

BETWEEN:

IMPERIAL OIL LIMITEDAPPELLANT;

AND

SUPERAMERICA STATIONS INC.RESPONDENT.

Ottawa
1965
Oct. 12-14
Oct. 21

Trade Marks—Opposition to registration of trade mark “SA” by owner of trade mark “ESSO”—Tests for determining whether confusion caused—Judicial notice—Trade Marks Act, S. of C. 1953, c. 49, ss. 6, 12(1)(d), 37(2).

Appellant opposed registration of the proposed trade mark SA as applied to gasoline and certain other petroleum products on the ground that it was confusing with appellant’s registered trade mark ESSO.

Held, affirming the decision of the Registrar of Trade Marks, upon application of the tests laid down in s. 6 of the *Trade Marks Act*, S. of C. 1953, c. 49 and taking judicial notice of well known marketing circumstances there was no confusion between the two marks.

APPEAL from Registrar of Trade Marks.

John C. Osborne, Q.C. and *Rose-Marie Perry* for appellant.

William R. Meredith, Q.C. and *Donald G. Finlayson* for respondent.

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JACKETT P.:—This is an appeal under section 55 of the *Trade Marks Act*, chapter 49, of the Statutes of 1953, from a decision of the Registrar of Trade Marks dated February 5, 1965, rejecting, pursuant to section 37 of the Act, the appellant's opposition to an application by the respondent for registration of a proposed trade mark.

On July 11, 1960, the respondent applied for registration of "SA" as a proposed trade mark to be used in association with "gasoline, diesel fuel, light fuel oils, lubricating oils and greases".

The first action concerning the application was taken on September 14, 1960, when the Registrar sent a notice, presumably pursuant to subsection (2) of section 36 of the *Trade Marks Act*, notifying it that the mark "SA" was considered to be confusing with the registered trade mark "Esso" applied to a wide range of wares, which covers all those in association with which the respondent proposed to use "SA". On April 18, 1961, the respondent answered this objection by a letter reading, in part, as follows:

There are various features relating to the nature of the trade and the wares themselves which might be relied on for purposes of distinguishing the two trade marks, but it is submitted that the short answer is simply that there is no significant resemblance between the two trade marks.

There is no resemblance in appearance; the letter "s" is the only letter which the two marks have in common; "SA" is a short two-letter word, or perhaps more correctly, a symbol, while "ESSO" is a substantial four-letter word.

There is no resemblance in sound; "SA" is pronounced with equal emphasis on each letter as in the case of "TV", while "ESSO" is pronounced with the *first* syllable heavily stressed, as *in* the English word "essence" or the name of the German city "Essen".

There is finally, no resemblance in any idea which may be suggested by the trade marks. "SA" conveys absolutely no idea beyond perhaps the suggestion that it is an abbreviation for some word or words as with "TV". Possibly if a person is familiar with the applicant it might be guessed that "SA" stands for the "Superamerica" part of the applicant's name, but this is the limit of any idea suggested.

"ESSO", on the other hand, suggests, particularly to a French-speaking person some connection with the French word for gasoline. To an English-speaking person some connection with essential oils or flavour essences may be suggested, but there is no similarity to "SA" in this or any of the aspects of possible resemblance which may be suggested.

Furthermore, the owner of the "ESSO" trade mark has no monopoly on the use of the letter "s" in combination with other letters or features, which would have to be the position if "SA" were to be refused registration on "ESSO".

The register discloses that there are endless marks of this nature, examples of which of particular interest are:

“ASPA” for lubricants, No. 106,069 Shell Oil Company

“S” and design, for lubricating oil, No. 190/41821 The Singer Manufacturing Co

In conclusion, it is respectfully submitted that there is so great a dissimilarity between these two marks that these cannot by any stretch of imagination be considered confusing, that there is no question that the trade mark “SA” is registrable over “ESSO”, and approval of the application is respectfully requested.

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Following receipt of that letter, the Registrar appears to have decided that the respondent’s application was one that he was required by subsection (1) of section 36 of the said Act to cause to be advertised.

On September 19, 1961, pursuant to subsection (1) of section 37 of the said Act, the appellant filed, with the Registrar, a statement of opposition to the proposed registration of the trade mark “SA”. Such an opposition is governed by subsection (2) of section 37 of the Act, which reads as follows:

37. (2) Such opposition may be based on any of the following grounds:

- (a) that the application does not comply with the requirements of section 29;
- (b) that the trade mark is not registrable;
- (c) that the applicant is not the person entitled to registration; or
- (d) that the trade mark is not distinctive.

The appellant based its opposition on three of the four possible objections permitted by subsection (2) of section 37. It took the position that

- (a) the trade mark “SA” was not registrable,
- (b) the respondent was not the person entitled to registration of the trade mark “SA”, and
- (c) the trade mark “SA” is not distinctive.

The contention that “SA” is not registrable was based upon section 12(1)(d) of the Act, which reads as follows:

12. (1) Subject to section 13, a trade mark is registrable if it is not

* * *

(d) confusing with a registered trade mark;

The relevant statement in the statement of opposition was that “SA” is not registrable “since it is confusing with the

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opponent's registered marks...within the meaning of section 6". The appellant's registered trade marks with which, according to the opposition, "SA" is confusing, are

ESSO
 ESSOTEX
 ESSOTANE
 ESSOMARINE
 ESSO-MAR
 ESSOLITE
 ESSOLEUM
 ESSOFLEET

A circular device composed of a large "S" superimposed on "O"

ESSO and grotesque man

(I have not set out the various wares in association with which these trade marks were, at that time, used as they were, in every case, by the time the appeal came on for hearing, at least in part the same as those in association with which the respondent proposes to use "SA".) The contention that the respondent is not the person entitled to registration was based upon section 16(3)(a) of the Act, which reads as follows:

16. (3) Any applicant who has filed an application in accordance with section 29 for registration of a proposed trade mark that is registrable is entitled, subject to sections 37 and 39, to secure its registration in respect of the wares or services specified in the application, unless at the date of filing of the application it was confusing with

(a) a trade mark that had been previously used in Canada or made known in Canada by any other person; . . .

The relevant statement in the opposition is that, at the date of filing of the application, the respondent was not the person entitled to registration by reason of the fact that at the date of the filing of its application "SA" was confusing with the various trade marks of the appellant that I have already enumerated, and that such trade marks had "been previously used in Canada". The third contention, that "SA" is not distinctive, was put forward as an objection to the respondent's application in the light of paragraph (d)

of section 37(2) of the Act, which I have already quoted. It must be read with paragraph (f) of section 2, which reads as follows:

- (f) "distinctive" in relation to a trade mark means a trade mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them;

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The relevant statement in the statement of opposition is that "SA" is not distinctive since it is not adapted to distinguish the wares which the respondent proposed to associate with it from the wares which the appellant associates with the trade marks that I have already enumerated.

On September 21, 1961, the Registrar, pursuant to subsection (5) of section 37 of the Act, sent a copy of the statement of opposition to the respondent and, on December 21, 1961, the respondent filed a counter statement pursuant to subsection (6) of section 37.

Both parties filed with the Registrar affidavit evidence and written arguments and, on January 12, 1965, were given an oral hearing by the Registrar.

On February 9, 1965, the Registrar delivered his decision that the trade marks are not confusing within the meaning of section 6 of the Act. He held that "their concurrent use would not be likely to lead to the inference that the wares associated with such trade marks emanate from the same person". Accordingly, he rejected the appellant's opposition. This appeal is from that decision.

The appellant based its appeal to this Court, in effect, upon the same grounds as those set out in its statement of opposition to the registration. The parties agreed that the appellant has used in Canada, and has been the registered owner, at all material times, of the trade marks referred to in the statement of opposition. The sole issue of fact between the parties is whether the respondent's proposed trade mark "SA" is "confusing" with any, or some, or all, of the trade marks of the appellant set out above within the statutory concept of "confusing" to be found in section 6 of the *Trade Marks Act*.

It is common ground that, if the answer to that question is in the affirmative, the trade mark "SA" is not registrable

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by virtue of section 12(1)(d) of the *Trade Marks Act* and that the appellant's opposition should therefore succeed by virtue of section 37(2)(b). It is also clear that the appellant bases its alternative submissions that it is entitled to succeed by virtue of section 37(2)(c) and section 37(2)(d) upon the same contention that the respondent's proposed trade mark is "confusing" with its registered trade marks. Therefore, if the appellant succeeds by virtue of section 37(2)(b), there is no need to deal with the alternative submissions and, if the appellant fails to achieve success by virtue of section 37(2)(b), it also fails of success in its alternative submissions. In either event, there is no need to deal with any ground of appeal other than that founded upon section 37(2)(b) and section 12(1)(d).

The sole question that I have to consider, therefore, is whether the proposed trade mark "SA" is confusing with the appellant's trade marks within the meaning of the word "confusing" in section 12(1)(d). That question must be decided by applying the provisions of subsections (1) and (2) of section 6, which read as follows:

6. (1) For the purposes of this Act a trade mark or trade name is confusing with another trade mark or trade name if the use of such first mentioned trade mark or trade name would cause confusion with such last mentioned trade mark or trade name in the manner and circumstances described in this section.

(2) The use of a trade mark causes confusion with another trade mark if the use of both trade marks in the same area would be likely to lead to the inference that the wares or services associated with such trade marks are manufactured, sold, leased, hired or performed by the same person, whether or not such wares or services are of the same general class.

The first question that has to be decided, with reference to each of the appellant's registered trade marks is, therefore, whether the use of "SA" and such registered trade mark in the same area "would be likely to lead to the inference" that "the wares... associated with such trade marks" are manufactured or sold "by the same person". It is clear from the argument of appellant's counsel that, if the appellant cannot succeed with reference to the trade mark "Esso", it cannot succeed with reference to any of its other registered trade marks. A further question has to be decided, however, as to whether "SA" is "confusing" in the same sense with some or all of the appellant's registered trade marks considered as a "family" or group of trade marks.

I do not propose to review the evidence that the parties put before the Registrar or the evidence that they filed in this Court for the purpose of this appeal. There was, as I understand counsel for the parties, no controversy concerning any fact that was still relied upon by either of them at the end of the argument of the appeal. I should say that, to some extent, I propose to rely on facts, of which no evidence appears in the record, concerning which, in my view, I may take judicial notice.

In determining a question whether trade marks are "confusing" for the purpose of the *Trade Marks Act*, the Court is governed by subsection (5) of section 6 of the Act, which reads as follows:

6. (5) In determining whether trade marks or trade names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade marks or trade names and the extent to which they have become known;
- (b) the length of time the trade marks or trade names have been in use;
- (c) the nature of the wares, services or business;
- (d) the nature of the trade; and
- (e) the degree of resemblance between the trade marks or trade names in appearance or sound or in the ideas suggested by them.

Neither party referred to any "surrounding circumstances" other than those covered by the enumerated paragraphs of subsection (5). For the purposes of this appeal, I divide these "circumstances" into three classes:

- (a) "*the inherent distinctiveness of the trade marks*" (paragraph (a)) and "*the degree of resemblance between the trade marks... in appearance or sound or in the ideas suggested by them*" (paragraph (e)). Generally speaking, these circumstances must be appraised upon an examination of the trade marks themselves and outside evidence is not likely to be of much value.
- (b) "*the extent to which they have become known*" (paragraph (a)) and "*the length of time the trade marks have been in use*" (paragraph (b)). The evidence establishes that the appellant's trade mark "Esso" is one of the best known trade marks in Canada and that it has been in use for a very long time. The

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respondent's proposed trade mark "SA", being a "proposed" trade mark is virtually unknown in Canada.

- (c) *"the nature of the wares, services or business"* (paragraph (c)) and *"the nature of the trade"* (paragraph (d)). As appears from the respondent's application, the wares are "gasoline, diesel fuel, light fuel oils, lubricating oils and greases". No evidence was given concerning their nature but the Court is aware that they are products one of the most important uses of which is as fuel, etc., for automobiles and other road vehicles. They are also used in water craft, as fuel for stoves and furnaces and for many other purposes. The Court is also aware that, from the point of view of the present problem, the most important method of marketing such products is probably by way of filling station sales to the operators of individual motor vehicles. (Sales to operators of fleets of vehicles and other purchasers of large quantities, while substantial in volume, are not likely to be of any great importance from the point of view of trade mark confusion. Professional purchasing agents can be expected to know the market.) There are, of course, other retail outlets for the sale of such products but, while substantial, these are probably relatively unimportant for present purposes compared to the myriad of filling stations with which the public is confronted almost everywhere. Filling stations, and probably such other outlets, generally speaking, if not exclusively, sell the products of only one oil company. Consequently, the individual motorist chooses the company whose product he is going to buy when he drives into a particular filling station. Furthermore, the Canadian motoring public is, generally speaking, quite knowledgeable concerning the relatively few oil companies whose products are sold in Canada. By means of newspaper, magazine, television, radio, billboard and other advertising, by the "get-up" of their filling stations, by the distribution of credit cards, and by numerous other devices, these companies manage to make themselves, their products and their credit cards well known to the ordinary motorist so that he is

surprisingly knowledgeable concerning such trade marks or trade names as "Shell", "B.A.", "B.P.", "Esso", etc.

As appears from paragraph (e) of section 6(5), the degree of resemblance between the appellant's registered trade marks and "SA" must be considered from three points of view, namely,

- (a) appearance,
- (b) sound,
- (c) the ideas suggested by them.

It was not suggested on behalf of the appellant that there is any resemblance in the ideas suggested by "SA" and "Esso" or any of the other of the appellant's trade marks, and I hold that there is none. I have not been able to find any relevant resemblance in the appearance of these trade marks and I hold that there is no such resemblance. That leaves for consideration the question of the degree of resemblance in sound.

In considering the degree of resemblance in sound, I shall restrict myself to a comparison of "SA" with "Esso" and the circular device composed of a large "S" superimposed on "O". I can see no resemblance in sound between "SA" and any of the appellant's other registered trade marks. I shall not refer specifically to the device because what I say about "Esso" will apply substantially to it.

"SA" and "Esso" have a decided similarity in sound¹, particularly when "SA" is pronounced in the French language. I do not overlook the respondent's insistence on the difference between the pronunciation of "Esso", where there is an emphasis on the first syllable, and the pronunciation of "SO", where the two letters are generally pronounced with equal emphasis. This is a subtle distinction, however, to which I do not attach much importance in the comparison of these trade marks. The importance of the similarity in the sound of "SA" and "Esso" is greatest, in my view, in connection with the radio (excluding televi-

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¹ Cf. *Aristoc Ltd. v. Rysta Ltd.*, [1945] A.C. 68, per Viscount Maugham, at pages 85-6.

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sion) advertising of "Esso" where the impact of the message on the mind of the listener who is not too attentive might possibly cause him to react to the attraction of an "SA" filling station instead of an "Esso" filling station.

In considering what weight to attribute to this possibility, in my view, I must reach a conclusion as to whether an ordinary Canadian motorist or other purchaser of the wares in question is "likely" to infer that such wares are manufactured or sold by the same person if they are sold in association with the two different trade marks in the same area.

The likelihood of the ordinary Canadian motorist being led to make such an inference must be considered having regard to the fact that he is exposed not only to ordinary radio advertising, where he hears only the sound of the two letters "S" and "O", but also to extensive television and other pictorial advertising of all kinds, where he becomes familiar with the appearance of the word "Esso" and frequently sees it at the same time that he hears it. The appellant's evidence of its whole advertising programme, as well as the general knowledge of that programme, which is so all pervasive that the Court can, in my view, take judicial knowledge of it, convinces me that the ordinary Canadian motorist is so well acquainted with the trade mark "Esso" as it is written that there is no real likelihood of him thinking of it as "SO" or confusing it with "SA". It would be, I should have thought, an exceptional Canadian motorist, or other customer for the wares in question, who would make that mistake. In reaching this conclusion, I have in mind that, as I have already indicated, the ordinary Canadian customer for such wares is particularly knowledgeable concerning such trade marks.

In my view, the test contained in section 6(2) must be applied from the point of view of the ordinary customer for the wares in question and not the exceptional customer.

Looking at the question that I have to decide, having regard to all the surrounding circumstances contemplated by subsection (5) of section 6, I hold that "SA" is not confusing with any of the registered trade marks of the appellant within the statutory meaning dictated by section 6.

In reaching this conclusion, I have not overlooked the alternative argument based on the appellant's "family" or class of trade marks. The only class of trade marks that I can perceive is the "Esso" class and I cannot see that "SA" can, in any way, be regarded as "confusing" with that class in the sense of that word as established by section 6.

I have not so far made any reference to the "survey" evidence introduced by the respective parties. As I indicated during the hearing, this evidence does not, in my view, meet the requirements that must be met before such evidence can be accepted as establishing facts relevant to the appeal. Compare *Robert C. Wian, Inc. v. David Mady et al.*¹ per Cattnach J.

The appeal is dismissed with costs.

¹ [1965] 2 Ex C.R. 3.

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