

BETWEEN:

THE IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED.. }

APPELLANT;

AND

THE REGISTRAR OF TRADE MARKS

RESPONDENT.

1939

IMPERIAL TOBACCO Co. OF CANADA LTD. v. REGISTRAR OF TRADE MARKS.

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Trade mark—Appeal from Registrar of Trade Marks—Unfair Competition Act, 22-23, Geo. V, c. 38, s. 2 (d) & (m).

Appellant applied for registration of a trade mark to be applied to tobacco in all its forms, and consisting of a flat sheet of cellophane to be used as an outer wrapper, and a narrow coloured band of the same material extending around the package, this outer wrapper being entirely distinct from the container or package containing the tobacco. The Registrar of Trade Marks refused registration of the mark on the grounds that the coloured band performed the function of indicating where the tear strip was located, thereby facilitating the opening of

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the wrapper, and that such wrapper being in use by manufacturers other than the applicant the same would not identify the wares so wrapped as those of the applicant. The applicant appealed to this Court.

- Held:* That any combination of elements which are primarily designed to perform a function, as here, a transparent wrapper which is moisture proof, and a band to open the wrapper, is not subject-matter for a trade mark.
2. That the proposed mark is not a "distinguishing guise" within the meaning of the Unfair Competition Act, 22-23 Geo. V, c. 38, s. 2 (d); It is not a "mode of shaping, moulding, wrapping or packing wares."
 3. That the proposed mark is not one which has become adapted to distinguish the wares of the appellant within the meaning of s. 2 (m) of the Unfair Competition Act.

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

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

O. M. Biggar, K.C. for appellant.

J. T. Richard for Rock City Tobacco Co. Ltd.

J. T. Hackett, K.C. for W. C. MacDonald Inc.

W. P. J. O'Meara, K.C. for the Commissioner of Patents.

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

THE PRESIDENT, now (February 22, 1939) delivered the following judgment:

This is an appeal from the refusal of the Registrar of Trade Marks to register a certain trade mark on the application of Imperial Tobacco Company of Canada Ltd., the appellant. Notice of the hearing of the appeal was served upon L. O. Grothe Ltd. and W. C. Macdonald Inc. of Montreal, and Rock City Tobacco Company Ltd. of the City of Quebec, and counsel appeared on behalf of the last two named companies in opposition to the appeal.

In January, 1936, Imperial Tobacco Company of Canada Ltd. applied for the registration of a design mark, which was said to be "in the form of a distinguishing guise," and its principal features were described in the application as "a transparent outer wrapper and a coloured tearing strip in the form of a ribbon extending around the package beneath the transparent wrapper." Later the application was amended and the principal features of the mark are now described as "a transparent outer wrapper

with a coloured band extending around the package," no reference is made to the mark being "in the form of a distinguishing guise," and the words "a coloured band" are used instead of "a coloured tearing strip." Representations of the mark accompanying the application disclose a flat sheet of cellophane to be used as an outer wrapper, and a narrow red band of the same material extending around the package, but the applicant does not confine itself to a band of any particular colour. When employed as an outer wrapper the red band would be on the inner side of the wrapper, but with one of its terminals on the outer side so that it may be grasped by the fingers, and when pulled will tear away the overlying part of the outer wrapper, so that the container or package may be opened, and the cigarettes or tobacco in the container rendered accessible. It is to be kept in mind that the outer wrapper is something distinct from the container or package containing the cigarettes or tobacco, as the case may be. The mark for which registration is sought is to be applied to tobacco in all its forms. The appellant states that it has used the mark since November 9, 1934, in connection with cigarettes for the purpose of indicating that such goods were sold by it.

The Registrar refused registration of the mark on the grounds that the coloured band performed the function of indicating where the tear strip was located and thus facilitate the opening of the outer wrapper, and that a transparent outer wrapper with a coloured strip or band being in use by manufacturers other than the applicant the same would fail to identify the wares so wrapped, as those of the applicant.

Prior to the application for registration of the mark in question being made, the appellant, with another, brought an action against Rock City Tobacco Company Ltd. for infringement of two patents. That case came before me for trial and my decision dismissing the action, and finding both patents invalid for want of subject-matter, will be found in the Exchequer Court Reports (1). On appeal to the Supreme Court of Canada that decision was affirmed. One of the patents sued upon, and which was owned by the appellant herein, was applied for on August 14, 1934.

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The object of the invention is to be found in the first paragraph of the specification which runs thus:

The object of this invention is to facilitate the removal of the transparent moisture proof outer wrappers used on cigarette and other packages. To this end the invention comprises a tearing strip extending around the package inside the wrapper so that one of its terminals may be conveniently grasped and pulled to tear away the overlying part of the wrapper. The tearing strip is preferably located to divide the wrapper into two half sections which are easily slipped off the package to permit the latter to be opened in the usual manner.

The other patent sued upon, one owned by Wm. Wrigley Jr. Company, was applied for in August, 1933, and the invention there claimed related to the same subject-matter. I might quote one paragraph from the specification.

The opening member S as previously explained is preferably a narrow ribbon-like strip of the same material as the outer wrapper of, say $\frac{1}{16}$ or $\frac{3}{32}$ of an inch in width, and of a colour that is readily visible in contrast with that of the package and the outer wrapper. Thus, for example, if a colorless clear material is used for the wrappers, the strips may be red or some other colour.

One cannot read the specification of those two patents without concluding that they describe precisely the principal features of the trade mark for which the appellant now seeks registration. The alleged inventions disclosed in those patents were intended to perform certain functions, both the wrapper and the tearing strip, and one of the patents states that it was desirable to have the tearing strip of a colour different to that of the wrapper, so that the former would be readily visible by reason of its contrast with the outer wrapper. The appellant does not, in its amended application, ascribe any function to the wrapper or band other than to distinguish its own goods. However, it is not denied that the cellophane wrapper is used because it is moisture proof, and it is not denied that the coloured band is designed to perform the function of tearing open the outer wrapper. In affidavit evidence submitted by the appellant it is stated, by the secretary of the appellant company, that the coloured band not only gives a distinctive appearance to the goods sold by the appellant, but also has "an added convenience in opening the package by arranging that the coloured band should serve to assist in opening the package." One may safely say that the band was primarily designed and adopted for the purpose of opening the outer wrapper, and it is

unlikely that if the outer wrapper were not moisture proof and the band did not function as a tearing strip, they, in combination would ever be suggested as a trade mark. It seems to me that the trade mark applied for was intended to replace the patents referred to, if they should be found to be invalid, as they were. In my opinion any combination of elements which are primarily designed to perform a function, here, a transparent wrapper which is moisture proof and a band to open the wrapper, is not fit subject-matter for a trade mark, and if permitted would lead to grave abuses. The introduction of a coloured strip or strand might be a good mark in some cases, particularly where it is practically impossible otherwise to mark the goods.

There was put in evidence a tin box of cigarettes, made and sold by the appellant, which had an outer transparent wrapper made of cellophane, and a narrow blue band or tearing strip around the package, but those cigarettes are sold under the name of "Gold Flake," which is conspicuously stamped on the box. That is the mark or name under which those cigarettes are sold, and the mark is visible owing to the transparency of the cellophane wrapper. The appellant also sells cigarettes under the name of "Sweet Caporal," and the container is wrapped in the manner described in the application we are here considering. The words "Sweet Caporal" are printed on the container and the same is plainly visible through the outer wrapper. I have no doubt the appellant produces and sells other cigarettes, under other names or marks. There is ample evidence in the record to show that purchasers of cigarettes, for example, invariably ask for a specific brand and never make any reference to the outer wrapping of the package or the method of opening it. There is the affidavit of George Bruneau, who there states that he visited three tobacco stores in Toronto, and he asked for cigarettes wrapped in "cellophane" and provided with a coloured ribbon, and in each case he was informed by a clerk that there were many makes of cigarettes using a cellophane wrapper with a coloured ribbon, and he was asked by the clerk to indicate the brand or name the cigarettes which he desired. It is safe to say that all cigarettes and tobacco manufactured and sold by the appellant, and others in the same trade, are

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sold, under some trade name or mark, and if the container is covered by a transparent wrapper the trade name or mark is plainly visible through the wrapper, and that is one of the advantages of a cellophane outer wrapper. Otherwise, I do not see how it would be possible for the public to identify the various brands of cigarettes or tobacco, produced and sold by the appellant and others.

There are in the record three or four affidavits, made by dealers in cigarettes and tobacco, in which it is stated that an outer wrapper, in conjunction with a coloured band or tear strip, could not in any way become a distinguishing guise for the cigarettes or tobacco of any one manufacturer, as purchasers, the affiants state, invariably ask for a specific brand by name, and never by reference to the outer wrapper or the method of opening it. And that evidence I unreservedly accept, and I cannot believe it could possibly be controverted. I doubt very much if "distinguishing guise," as used in s. 2 (*d*) of the Unfair Competition Act, is applicable to the subject-matter here under discussion. I do not think we have here "a mode of shaping, moulding, wrapping or packing wares." The wares with which we are here concerned are packed in a box or container of some well known sort. It is the box or container, that is wrapped with cellophane, and that is why it is called an outer wrapper. I hardly think the Act ever contemplated that an outer wrapper, such as we have here, covering a container, might be a "distinguishing guise." Upon the evidence I would hold that it is not in fact a distinguishing guise. Nor do I think that the proposed registration is a mark which has become adapted to distinguish the wares of the appellant within the meaning of s. 2 (*m*) of the Act.

I should perhaps point out that other Canadian concerns make and sell cigarettes in containers which are wrapped with cellophane, and have a coloured band to be used as a tearing strip. W. C. Macdonald Inc. of Montreal sell "British Consols" cigarettes, the Rock City Tobacco Ld. of Quebec sell "Spud" cigarettes, with an outer cellophane wrapper and a tearing strip, and that practice by those concerns, so far as I can make out, commenced before the appellant applied for the registration in question. The Macdonald Company was the first concern in Canada to use a cellophane wrapper over cigar-

ette containers, but, I understand, without the band or tear strip. The evidence is not very clear as to who was the first to use an outer cellophane wrapper, with a coloured tearing strip, but the practice seems to have been adopted by several of the trade about the same time, but not, I think, as a trade mark. While the appellant commenced wrapping cigarette containers with cellophane, and having the coloured tearing strip, for some time before its applicaton here in question was made, yet I am far from being convinced that this wrapping of the container, and the use of the coloured band or tearing strip was used as a trade mark, or that the public ever regarded the same as a trade mark denoting the wares of the appellant.

I think the Registrar was right in refusing the application for registration of the mark in question. I dismiss the appeal with costs to the parties opposing the same.

Appeal dismissed.

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