1925
Feb. 16.

BETWEEN:

THE SALADA TEA COMPANY OF CANADA LIMITED .... PLAINTIFF;

AND

ANNE KEARNEY .... DEFENDANT.

Trade-Marks—Infringement—General appearance—Deception—Fraud—Intention to deceive.

The defendant adopted for the sale of her tea a wrapper of the same material and size as that of the plaintiff, with a label identical in design and colour thereto and with practically the same literature, save *inter alia* that the word "Imperial" was substituted for the word "Salada."

Held, that where the general appearance of defendant's trade-mark and label taken as a whole may lead the unwary and uncautious purchaser to take the defendant's goods thinking they were the plaintiff's, notwithstanding the substitution of the word "Imperial" for that of "Salada," the defendant's trade-mark and label will be adjudged to be an infringement of the plaintiff's.

2. That in a case of infringement it is not necessary that improper motives or fraudulent intention be made out; the only question is whether or not the alleged infringing mark is likely to mislead and deceive the public.

Quaere: Is not the fact that a person in adopting a trade-mark deliberately copies another's, as in this case, in itself evidence of an intention to obtain unfair trade advantage and to profit by the other's reputation.

ACTION by the plaintiff for an injunction against the defendant.

(1) [1904] 4 Ont. W.R. 338.
(2) [1901] 2 Ont. L.R. 1.
(3) [1847] 3 Com. B.R. 957.
(4) [1896] 17 Ont. P.R. 189.

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January 28, 1925.

Action now tried before the Honourable Mr. Justice Audette at Montreal.

A. R. McMaster, K.C. for plaintiff.

A. Vallée, K.C. for defendant.

The facts are stated in the reasons for judgment.

AUDETTE J., now this 16th day of February, A.D. 1925, delivered judgment.

This is an action to restrain the defendant from infringing the plaintiff's

specific trade-mark to be applied to the sale of tea, and which consists of the word

SALADA

The trade-mark, as per the application for registration and the labels (blue, gold, red and green), annexed thereto, consists of a package preferably put up in the form of a parallelopipedon, prism, or prismoid, having a label on which is printed in *block* type the fanciful or arbitrary word "Salada" in quotation marks and surrounded by an inner border of gilt, and an outer border of colour, the labels of different qualities of tea or different priced tea being printed in different colours on a white background. The essential features of the trade-mark are:

1. The arbitrary or fanciful word *Salada.*
2. The quotation marks.
3. The label having the arbitrary or fanciful word "Salada" printed in block type in coloured ink on a white background, and surrounded by an inner border of gilt, and an outer border of colour.
4. The general appearance of the package above described and the labels of the different qualities of tea or priced teas printed in different colours.

This trade-mark was registered in Canada on the 15th June, 1897.

The plaintiff ever since 1897 has been carrying on a very extensive tea business and has built up a considerable trade and good-will with his trade-mark *Salada* which has acquired a substantial trade reputation. To the buying public in Canada this trade-mark has a special and distinctive meaning when used in connection with tea and in the mind and eyes of the public has become a name or mark distinguishing the plaintiff's tea from all other teas sold or offered for sale.

The plaintiff's total sales for last year amounted to approximately $7,000,000, after having expended, in nine years, for advertising, the sum of two millions and a half dollars.

The plaintiff's tea sales are exclusively by packages, none in boxes and the price is always marked on the package.

Now, the plaintiff's trade-mark is unquestionably very valuable and the defendant is charged with infringing it. Did the defendant by using her mark attempt to sell her tea as that of the plaintiff or did she think of gaining a trade advantage by adopting and using a label which, in shape, colour, form, and general " get up " and dressing, resembles that used by the plaintiff, though distinguishable from it by the word " Imperial " and other small details?

The question is whether the uncautious, the unwary purchaser will be confused by the defendant's mark, thinking it is the plaintiff's, with resulting loss of business to the latter and gain and trade advantage to the former through disloyal competition. (*Liebig's Extract of Meat Co., Ltd.* v. *The Chemists' Co-Operative Soc. Ltd.* (1)).

A sample of the plaintiff's trade-mark has been filed as exhibit No. 2 and that of the defendant as exhibit No. 3.

The essence of a trade-mark is distinctiveness and this cardinal requirement is wanting as between the two marks.

One has to bear in mind that the danger to be guarded against in a case of infringement is that the purchaser, the public,—as distinguished from the wholesale and retail dealers—seeing one mark by itself might be confused thinking it to be the same as another which he has seen before and that the purchaser will not see the two marks side by side so as to note the differences.

An observation of the two labels will reveal the marked similarity between them, not only in general effect but in the detailed designs.

The presentation of exhibits Nos. 2 and 3 will reveal to the observer that both packages are wrapped in absolutely the same manner, in tin-foil, that the very words " Salada " and " Imperial " are both in block letters of the same size, and colour, the blue being similarly disposed and surrounded by a band or stripe of gold of the same colour, the whole on a white background. The same quotation marks on each, of blue surrounded with gold.

The three words *Black—Tea—Black,* are also of the same type and colour, surrounded with a white line similarly dis-

(1) [1896] 13 R.P.C. 635 at p. 644.

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tributed. These three words are in both cases placed at the foot of the face, at identically the same spot or position. The whole face is surrounded by a blue stripe or scroll all around, exactly of the same colour and hue and a golden band or line following this stripe or scroll.

Now, in addition to these conspicuous similarities on what is called the face of the package, the same plagiarism and imitation is maintained on the back of the packages whereas the identical literature is to be found in both cases in the French language and the identity of disposition of the same is maintained as well in type, colour and size. The words *Noir, Thé, Noir* are with due servility copied and placed in both cases at the top. On the right end of the package the words and figures ½ *lb. net, Black Tea* together with the quotations, are also in the same small type and colour. On the left end the words *Demi livre, Thé noir, Poids Net* are also copied; they are of the same type and colour and placed in identical position. One cannot refrain mentioning the special scrolling under the words *poids* and *net.* Insignificant by itself, this scrolling, under these two words becomes, under the present circumstances, most significant; with all the other similarities above mentioned, it is a due confirmation of the obvious fact that the defendant's trade-mark was made and built up while the plaintiff's trade-mark was absolutely before the eyes of the designer. There is a concurrence of similarity maintained all through.

Is it not apparent that this egregious imitation and this plagiarism amount to a disclosed desire or scheme to deceive and confuse the public, the consumer, whereby a trade advantage may be gained at the detriment of the plaintiff who has succeeded in building up such an enormous and profitable trade with his mark? Is not the defendant clearly endeavouring to appropriate the benefit of the plaintiff's business? Is she not trenching upon private rights? Is the defendant's mark calculated to injure another firm which has its own mark? Is it legitimate trading or is it disloyal competition?

However that may be it is not necessary in a case of this kind that improper motives or a fraudulent intention should be made out; the only question is whether or not the use of the defendant's mark is likely to lead the uncautious

and unwary customer to confusion. The resemblance must be such as would be likely to cause the one mark to be mistaken for the other. This question as defined in *The Upper Assam Tea Co.* v. *Herbert Co.* (1) is not whether the defendant's mark is deceptive but whether there is a strong probability of its causing deception. Kerly on Trade-Marks, 5th ed. 472; Sebastian 5th ed. 134 and 144.

Every case must be dealt with by itself and this is especially so where the fundamental question is one of fact and where it is for the court to exercise judicial discretion and decide upon the facts of the case as presented.

Before arriving at a final decision it may be well to cite authorities; but they are so numerous in trade-mark cases that it is impossible to cite more than a few.

Re: *Barsalou* v. *Darling* (2); *DeKuyper* v. *Van Dulkin* (3); *Canadian Rubber Co.* v. *Columbus Rubber Co.* (4); *Boston Rubber Shoe Co.* v. *Boston Rubber Co. of Montreal* (5); *Lever* v. *Goodwin* (6); *Liebig's Extract of Meat Co. Ltd.* v. *The Chemists Co-Operative Soc. Ltd. ubi supra.* In the case of *Coleman* v. *Farrow* (7) an injunction was granted and yet the similarity of labels was not nearly as pronounced as in the present case; but it was found that the approximation of the defendant's label was close and treated as a matter to be judged simply by the eye and that there was reasonable probability of deception. *Upper Assam Tea Co.* v. *Herbert & Co. ubi supra.* In the case of *Enoch Morgan's Sons Co.* v. *Whittier Coburn Co.* (8), the plates at page 659 show the two marks with similarity in the " get-up " but very dissimilar as to the literature which is entirely different. *McLean* v. *Fleming* (9). In the case of *N. K. Fairbanks Co.* v. *R. W. Bell Manufacturing Co.* (10), the " get-up " of the package presents similarity; but the names, the design and literature are entirely different, and yet an injunction was granted. The conspicuous names were "Buffalo" and "Fairbanks" and in this case "Imperial"

(1) [1889] 7 R.P.C. 183, at p. 186.
(2) [1881] 9 S.C.R. 677, at 681 & 709.
(3) [1894] 24 S.C.R. 114.
(4) [1913] 14 Ex. C.R. 286.
(5) [1902] 32 S.C.R. 315.
(6) [1886] L.R. 36 Ch.D. 1.
(7) [1897] 15 R.P.C. 198.
(8) [1902] 118 Fed. Rep. 657.
(9) [1877] 96 U.S. 245; 24 L. Ed. 828.
(10) [1896] 77 Fed. Rep. 869.

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and "Salada." *Hattingh's Yeast Ltd.* v. *Friedlin* (1); *Glenton & Mitchell* v. *Ceylon Tea Co.* (2); *Henry K. Wampole & Company, Ltd.* v. *Henry S. Wampole & Company et al* (3); *Glenton & Mitchell* v. *Keshadjee* (4).

Among other things, the evidence discloses that the packages, exhibits Nos. 2 and 3 appear alike, excepting for the words " Imperial " and " Salada," and that some customers are in the habit of asking " Blue Label Tea " without mentioning the word " Salada " when exhibit No. 2 is handed to them, and that there is no other blue label for tea on the market. Witness Sinclair, a grocer and butcher for 12 years in business, testified that exhibits Nos. 2 and 3 resemble one another enough to be himself deceived at first glance.

There is some conflicting evidence on behalf of the defendant. Witness Powis, service manager for an automobile concern, who has been buying Salada for 15 years testified he could not be confused, and witness Desroches, Manager of the Olympic Club, who has been buying Salada for 18 years also said he could not be deceived; but that class of witnesses, educated to the special knowledge of that tea for such a long period is not the test;—it is the uncautious and unwary customer. If the evidence could throw any doubt—which it does not—as to this servile imitation, the examination of the samples would make it disappear.

The photographs exhibits C. and D. present a display of of the plaintiff's and defendant's packages, piled up together, in a similar manner as was done at trial, and it must be conceded that at first glance, the packages are to the eye so much alike in their general appearance, that they appear to be all alike. All of that is due to the similarity in the get-up and the dressing of the packages. It is only on taking a second glance and scrutinizing each package carefully that the difference can be ascertained. And yet the packages are side by side, which is not the test.

It is indeed possible and quite easy to sell tea in packages similar in size and even packed in tin-foils, without copying the plaintiff's trade-mark in a manner calculated or leading to deceive and confuse the uncautious and un-

(1) [1919] S.A.L.R. 417.
(2) [1918] S.A.L.R. 118.
(3) [1925] Ex. C.R. 61.
(4) [1918] S.A.L.R. 263.

wary customer and make him take the goods of the defendant for those of the plaintiff.

Exhibits Nos. 20 and 22 establish that contention beyond peradventure. The get-up and the dressing of these two exhibits are distinct, special and unequivocal. The most characteristic one is exhibit No. 22, Lipton's Tea. Although the packing and wrapping are similar to both the plaintiff's and the defendant's packing, yet it is easily distinguishable from them. It is true the reputation of Lipton's Tea is so well established that it is not necessary for him to copy or imitate any mark to gain a trade advantage,—while it is the converse with the defendant who is just starting her tea trade.

According to the evidence of the defendant's manager a certain person was given instructions to devise the trademark; but that person was not brought to testify and the testimony of the manager with respect to how the trademark was devised and the excuse of undesigned coincidence are both about equally deserving of the same respect. There is no excuse for the present imitation which can only be explained by a desire to appropriate the benefit of the plaintiff's business. That is the only inference and explanation.

The two specific marks in the present case are used in connection with the sale of the same class of merchandise and that fact alone will greatly add to the probability of the goods of one trader being taken for those of another creating confusion. To allow its use would give an opportunity to deceive the public, a practice that would be baneful to trade generally.

Now, distinctiveness is of the very essence of a trademark, which is used to distinguish the goods of one trader from the goods of all other traders. Distinctiveness means adoption to distinguish. Sebastian, 5th ed. 55.

It cannot be denied that exhibits Nos. 2 and 3, seen side by side (see display of exhibits C. and D.) show a certain resemblance to one another and that it creates confusion; but that is not the test. One has to bear in mind that the danger to be guarded against is that the person seeing one mark by itself will take it to be the same as another which he has seen before, and that the purchaser will not see the two marks side by side so as to note the differences.

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For the purposes of establishing a case of infringement it is not necessary to show that there has been the use of a mark in all respects corresponding with that of which another person has acquired an exclusive right to use. No infringer would be such a blunderer at the work of infringing as to go and take a trade-mark exactly alike the trade-mark of a competitive trader. It is sufficient to show that the resemblance is such as to likely make unwary and uncautious purchasers suppose that they are purchasing an article sold by the party to whom the right to use the trade-mark belongs. See per Lord Chelmsford in *Wotherspoon* v. *Currie* (1). Sebastian, Law of Trade-Marks, 5th ed. 151.

Moreover, the general principles to be adopted in deciding cases of this kind is to consider the impression produced by the mark as a whole, *dans son ensemble.* It is the appeal to the eye which is to be considered. In this case the imitation is in the "get-up," in the dressing, in the colour of the package to catch the eye, confuse and deceive. It is the eye (as said by both Lord Westbury and Lord Herschell —Audette's Practice, 322), by which the buyer judges, and by which, if colourable imitations are by law allowed, he will be led to be deceived and defrauded. The trade-mark does not lie in each particular part of the label, but in the combination of them all. *Pinto* v. *Badman* (2). The size and dimension of the package each considered separately is not the test.

Colour alone may be of a very material consideration. The defence in this case that the word "Imperial" is different from the word "Salada" is not a sufficient distinction, having regard to all the other imitations. Sebastian, Law of Trade-Marks, by Bray, etc., 2nd ed. 30; Sebastian, 5th ed. 151. There can be no doubt that an unfair competition in trade is created by the use of the defendant's mark, in violation of the rights of a rival trader in the same class of goods.

For the consideration to which I have adverted I have come to the conclusion that, while the two marks are not absolutely identical, there is such a close imitation in the design and the get-up of the defendant's mark that the uncautious and unwary purchaser could be easily confused,

(1) [1872] L.R. 5 H.L. 508.
(2) [1891] 8 R.P.C. 181.

MEMORANDUM

RE WRIGHT & CORSON *v.* BRAKE SERVICE LIMITED, P. 127

This judgment was since set aside, and upon the evidence given on the new trial plaintiffs' action was dismissed, but without the court altering its opinion on the law.

deceived and led to purchase the defendant's goods for those of the plaintiff, and that infringement has been proved and established.

Judgment accordingly.