

BETWEEN:

THE B. F. GOODRICH COMPANY.....APPLICANT;

AND

J. A. & M. CÔTÉ LIMITÉE.....RESPONDENT.

1946
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 Sept. 17, 18  
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 1949
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 Dec. 30  
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Trade Mark—The Unfair Competition Act, 1932, 22-23 Geo. V, c. 38, ss. 2(k), 2(l), 23, 26(1)(f)—“Shuglov”—“Footgluv”—Application to expunge—Whether marks similar—Whether wares similar—Intention to abandon trade mark “Shuglov” not established.

Alleging similarity of the two marks and of the wares on which they were respectively registered, the B. F. Goodrich Company, an American corporation and the owner of the trade mark “Shuglov” as applied to “footwear, particularly rubber boots and shoes and rubber overshoes” registered in October, 1932, but very scarcely used or advertised in Canada, sought to have expunged from the register the trade mark “Footgluv” registered in May, 1942, by respondent as applied to “footwear in the form of boots and shoes” and, since July, 1945, by amendment to “leather boots and shoes”.

Held: That the respondent’s wares are not similar to those of applicant and they are not likely to be associated with each other by dealers in them or users thereof so as to cause such dealers 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.

2. That the parties’ trade marks are not so similar that the contemporaneous use of both would create confusion among dealers in their wares or users thereof.
3. That the intention by the applicant to abandon its trade mark “Shuglov” has not been established.

APPLICATION for an order expunging respondent’s trade mark from register of Trade Marks.

The application was heard before the Honourable Mr. Justice Angers, at Montreal.

Christopher Robinson, K.C. for applicant.

H. Gérin-Lajoie, K.C. and *Gérald Fauteux, K.C.* for respondent.

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

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 Angers J.

ANGERS J. now (December 30, 1949) delivered the following judgment:

In its action the applicant prays that an order be made in the terms of the originating notice of motion filed herein, striking out the entry in the register of trade marks relating to the registration of the trade mark "Footgluv" No. N.S. 18206/69.

Written pleadings were ordered and duly filed.

In its statement of claim the applicant alleges in substance:

the applicant is a corporation of the State of New York, one of the United States of America, having its principal office in the City of New York, in the said State, and the respondent is a corporation of the Dominion of Canada, having its principal office at St. Hyacinthe, in the Province of Quebec;

on October 8, 1932, the applicant obtained under the Trade Mark and Design Act the registration of a trade mark consisting of the word "shuglov" No. 258/55426 for use on footwear, particularly rubber boots and shoes and rubber overshoes, and the register under the said Act forms part of the register maintained under the Unfair Competition Act so that no person was entitled after the coming into force of the last mentioned Act to adopt the same or a similar trade mark for the same or similar goods;

since before the date of the said registration until prevented by war regulations affecting rubber the applicant continuously used the said mark on footwear of which rubber was the principal material, but simulating in appearance footwear made of other materials and between the years 1932 and 1940 inclusive expended an average of about \$22,000 annually in advertising the said footwear in the magazines "Esquire", "Good Housekeeping", "Harper's Bazaar", "Vogue", "Women's Home Companion", "Ladies' Home Journal" and "Life", each of which publications has a substantial circulation in Canada, samples of such advertisements being on file in this Court as exhibits to the affidavit of A. C. Brett sworn on March 13, 1945;

the respondent on May 8, 1942, obtained registration at Folio N.S. 18206 of Register 69 in the register of trade marks maintained under the Unfair Competition Act, 1932,

of the trade mark "Footgluv" in respect of wares described as "Footwear in the form of boots and shoes", and on July 11, 1945, the respondent amended the said registration by substituting the word "Leather" for the word "Footwear" in the statement of wares herein above-quoted;

the marks "Shuglov" and "Footgluv" are similar as are also the wares for use on which they are respectively registered.

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 ———
 Angers J.
 ———

In its statement of defence the respondent pleads in substance:

it admits the designation of the parties contained in paragraph 1 of the statement of claim:

it admits that on October 8, 1932, the applicant obtained under the Trade Mark and Design Act the registration of a trade mark consisting of the word "Shuglov" No. 258/55426 as applied to "footwear, particularly rubber boots and shoes and rubber overshoes", and that the register under the said Act forms part of the register maintained under the Unfair Competition Act, 1932, but denies the remainder of the paragraph as drawn;

it denies that since before the date of the said registration the applicant has continuously used the trade mark "Shuglov" and it avers that the applicant has failed to ever make use of the said mark "Shuglov" to any appreciable extent, particularly in Canada, that, if the said mark has ever been used by the applicant, it has since a number of years become abandoned, particularly in Canada, that at no time have war regulations affecting rubber, either in Canada or the United States, prevented the applicant from manufacturing and selling rubber overshoes or from otherwise making use of the said mark, that whatever use may have been made of the said mark by the applicant was exclusively on rubber overshoes and that the applicant in its advertisements stressed the point that such rubber overshoes are not shoes, but "smart rubbers";

it admits that the respondent on May 8, 1942, obtained registration in the register of trade marks maintained under the Unfair Competition Act, 1932, of the trade mark "Footgluv" in respect of wares described as "Footwear in the form of boots and shoes", except that the amendment of its trade mark "Footgluv" made on July 11, 1945, con-

1949
The B. F.
Goodrich
Company
v.
J. A. and M.
Côté Ltée
Angers J.

sisted in substituting the word "Leather" for the words "Footwear in the form of", so that the respondent's mark now applies to leather boots and shoes;

it denies that the marks "Shuglov" and "Footgluv" and the wares for use on which they are registered are similar;

the said marks "Shuglov" and "Footgluv" are not similar within the meaning of the Unfair Competition Act, 1932, and do not lead to confusion;

the applicant is a well-known manufacturer of and dealer in rubber products exclusively, carrying on business as such throughout the United States and Canada, and such use as it may have made of its mark "Shuglov" has been exclusively in connection with the sale of rubber overshoes;

the respondent is a boot and shoe manufacturer carrying on business throughout Canada and has used its mark "Footgluv" exclusively in connection with leather boots and shoes;

the respective wares to which the applicant's mark and the respondent's mark apply are not similar within the meaning of the Unfair Competition Act, 1932;

the applicant's trade mark "Shuglov" has become abandoned and, subsidiarily, its registration as covering footwear generally and not being restricted to rubber overshoes and to rubber boots and shoes is too broad and covers more than that to which the applicant might be entitled and proceedings have been instituted and are pending before this Court in which the present respondent is plaintiff and the present applicant is defendant, praying that the mark "Shuglov" be expunged and struck out from the register or, in the alternative, that the said entry be amended by restricting the wares in association with which the mark is used to "rubber boots and shoes and rubber overshoes", which proceedings have been joined to the present case for the purposes of proof and hearing;

since the registration of its mark "Footgluv" on April 15, 1942, the respondent, to the applicant's knowledge and without any opposition on his part, has made at great expense an extensive and ever increasing use and advertising, as applied to the sale of leather boots and shoes, of its said mark, which has come to be widely known throughout Canada as identifying the respondent's goods, and the

applicant's present demand to have the respondent's mark expunged and struck out from the register is made too late and the applicant is estopped from so proceeding;

the respondent therefore prays, under reserve of its said proceedings against the applicant pending before this Court, that the applicant's present demand be dismissed.

A brief review of the evidence seems to me apposite.

[Here the learned judge reviews the evidence and proceeds]:

The facts are simple and may concisely be summed up as follows.

On October 8, 1932, The B. F. Goodrich Company, a corporation of the State of New York, one of the United States of America, having its principal office in the City of New York, obtained under the Trade Mark and Design Act the registration of a trade mark consisting of the word "Shuglov" for use on "footwear, particularly rubber boots and shoes and rubber overshoes". A duly certified copy thereof was produced. The register under the said Act forms part of the register kept under the Unfair Competition Act, in accordance with subsection (1) of section 23 of the latter Act, which provides:

The register now existing under the Trade Mark and Design Act shall form part of the register maintained pursuant to this Act, and, subject as hereinafter provided, all entries therein shall hereafter be governed by the provisions of this Act, but shall not, if properly made under the law in force at the time they were made, be subject to be expunged or amended only because they might not properly have been made hereunder.

On May 8, 1942, J. A. & M. Côté Limitée, a corporation organized and existing under the laws of the Dominion of Canada, having its head office and principal place of business in the city of St. Hyacinthe, in the Province of Quebec, obtained under the Unfair Competition Act, 1932, the registration of a trade mark consisting of the word "Footgluv", in respect of "footwear in the form of boots and shoes". A duly certified copy thereof was produced and marked D.

From an entry on the back of the certificate it appears that the record of registration was, on July 11, 1945, amended, in accordance with section 42 of the Act, by deleting therefrom the words "footwear in the form of" and substituting therefor the word "leather".

1949

The B. F.
Goodrich
Company

v.

J. A. and M.
Côté Ltée

Angers J.

1949

The B. F.
Goodrich
Company
v.

J. A. and M.
Côté Ltée

Angers J.

By his action the applicant, as already stated, seeks to have an order striking out from the register No. 69, folio N.S. 18206, the entry relating to the registration of the trade mark "Footgluv".

Subsection (1) of section 26 of the Unfair Competition Act enacts (*inter alia*) that:

(1) Subject as otherwise provided in this Act, a word mark shall be registrable if it

(f) is not similar to, or to a possible translation into English or French of, some other word mark already registered for use in connection with similar wares.

The word "similar" is defined in paragraphs (k) and (l) of section 2 of the Act, which read as follows:

(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;

(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;

It was submitted on behalf of applicant that there is similarity of marks and of wares and that, at the time of service of the originating notice of motion, the wares in respect of which the two trade marks were registered were identical.

I may note incidentally that the amendment by J. A. & M. Côté Limitée of its trade mark to limit it to leather boots and shoes seems to me an indication of good faith. Counsel for applicant willingly declared that he did not question the good faith of respondent. After hearing the evidence, I may say that respondent's sincerity appears to me beyond doubt.

The only difference between the applicant's wares and those of respondent is that the former are made of rubber and the latter of leather. This was admitted by counsel for applicant.

To the observation by counsel for respondent that the word "particularly" in the description of the wares in applicant's trade mark is restrictive counsel for applicant retorted that it is not and that the reason for indicating these specific wares is merely to afford a guide to the registrar in determining whether a similar trade mark in a field outside footwear should be registered or not. He specified that, if the "Shuglov" registration only mentioned footwear, the possibility of confusion between footwear and rubber garments might not suggest itself to the registrar, but that with the particularization of rubber boots and shoes and rubber overshoes there might be a suggestion to the registrar that there could be confusion between goods which were not footwear but were rubber garments and, on the other hand, rubber footwear, whereas if the mark had been used on footwear made of some other material, then there could not be as much risk of confusion between that footwear and other garments made of rubber. Contrary to the spontaneous impression gathered at the hearing I think that the word "particularly" is in this case restrictive in that it limits the nature of the wares covered by the trade mark to wares of the same category. The mark "Shuglov" indicates an article of footwear designed to protect the boot or shoe from snow, rain or moisture. It applies to rubber footwear as rubbers, rubber boots, rubber shoes and rubber overshoes. In fact those are the only articles which the applicant has made before and after it obtained the registration of the mark "Shuglov". On the other hand, the word "Footgluv" designates an article of footwear adaptable to the foot itself.

Regarding the question of similarity in relation to wares counsel for applicant relied on *Walpamur Co. Ltd. v. Sanderson & Co. Ltd.* (1); *Vasenolwerke v. Commissioner of Patents* (2); *Procter & Gamble Co. of Canada Ltd. v. LeHave Creamery Co. Ltd.* (3).

The facts in *Walpamur v. Sanderson* (*supra*) are somewhat similar to those in the present case, with this difference however that the trade marks therein involved both applied to the manufacture and sale of paint in the general

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 ———
 Angers J.
 ———

(1) (1926) 43 R.P.C. 385, 393.

(3) (1943) S.C.R. 433.

(2) (1935) Ex.C.R. 198, 201.

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 Angers J.

sense of the term, viz. paints, enamels and varnishes. I deem it proper to quote the headnote, which is fairly accurate:

The proprietors of two Trade Marks consisting of the word "Mirabol", one in capital lettering and the other in script lettering on a label, and both registered in Class 1 in respect of enamels, paints and varnishes, brought an action for infringement of the marks against the proprietors of a Trade Mark consisting of the word "Muralol", and registered in Class 1 in respect of colours, paints and varnishes. The Plaintiffs also alleged in the Statement of Claim that the Defendants had passed off goods by the use of the word "Muralol", but early in the proceedings the Plaintiffs informed the Defendants that they did not intend to rely upon any specific acts of passing off. The Defendants admitted that they had sold flat oil paints under the name "Muralol", but alleged that the Plaintiffs had sold under the name "Mirabol" only under-coating and enamel, flat and glossy, not flat oil paint, and they denied that they had infringed the Trade Marks or passed off goods. The Plaintiffs gave notice of motion to remove the Defendants' Mark from the Register, and the Defendants gave notice of motion to limit the registration of the Plaintiffs' Mark.

Held: that the Defendants had chosen the name "Muralol" honestly; that the Defendants' goods were sold only to the trade, and there had not been any actual deception, but that the Defendants' word "Muralol" was calculated to deceive; that an injunction to restrain infringement must be granted; that the Plaintiffs' motion must succeed and the Defendants' motion must fail; and that the Plaintiffs ought not to have alleged that the Defendants had passed off, but that, having regard to the Plaintiffs' admission, a special Order as to costs on that issue could not be made. The defendants were ordered to pay the costs of the action and Motions.

On page 393 Mr. Justice Astbury makes the following observations:

What I have to decide is, whether, having regard to the fact that both these firms carry on the business of making and selling paint in the general sense of the term, paints, enamels and varnishes being the sort of thing that manufacturers of paints would be expected to make and sell, this word "Muralol", especially when written in script form, is so near the Plaintiffs' word as to be calculated to deceive. On the whole, I have come to the conclusion that it is; if the Defendants were now seeking to register "Muralol", I feel satisfied that the registration would be refused at the instance of the Plaintiffs on the ground of the nearness between the two words; they look very much alike, and they sound very much alike, and they are both used in respect of goods made and sold in a paint-maker's business, and, in my judgment, one is an infringement, or a colourable imitation, of the other.

Further on the learned judge expresses this opinion (p. 394):

Then it is said, because the Plaintiffs have hitherto only used their Trade Mark in connection with enamel goods, or enamels, either glossy or flat, and, as the Defendants are only selling under "Murabol" oil paints

for walls, which the Plaintiffs sell under a different Trade Mark, the case still falls within the principle of *Edwards v. Dennis*, and the Plaintiffs' registration ought to be confined to the goods that they have hitherto sold. For that *Hart's case* (L.R. (1902) 2 Ch. 621) is referred to; it is also part of this contention of the Defendants, that the intention of the Plaintiffs at the time of registration was only to use their word for enamels; that they have for five years only used it for that class of goods, and that, therefore, under Section 37 of the Act, the registration ought to be limited to the goods which they intended to sell, and which they have actually sold. In my opinion, this contention as applied to this case is unsound. The Plaintiffs have registered this Mark for the ordinary things which a manufacturer of paints sells.

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 Angers J.

The marks "Mirabol" and "Muralol" applying to the same class of goods, the latter, subsequently registered, was found liable to deceive and an order restraining infringement was granted. This case differs appreciably from the one now pending. I do not believe that we can place the goods manufactured by the applicant in the same class as those made by the respondent. The B. F. Goodrich Company has produced and still produces solely rubber footwear, viz. rubbers, rubber boots, rubber shoes and rubber overshoes, intended for the protection of boots, shoes or other footwear of the same nature against snow, rain and moisture generally. J. A. & M. Côté Limitée, on the other hand, has since its inception made only and still makes only leather boots and shoes. Its trade mark "Footgluv" indicates clearly, in my opinion, that the company's footwear is meant to cover the foot itself and not an inner article of footgear.

In the case of *Vasenolwerke Dr. Arthur Köpp Aktiengesellschaft v. The Commissioner of Patents and Chesebrough Mfg. Company (supra)* it was held that the marks "Vasenol" and "Vaseline" are similar and the registration of the word "Vasenol" would be calculated to deceive.

The late president, Maclean, J., made appropriate comments, which I consider apposite to quote (p. 203):

There are two points to decide, first, are the words Vaseline and Vasenol if applied to similar wares, so similar as to cause confusion, and secondly, whether the wares mentioned by the applicant in its application are similar to those made and sold by Chesebrough. If those wares are not similar within the intendment of the statute, then the applicant would, I apprehend, be entitled to registration. If they are similar then the question for decision is whether the two marks in question are so similar as to be in conflict and liable to cause confusion.

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 ———
 Angers J.
 ———

The learned judge, after citing paragraph (d) and (f) of subsection 1 of section 26, paragraph (d) of subsection 1 of section 28 and paragraphs (k) and (l) of section 2, adds (p. 204):

Now, I think, the wares manufactured and sold by the applicant and Chesebrough respectively, under their respective registered trade marks, are similar; they have common characteristics, the purposes for which they are to be used are much alike, and they probably would be dealt in and distributed to the consuming public through the same trade channels. The applicant describes generally its manufactures and sales, as I already observed, as "remedies, medical, pharmaceutical, hygienic and cosmetical preparations and toilet articles," much as Chesebrough describes its products. For the purposes of the Unfair Competition Act I think it can fairly be said that the wares for which Chesebrough is registered in Canada, and the wares for which the applicant seeks registration in Canada, are similar.

In this case the wares were similar and the marks sufficiently so as to be liable to lead into confusion. The facts however differ materially from those existing in the present instance and I do not think that the decision can carry much weight on the matter now at issue.

The facts in *Procter & Gamble Co. of Canada Ltd. v. LeHave Creamery Co. Ltd.* (*supra*) may be summarized as follows:

On August 1, 1934, the appellant caused to be registered in the register of trade marks the words "White Clover" as applied to hydrogenated cottonseed and vegetable oils, which are used for shortening in baking. On November 1, 1941, the respondent caused to be registered the same mark as applied to butter. In May 1942 the appellant applied to the Court, under subsection 1 of section 52 of the Unfair Competition Act, 1932, for an order expunging the trade mark "White Clover" as applied to butter. The late President of the Court, Mr. Justice Maclean, dismissed the application. The appellant appealed to the Supreme Court and the latter, by a majority of three against two, reversed the judgment of Maclean, J.

The majority judgment of Rinfret, Kerwin and Tasche-reau, JJ. was delivered by Kerwin, J. In the latter's notes we find the following observations (p. 438):

The three reasons referred to above and set forth in clause (1) of section 2 are: (1) the common characteristics of the wares, (2) the correspondence of the classes of persons by whom they are ordinarily dealt in or used, and (3) the manner or circumstances of their use.

As to (1), the constituent elements, as well as the appearance, of butter and hydrogenated cottonseed oil are entirely different, so that the first reason need not be further considered. However, as to (2) and (3), it is proved that the articles are dealt in by wholesale and retail grocers, and in the stores of the latter very often appear alongside of each other; both are purchased by the general public and butter is used for shortening although, in view of the difference in price, possibly not to the extent suggested by the appellant.

From a consideration of all the evidence, I am of opinion that retail grocers would infer that the appellant who had for some years put out shortening under the name "White Clover", had manufactured butter sold under the same name. The wrappers on the two articles indicate clearly the names of the respective manufacturers and it may be that particularly careful housewives or other purchasers of shortening and butter would examine the wrappers to ascertain who were the manufacturers; but the two articles are so associated with each other as to cause the great majority of the purchasing public to infer that the same person assumed responsibility for their character and quality.

The Chief Justice, who dissented, said that he agreed with the conclusion of the President of the Exchequer Court and also concurred with the observation of Davis, J.

The latter, after relating the facts, citing an extract from the judgment of Maclean, J., and quoting subsections 1 and 2 of section 52 of the Unfair Competition Act, 1932, stated (p. 440):

I do not think that this summary procedure was ever intended to be used in cases such as this where substantial issues of fact may lie at the very foundation of the right to the relief sought. That is what I think the late President had in mind when in his judgment he used the phrases "at least upon the evidence before me" and "upon the material before me".

But the application was so heard and determined, apparently without objection. Quite apart from the procedure taken, the findings of the trial judge are such that this Court would not be justified, in my opinion, in interfering with the judgment whereby the appellant's application to have the respondent's mark expunged from the Register was dismissed.

Opinions being equally divided and the facts being to a large extent different from those with which we are concerned, I do not think that this decision can affect the result herein.

In the case of *Edwards v. Dennis* (1) the comments of Lindley, L.J. at page 476 and of Fry, L.J. at page 478 are material and relevant.

Reference may also be had to *In the matter of Belgo Canadian Manufacturing Company Ltd. and Trade Mark "Oxford"* (2), where I discussed the question of similarity

(1) (1885) 30 Ch. D. 454.

(2) (1945) 4 Fox Pat. C. 143.

1949

The B. F.
Goodrich
Company
v.

J. A. and M.
Côté Ltée

Angers J.

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 Angers J.

of wares and reviewed certain decisions relating thereto, to *Dunlop Pneumatic Tyre Company Ltd.* (1) and *In the matter of an Application by Ladislav Jellinek for the registration of a Trade Mark* (2).

In the last case Ladislav Jellinek applied to register the device of a panda together with the word "Panda" for shoe polish. The application was opposed by Chissick & Ker-shenstein Limited, proprietors of a similar "Panda" mark registered in respect of shoes. It was held (*inter alia*):

(i) That shoes and shoe polish were not goods of the same description and the registration would not offend against Sec. 12 (I).

(ii) That at the date of the application the Opponents had not established any reputation amongst the public for shoes under the mark "Panda" and that there was therefore no likelihood of confusion.

After giving the matter careful consideration, I have reached the conclusion that the respondent's wares are not similar to those of applicant and that they are not likely to be associated with each other by dealers in them or users thereof so as to cause such dealers 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.

This, I believe, disposes of the problem of the similarity of the wares.

Regarding the subject of similarity of the trade marks it was urged by counsel for applicant that the respondent has admitted the similarity by the amendment which it made to the registration, because, if the marks were not similar, there was no reason why both could not have remained on the register for identical wares, namely footwear. I cannot agree with this opinion. By this amendment the mark itself was not modified. It was the description of the wares to which it applied that was restricted. The change was apparently made in order to avoid the possibility of regarding the mark as applicable to rubber footwear.

Are the marks "Shuglov" and "Footgluv" similar? The suffix only is alike in sound, notwithstanding the difference

(1) (1907) 24 R.P.C. 572.

(2) (1946) 63 R.P.C. 59.

in the spelling; the prefix differs. The word "Shuglov" suggests an article of footwear meant to wrap up a boot or shoe, as "Footgluv" implies a piece of footgear destined to cover the foot itself. Both objects are intended to protect the foot. Both are sold by the same retailers, but generally made by different manufacturers.

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 —
 Angers J.
 —

We are confronted with a rather unusual state of things. The applicant is a large American corporation of the State of New York, having its head office in the City of New York, engaged in the manufacture of all kinds of rubber footwear, boots, shoes, overshoes, sandals, etc., as established by Martin and the catalogues exhibits 1 and 2. It has manufactured and still manufactures all its products in the United States. None have ever been made in Canada. It advertised its goods in American magazines (Esquire, Good Housekeeping, Harper's Bazaar, Vogue, Women's Home Companion, Ladies' Home Journal and Life), all of which had a substantial circulation in Canada; the proof however does not disclose that the company ever published any advertisements in Canadian papers or magazines; no reason has been given for this abstention.

At the close of applicant's evidence, counsel agreed to file admissions concerning the magazines in which the B. F. Goodrich Company advertised its wares; they were classified beforehand as exhibits 8 and 9. Copies of these admissions were only produced on September 8, 1949, after several requests by one of the deputy registrars in accordance with my instructions. This unavoidably delayed the judgment. These admissions read thus:

The parties hereto admit for the purposes of this action that the magazines "Esquire", "Good Housekeeping", "Harper's Bazaar", "Vogue", "Women's Home Companion", "Ladies' Home Journal" and "Life" are published in the United States and circulate in the ordinary course among the general public in Canada.

Sales were made in Canada on a very small scale, to wit for a total of \$4,015, from 1932 to 1941 inclusively, as compared with an amount of \$5,229,153 for the sales in the United States. The sales in Canada were rather scanty. Except the year 1937 which yielded the fabulous sum of

1949
 {
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 —
 Angers J.
 —

\$1,293, the sales in that period did not reach \$1,000 annually. It seems obvious that the B. F. Goodrich Company was not keenly interested in the Canadian market nor anxious to push the sale of its products in Canada. In 1932, the year in which the company registered its trade mark, the entry regarding the sales in Canada is "Records destroyed" and Martin, the manager of footwear of the Hood Rubber Company, a division, as previously noted, of the parent company, could not supply any information about the destruction of the records. He admitted that the statement exhibit 1 had been prepared by a clerk of the company and handed to him. He first contended that he had controlled the figures of the sales in the United States but it may be implied from the cross-examination that he did not really control them. The evidence on this point is not convincing.

In 1940, the eighth year since the introduction in Canada of applicant's wares and the registration of the mark "Shuglov", the sales in Canada totalled \$63. The figures concerning the sales in Canada from 1932 to 1941, contained in the statement exhibit 6, clearly show that the use of the mark "Shuglov" in Canada was extremely limited.

According to this statement the total expenditure for magazine advertising of the mark "Shuglov", for the years 1932 to 1940, amounted to \$198,658. It was incumbent on the applicant to prove sales or advertisements in Canada made or published, as the case may be, prior to October 8, 1932, date of the registration of the mark "Shuglov". This was not done. The only sheets in exhibit 7 bearing a date are those of the magazine "Esquire", one published in October 1937 and the other in November 1938, both subsequent to the registration of the trade mark.

It appears from the evidence that since 1940 there has been no advertising and that since 1941 the mark has not been used in the United States nor in Canada. Martin declared that his company curtailed its advertising in 1940 due to the unsettled conditions at that time. He attributed the lack of usage of the mark after 1941 to State control and war restrictions. He explained the almost negligible

quantity of sales in Canada as compared with those effected in the United States by the statement that the "Shuglov" was a new and comparatively high-priced item and that it is the policy of the company to establish the product in the United States before trying to implant it in Canada or in any other export market. Be that as it may, the fact remains that the applicant's footwear bearing the mark "Shuglov" has not been widely distributed nor has it received much publicity in Canada since 1932.

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 Angers J.

It was submitted by counsel for respondent that, when the trade mark "Footgluv" was used for the first time, his client was unaware of the mark "Shuglov", which had not been advertised in the United States nor in Canada since 1940. This contention seems to me consistent with the evidence.

Counsel drew the attention of the Court to the fact that J. A. & M. Côté Limitée, since the adoption of its mark "Footgluv", has made a very substantial use of it in the trade in Canada, as shown in the statement exhibit E, the first page whereof is hereinabove reproduced. The only drop in the affairs of the company occurred in 1944 when, during the war, the Federal Government required it to increase its production of footwear for the armed forces. The amount of the sales declined then from \$70,709.55 in 1943 to \$60,892.05. In 1945 the sales rose up to \$87,601.16. On March 30, 1946, the respondent had in hand orders totalling \$138,340.41.

The dispute is between an American corporation holding a trade mark, registered in Ottawa on October 8, 1932, but very scarcely used or advertised in Canada, and a Canadian company which has made and is still making an extensive use of its trade mark. It is only after J. A. & M. Côté Limitée had for two years utilized its mark that the B. F. Goodrich Company took steps to compel the respondent to discontinue its use.

Dealing with the similarity of the marks counsel for respondent referred to a number of cases, some of which it may be apposite to review briefly.

1949

The B. F.
Goodrich
Company
v.
J. A. and M.
Côté Ltée
—
Angers J.
—

[The learned judge here reviews the following decisions dealing with similarity of marks, namely, *Fine Foods of Canada Limited v. Metcalfe Foods Ltd.* (1), *Yamaska Garments, Limited v. The Registrar of Trade Marks* (2), *Lever Brothers, Limited v. Wilson* (3), *Lever Brothers, Limited v. Pizzuti et al* (4), *Kirstein Sons & Company v. The Cohen Brothers, Limited* (5), *Coca-Cola Company of Canada Limited v. Pepsi-Cola Company of Canada Limited* (6), *In the matter of a trade mark of The United Chemists' Association, Limited* (7), *Battle Pharmaceuticals v. The British Drug Houses, Limited* (8), *Aristoc, Ltd. v. Rysta, Ltd. et al* (9), *W. T. Blackwell & Company v. W. E. Dibrell & Company* (10), *In the matter of London Lubricants (1920) Limited's application to register a trade mark* (11), and continues.]

As previously noted, the prefixes in the two marks with which we are concerned are different; only the suffixes resemble one another.

After giving the matter careful consideration, I have reached the conclusion that the parties' trade marks are not so similar that the contemporaneous use of both would create confusion among dealers in their wares or users thereof.

There remains the question of the alleged abandonment by The B. F. Goodrich Company of its trade mark "Shuglov" and the curtailment of the advertising. The evidence discloses that the applicant has not used it, in the United States as well as in Canada, since 1941. This lack of usage has been attributed by Martin to the company's inability to get rubber latex owing to government orders restricting the use of rubber. The proof concerning those orders is not the best available. There were a fairly substantial amount of sales of the product "Shuglov" in the United States from 1933 to 1941; thereafter sales ceased entirely, according to the evidence adduced, verbal and written. The magazine advertising expenditure, fairly considerable between 1933 and 1940, was completely cancelled

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| (1) (1942) 2 Fox Pat. C. 113. | (7) (1923) 40 R.P.C. 219. |
| (2) (1945) 5 Fox Pat. C. 112;
(1945) Ex.C.R. 223. | (8) (1946) S.C.R. 50. |
| (3) (1932) Ex.C.R. 69. | (9) (1945) 1 All E.R., 34. |
| (4) (1932) Ex.C.R. 79. | (10) (1878) U.S. Pat Official
Gazette, vol. 14, p. 633. |
| (5) (1907) 39 S.C.R. 286. | (11) (1924) 42 R.P.C. 264. |
| (6) (1942) 2 Fox. Pat. C. 143,
148, 149, 150. | |

after 1940. Abandonment cannot be presumed. Mere disuse of a trade mark does not amount to abandonment. The intention to abandon must be established: *Mouson & Co. v. Boehm* (1); *Madame Irene v. Schweinburg* (2); *Western Clock Co. v. Oris Watch Co. Ltd.* (3); *Baglin v. Cusenier Co.* (4). It may however be inferred from long disuse: *In re Ralph's trade mark* (5); *Edwards v. Dennis* (6); *Grossmith's trade mark* (7); *Daniel & Arter v. Whitehouse* (8); *John Batt & Co. v. Dunnett et al.* (9); *In re Ashton's trade mark* (10); *In re the registered trade mark of Maurice John Hart* (11); *In the matter of a trade mark of James Crean & Son Ltd.* (12); *Good Humor Corp. of America v. Good Humor Food Products Ltd. et al.* (13).

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 Angers J.

In re Ralph's trade mark (supra) the following observations by Pearson J. are, as I think, apposite (p. 198):

It is said that Mr. Ralph does not come within it for this reason, that since February, 1882, he has been prevented by illness and other causes, but principally by illness, from doing that which he is minded to do, if he can carry into effect certain treaties that he is engaged in at the present moment either to manufacture by himself, or other persons, this machine; and really the only question I have to determine is whether one year and nine months is sufficient cesser on the part of Mr. Ralph to show that he comes within the 33rd rule, and is not a person engaged in any business concerning the goods, within the same class as the goods, with respect to which this trade mark is registered. I am of opinion that one year and nine months is quite sufficient. If I had any doubt about it I am able by analogy to say that I should not be wrong in concluding that one year and nine months is sufficient, from the fact that under the Companies Act you may wind up a company if it has ceased to carry on business for a year. The Legislature in that has shewn by its enactment when a business is supposed to be carried on, and what amount of cesser shews that the business is not being carried on. For nearly double that period Mr. Ralph has not carried this business by himself or any other person. I am of opinion, therefore, and I so decide, that this trade mark must be removed from the register on the ground that Mr. Ralph is not engaged in any business concerning the goods within the same class.

In the case of *Daniel & Arter v. Whitehouse (supra)*, Gorell Barnes, J. at page 689 made the following comments:

My opinion is * * * that the case falls within the well-known class of authorities which have been referred to in the course of the argument,

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| (1) (1884) 26 Ch. D., 398, 406. | (8) (1898) 1 Ch. D., 685. |
| (2) (1912) U.S. Pat. Official Gazette, vol. 177, p. 1043. | (9) (1898) 15 R.P.C. 534;
(1899) 16 R.P.C. 411. |
| (3) (1931) Ex.C.R. 64 at 69. | (10) (1899-1900) 48 W.R. 389. |
| (4) 221 U.S. 580, at 597. | (11) (1902) 2 Ch. D., 621. |
| (5) (1884) 25 Ch. D., 194. | (12) (1921) 38 R.P.C. 155. |
| (6) (1885) 30 Ch. D., 454. | (13) (1937) Ex.C.R. 61 at 78. |
| (7) (1889) 6 R.P.C. 180. | |

1949
 The B. F.
 Goodrich
 Company
 v.
 J. A. and M.
 Côté Ltée
 Angers J.

which decide that a person who has acquired a right by user to consider a certain description of goods as identified with his name is entitled to prevent other people who use that name from using it so as to pass goods off to the public and buyers as goods made by him. Although I do not find any case precisely like this case * * * still it seems to me that if a trade drops out of the use of a party, as it has done in this case out of the defendant's use, and while that state of things prevails another gains the reputation in the trade for goods made under the particular name, and his name is associated with the mark and the mark associated with his name, so that everybody who deals in the goods considers that when they see the mark they see goods made by that particular maker, then the original position of the competitor using the same mark has practically disappeared.

In the matter of a trade mark of James Crean & Son Ltd. (*supra*) the reasons of Sargent, J. at page 161 (1. 17 to 52) may be consulted beneficially. The same remark applies to the notes of Byrne, J. *in re The registered trade mark of Maurice John Hart* (*supra*) on page 627.

The intention to abandon a trade mark may derive from the circumstances of the case. According to Martin the applicant did not produce wares bearing the trade mark "Shuglov" in the United States since 1941 on account of the company's inability to procure rubber latex due to Government orders restricting the use of rubber during the war. The statement of claim appears to have been filed on September 21, 1945. The case was heard on September 17 and 18, 1946. The evidence does not reveal that the applicant had recommenced to manufacture, distribute and advertise its products. I may assume that, had it been the case, the applicant would have endeavoured to prove it. Nevertheless, with the scant evidence on the subject which I have before me, I do not think that I would be justified in declaring that the applicant has abandoned its mark. I must say that I adopt this opinion rather hesitatingly.

After reviewing and annotating the evidence and perusing the exhaustive argument of counsel, the law and the precedents, I am satisfied that the respondent's trade mark is not similar to that of applicant within the meaning of The Unfair Competition Act, 1932, that the registration of the respondent's trade mark "Footgluv" is valid and that the recording thereof in the register of trade marks, register 69, N.S. 18206, should remain therein. The applicant's demand is accordingly dismissed, with costs.

Judgment accordingly.