sec. 28 (1) (d) purports to create an exception, to those provisions of the Act which exclude certain marks from registration, in the case of marks which have been already

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registered in the "country of origin", in a country of the Union other than Canada; there would seem to be no ALBANY PACKING corresponding provision for the relaxation of such pro-Co. INC. visions of the Act in respect of marks not already registered REGISTRAR OF in a country of the Union other than Canada, and if this MARKS. is correct it becomes all the more evident that the term "descriptive character" signifies something more than Maclean J. mere registration or use of the mark, or anything inherent in the mark itself. Whether the "distinctive character" which the applicant must establish means distinctiveness in Canada, or abroad, is a question which will readily occur to one. It would appear to me that as s. 28 (1) (d) purports to deal with marks already registered in a country of the Union other than Canada, that distinctiveness in that country would be sufficient if established; however, that point was not discussed by counsel on the appeal, and I pronounce no definite opinion concerning the point, which, in any event, is unnecessary in my view of the case.

> Now, has the appellant produced evidence sufficient to establish the fact that its mark has acquired a distinctive character? To that point there is directed only the affidavit of Mr. Codling, an officer of the appellant company, and that is of the most general character indeed. It can hardly be said in fairness that this affidavit really attempts to show how a distinctive character has been acquired by the mark. On the other hand it has been shown that Dumarts Ld. used the mark in Canada before the appellant's application for registration was made in Canada, apparently to designate the character or quality of its goods. The mark was used in Canada by Canadian Packers Ld., by J. H. Schneider Ld., and by The Tobin Packing Co. Inc., all of whom produce and sell the same class of goods as the appellant, and apparently for the purpose of describing a character or quality of their goods. To establish that an unregistrable mark has acquired a distinctive character requires more evidence than that produced by the appellant, and weighing such evidence as there is before me, it, in my opinion, falls short of establishing that the appellant's mark, by user or otherwise has acquired a distinctive character, and the onus is on the appellant in the case of an application for registration. The evidence would tend to show that the mark, in the

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United States and Canada, designates and describes a character or quality imparted to certain meat products by some process or treatment. The mark describes a quality in meat products universally sought for and demanded by v. REGISTERAR OF the customers of those vending such products. The evidence is far from satisfying me that the mark in question has come to denote solely the goods of the appellant, and Maclean J. on that ground alone the appeal should fail.

We are concerned here with a mark which, I think, is merely descriptive of the character or quality of the goods to which it is applied, or to which it is to be applied. This immediately suggests the question whether such a mark can ever become a distinctive mark in the sense of the statute, and that may next be considered. I think it is obvious that the answer to that question must be in the negative, except it be in a very exceptional state of facts. A mark which is merely descriptive of the character or quality of the goods is not a distinctive mark because it is not used to distinguish the goods of the proprietor of the mark; it is used to distinguish goods having certain qualities from goods having other qualities, and it cannot acquire a secondary signification by user to denote solely the goods of any particular trader. It would not seem proper or reasonable to grant to the appellant here a monopoly for the use of the word "Tenderized" because by some process or treatment it has made its meat products "tender", or, because it produces, for example, "tender hams", to the exclusion of another trader who in some manner, or by some treatment, has imparted to his goods the same character or quality, and who might wish to assure his customers that his hams are "tender", or that he was offering for sale "tender hams", by stamping thereon a word or words to indicate that fact. If both used the word "Tenderized" of neither trader could it be said that the mark was being used solely to distinguish his goods. It would be obvious that such a mark was being used to advertise that a particular property or quality was to be found in the goods of each trader, and therefore the mark could never become distinctive of the goods of either of them. For the same reason laudatory epithets used as a mark and applied to goods have been held to be descriptive and not distinctive and therefore marks which any one may use. I find this point very clearly and succinctly 13480—3]a

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registered, and the extent of the user is to be considered 1940 in determining if a mark is "distinctive". This para-Albany PACKING graph expresses much the same idea as s. 28 (1) (d) (iv) Co. Inc. of our own Act, and for much the same purpose. v.REGISTRAR OF

In 1909, the English Court of Appeal had, for the first time, to consider the meaning and effect of s. 9 of the Maclean J. Trade Mark Act of 1905, and particularly paragraph (5) thereof, in three well-known cases. These three cases are to be found reported in Volume 26 of the Reports of Patent Cases at page 437, et seq., the judgments rendered therein being found in the same volume at page 854 and following pages. The judgments rendered in these cases are so well known, and so often quoted, that I propose only to mention the principal points actually decided. In the "Orlwoola Case", the word "Orlwoola" was held not to be a distinctive mark for woolen goods, because it was the equivalent of the words "All Wool", and therefore descriptive of the goods. It was said if the goods were not wholly made of wool it would constitute a misdescription which was so certain to deceive that its use could hardly be otherwise than fraudulent. In the "Perfection Case", the word "Perfection" was refused registration as a "distinctive" mark for soap, because, whether used as a noun or adjectively, it was a mere laudatory epithet, commendatory of the goods with which it was associated, and that class of words could not have a secondary or distinctive meaning as indicating only the goods of the applicant. It was considered wrong by the Court to allow any man a monopoly of ordinary words, descriptive or laudatory of the quality of the goods. The word "Tenderized" may be considered as merely a laudatory epithet commending the meat products of the appellant, because possessing a certain property or quality. In the third case the words "California Syrup of Figs," used in respect of a widely known proprietary medicine, were allowed to proceed to registration on the ground that the evidence was considered ample to establish a prima facie case of those words being identified by long user with the goods of the applicant, and as being distinctive. From these cases it will be observed that whether a mark had acquired distinctiveness was one largely of fact.

> Under the English Trade Marks Act, 1905, as amended in 1919, registrable marks are of two classes: the Act of

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1919 divided the register into two parts, A and B, and created a new class of registrable trade marks. One class is registrable under the Act of 1905, in Part A of the register, and comprises marks that are "adapted to dis-v. REGISTRAR OF tinguish" the goods of the proprietor of the trade mark from those of other persons. The other class is registrable under the Act of 1919, in Part B of the register, and com- Maclean J. prises marks that are "capable of distinguishing" the goods of the applicant. It would seem that the former class refers to cases where the mark has been in use, while in the latter case it is marks that have not been used and for which registration is applied for. It would seem also to be fairly well settled that marks applied for registration in Part A have to pass a stricter test as regards distinctiveness than those applied for registration in Part B, that is to say, a mark which is registrable in Part B may have a lesser degree of distinctiveness than that necessary for registration in Part A. Then, at least two years' user of the mark prior to the date of application is essential for registration in Part B, though not for registration in Part A. It has been held that registration in Part B may be refused by the Registrar where the mark, though it has acquired distinctiveness by user, is of such a character that the effect of registration would be seriously to interfere with the legitimate rights of other traders.

I was referred to two cases in which application was made for registration in Part B of the register, namely, Davis et al. v. Sussex Rubber Co. Ld. (1), and Bale and Church Ld. v. Sutton Parsons (2). I do not think that these cases are of any assistance here because they involve considerations of statutory provisions different from those found in the Unfair Competition Act: the actions were for infringement and passing off, not for applications to register marks, and the marks of the respective plaintiffs were registered in Part B of the register; and generally these cases had to do with a state of facts entirely different from anything appearing in the case under discussion. I do not think therefore that the cases mentioned call for further discussion.

In the result, it is my opinion that the Registrar was right in refusing registration of the appellant's mark. Tn

(1) (1927) 44 R.P.C. 412. (2) (1934) 51 R.P.C. 129

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the first place, it is not a mark that was already registered as a trade mark in "the country of origin", within the ALBANY PACKING meaning of s. 28 (1) (d) of the Unfair Competition Act. Co. Inc. and that provision of the statute is not therefore available REGISTRAR OF to the appellant. Then, the mark is either descriptive or TRADE MARKS. misdescriptive of the goods with which it is proposed to Maclean J. use the mark and in either event is unregistrable, and further, the mark has not been shown to have acquired any distinctive character. And finally, the mark is one merely descriptive of the goods and cannot become adapted to distinguish solely the goods of the appellant. The appeal must therefore be dismissed.

> There are circumstances connected with the application to register here which probably would warrant me in dismissing the appeal with costs, but as the appeal involves some questions which for the first time arise for decision, I think I would be justified in declining to make any order as to costs. I do not, however, intend that this shall in any way be regarded as a precedent which I would follow in any other case.

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