

BETWEEN:

SAMUEL COHEN.....APPELLANT;

AND

THE REGISTRAR OF TRADE MARKS..RESPONDENT

AND

THE EMPIRE SHIRT MANU- } OBJECTING PARTY.  
FACTURING CO. LTD..... }

1948  
May 31  
June 1,  
2 & 3  
July 24

*Trade Marks—"Esco" and "Escone"—Similar wares—Similar marks—Likelihood of confusion resulting by contemporaneous use of similar marks in same area—The Unfair Competition Act 1932, secs. 2 (k) (l), 26 (f), 29 (1)—Appeal dismissed—Motion for declaration under s. 29 (1) of the Unfair Competition Act dismissed.*

An application for the registration of the word "Escone" as a trade mark in connection with the sale of wares described as "ladies and girls fur coats, cloaks, coats, suits, sport coats, jackets, slacks, dresses and dress suits", was refused by the Registrar of Trade Marks. At the hearing of an appeal from such refusal the Empire Shirt Manufacturing Company Limited appeared as objecting party its word mark "Esco" having been registered for use in connection with wares described as "work shirts and other garments".

At the hearing of the appeal, appellant moved for a declaration under s. 29 (1) of the Unfair Competition Act 1932, that the word mark "Escone" has been so used by him as to become generally recognized by dealers and users of the class of wares in association with which it has been used as indicating that the appellant assumes responsibility for their character and quality throughout Canada.

*Held:* That the wares for which the mark "Esco" is registered and the wares for which appellant desires to register the mark "Escone" are similar within the meaning of The Unfair Competition Act 1932, s. 2 (l).

2. That the word marks "Esco" and "Escone" are similar within the definition of "similar" in The Unfair Competition Act 1932, s. 2 (k) since the contemporaneous use of both marks in the same area in association with the wares manufactured by the parties would be likely to cause users of such wares to infer that the same person assumed responsibility for their character or quality, or for their place of origin, and that confusion would thereby be brought about; the registration of the word mark "Escone" is therefore barred by s. 26 (f) of The Unfair Competition Act due to the prior registration of the word mark "Esco".

3. That the motion for a declaration under s. 29 (1) of The Unfair Competition Act must be dismissed as the evidence does not establish the essentials of such application.

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APPEAL from the refusal of the Registrar of Trade Marks to register the word mark "ESCONÉ".

The motion was heard before the Honourable Mr. Justice Cameron at Ottawa.

*Jack Rudner* for appellant.

*H. Gerin Lajoie K.C.* for objecting party.

No one appeared for the Registrar of Trade Marks.

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

CAMERON J. now (July 24, 1948) delivered the following judgment:

This is an appeal from the Registrar of Trade Marks who refused the application of the appellant to register the word mark "ESCONÉ." By order of this Court the Objecting Party was added as a party to these proceedings. At the hearing the Registrar of Trade Marks appeared, but was not represented by counsel and took no part in the proceedings.

Under date of December 31, 1945, the appellant applied for registration of his word mark "ESCONÉ" for use on wares described as:

boys' girls' men's and women's fur coats; ladies' cloaks, suits, dresses, sportswear and blouses; and men's coats, suits and sportswear; infants' and children's fur coats, coats, suits, dresses, blouses, shirts and sportswear; men's shirts, overalls and working suits.

In his application the appellant stated that he had used the mark since the 1st of December, 1937, on the wares above mentioned. At the hearing it was well established that the appellant had not at any time manufactured or sold many of the articles above referred to. Following notice from the Registrar that the statement of wares on the application was not satisfactory, the appellant filed an amended application for registration of the same mark for wares described as:

ladies' and girls' fur coats, cloaks, coats, suits, sport coats, jackets, slacks, dresses and dress suits.

On August 31, 1934, the Objecting Party had obtained registration of its word mark, consisting of the word

“ESCO,” as applied to “work shirts and other garments,” under No. N.S. 4580, Reg. 15. The Registrar, being of the opinion that the said trade mark “ESCO” might be similar to the word mark “ESCONE,” notified the Objecting Party of the application for registration of the word “ESCONE”; and the Registrar, being of the opinion that the objections then raised by the Objecting Party were not frivolous, notified the appellant under the provisions of sec. 38 (2) of the Unfair Competition Act, 1932, that his application was refused.

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The issues are defined in the pleadings. On April 2, 1948, the Objecting Party filed its Notice of Objection in which it set out the facts which I have above mentioned, alleged that the word “ESCO” and the word “ESCONE” were “similar,” that the wares as to which the said word mark “ESCO” had been registered and those as applied to which the appellant had sought registration of “ESCONE,” were “similar,” and that the contemporaneous use in the same area of the said marks, both as applied to garments or clothing, would be liable to cause confusion. In its answer to the Objecting Party’s statement of objections the appellant, after traversing the objections raised, denied that the marks were “similar” and in par. 12 stated:

12. That the wares to which the said mark “ESCO” has been registered, and those as applied to which appellant has sought registration in his name of the word mark “ESCONE” are not similar within the meaning of the Unfair Competition Act, 1932.

In reaching a conclusion as to whether the registration of the word mark “ESCONE” was properly refused, it is necessary to consider the issues as raised by the pleadings, on two main points: (1) are the wares in connection with which the appellant desired to register his mark “ESCONE” similar (within the definition thereof in sec. 2 (l) of the Unfair Competition Act) to the wares for which registration of the trade mark “ESCO” had been granted to the Objecting Party in 1934, namely, “work shirts and other garments”; and (2) is the word mark “ESCONE” similar (as defined in sec. 2 (k) of the Unfair Competition Act) to the registered trade mark of the Objecting Party, “ESCO,” registered in 1934.

I shall first consider the question of similarity of wares. As has been noted above, the pleadings have confined this

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issue to a comparison between the wares to which the mark "ESCO" has been registered, namely, "work shirts and other garments," and those wares in connection with which the appellant desired to register "ESCONE." Nowhere in his pleadings does the appellant seek to establish his case on the ground that his wares should be compared with those on which the Objecting Party has, in fact, used its mark. At the hearing counsel for the Objecting Party objected to evidence submitted on behalf of the appellant to indicate what garments the Objecting Party had manufactured and on which it had used the mark "ESCO." I reserved my decision thereon, permitting the appellant to give such evidence subject to my later ruling as to its admissibility. In view of the issues as raised in the pleadings and mentioned above, I am of the opinion that such evidence is irrelevant and should not be admitted. The appellant has not launched a motion under sec. 52 (1) of the Act to have the register amended so that the word "ESCO" should be limited to those garments which the Objecting Party had manufactured, but his counsel, in argument, suggested that I should make such an order. I must refuse to give consideration to that matter until it is properly before the Court.

The "wares" in connection with which the Objecting Party's mark is registered are "work shirts and other garments." In the Shorter Oxford English Dictionary (Third Edition, reprinted 1947), the word "garment" is defined as follows:

any article of dress; in sing. esp. an outer vestment; in pl.—clothes.

Undoubtedly each of the enumerated "wares" referred to in the appellant's amended application is within the term "clothes." I have no hesitation in finding, therefore, that in the manner in which the issues are before me, the "wares" for which "ESCO" is registered and the "wares" for which the appellant desires to register "ESCONE," are similar within the meaning of sec. 2 (1) of the Unfair Competition Act. The appellant admits that all the articles he manufactures are garments. It may be added, however, that if I am in error in excluding the evidence above referred to, that such evidence establishes beyond question that the Objecting Party had at times manu-

factured and sold certain of the "wares" for which the appellant seeks registration of its mark and bearing the word mark "ESCO," and more particularly certain coats, sport coats and jackets used by men and women, and boys and girls.

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Reference may be made to the case of *Vasenolwerke Dr. Arthur Köpp Aktiengesellschaft v. The Commissioner of Patents and Chesebrough Mfg. Co.* (1). In that case the appellant applied for the registration of "Vasenol" and the respondent, owner of the trade mark "Vaseline," appeared as Objecting Party. In that case the late President of this Court stated at p. 205:

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.

On his finding that the wares were similar and that the words "Vasenol" and "Vaseline" were similar, the application was refused.

The remaining question for consideration in the appeal is whether the word marks "ESCO" and "ESCONÉ" are similar within the definition contained in sec. 2 (k) of the Unfair Competition Act, which is 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 by 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.

"ESCO," the registered mark of the Objecting Party, is made up of the initial letters of the words "empire" and "shirt" and the abbreviated form of "company." It has been widely used by the Objecting Party for a great many years, the evidence establishing that it was in use long before 1934 when it was registered. The business of the Empire Shirt Company was commenced in 1894. It is now of a very substantial nature, doing business throughout the whole of Canada, employing up to six hundred persons, at times using 3,200 yards of cloth a day, its total annual output now running over \$2,000,000. Sales are made to wholesalers, jobbers and to chain stores. It has turned

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out as many as 10,000 garments a day bearing its mark "ESCO." It is admitted that its word mark was registered before the appellant first used his mark "ESCONÉ." The word mark "ESCONÉ" was adopted by Samuel Cohen, the appellant, as the phonetic equivalent of "S. Cohen." Mr. Cohen commenced his present business in 1930 and now manufactures ladies' coats and suits and dress suits. At one time he made dresses, slacks and fur coats, but these lines have been discontinued. In his application for registration he stated that the mark "ESCONÉ" had been first used by him in 1937, but in evidence he stated that he thought it had been in use two or three years before that date, but was not quite sure. His total sales in 1947 exceeded \$400,000 and about 80 per cent of his output was sold under the "ESCONÉ" mark. For many years he has been using a label bearing that mark and the word "Reg'd." He states that he thought he gave instructions to a former solicitor, now deceased, to have the mark registered and assumed that it had been done, but would not swear that he had ever given such instructions. While an employee gave some verbal support to this statement, no documentary evidence of any sort was produced to establish that such was the case. He admits that he was never advised that registration had been granted but merely assumed that his instructions were carried out.

On the evidence it is clear that the goods manufactured by the appellant are in the main more expensive than those made by the Objecting Party. They are of more expensive materials and of a nature that usually requires a personal fitting, such as ladies' cloaks, coats, jackets and suits. They are sold in departmental stores, leading retail stores, and some of the chain stores. The Objecting Party now manufactures principally negligee, dress, sport and work shirts; pyjamas, night shirts, sport and coat jackets; men's underwear, winter style shirts; boys' and girls' scout and utility shirts; and many of these articles, while designed primarily for men and boys, are purchased and worn by women and girls as well. Since the registration of its mark the Objecting Party has made ladies' pyjamas, lingerie, dresses and other articles for women and girls only; but ladies' pyjamas, dresses, playsuits, smocks and overalls have not

been made for some years. The "ESCO" wares are sold in all types of stores handling dry goods and furnishings. The mark "ESCO" is widely used by the Objecting Party on its cheques, invoices, statements, stationery, and on its tags and labels and packaging, as well as in advertising.

It is established by the evidence that in some specialty stores—such as the better class ladies' coat and dress shops—the goods now manufactured by the Objecting Party would not likely be on sale; and that in large departmental stores the goods of the appellant and the Objecting Party would both be sold, although possibly in different departments. On the other hand, it is shown that in chain stores and general stores where there is less or no departmentalization of goods wares similar to those of both parties hereto would be on sale on adjacent—or in some cases on the same—counters.

The principles to be followed in reaching a conclusion as to whether two word marks are similar are set out in many cases. Reference may be made to *The British Drug Houses Limited v. Battle Pharmaceuticals Limited* (1), affirmed in the Supreme Court of Canada, 1946, S.C.R. 50. Kerwin, J., in delivering judgment, cited the test referred to in the speech of Viscount Maugham in the House of Lords in the case of *Aristoc Limited v. Rysta Limited* (2), as follows:

The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of s. 12 of the Trade Marks Act, 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be deceived or confused. Little assistance, therefore, is to be obtained from a meticulous comparison of the two words, letter by letter, and syllable by syllable, pronounced with the clarity to be expected from a teacher of elocution. The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants.

The general approach to the solution of a problem of this kind was stated by Parker J. in the *Pianotist Company Ltd's Application* (3), as follows:

You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of

(1) (1944) Ex. C.R. 239.

(3) (1906) 23 R.P.C. 774 at 777.

(2) (1945) A.C. 68.

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customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion—that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods—then you may refuse the registration, or rather you must refuse the registration in that case.

This statement was quoted with approval by Davis J. in the *Pepsi-Cola v. Coca-Cola case* (1).

In this case it is admitted that there is no proof that confusion has arisen, although the wares of the parties bearing their respective marks have both been sold throughout Canada since 1937 at least. That is a matter to be taken into consideration but it is not here the determining factor. The fact that there has been no proven confusion may be attributed, I think, to the fact that during those years the goods of the Objecting Party, in the main, have been of a relatively inexpensive character and mainly designed for men and boys (although widely used by women and girls as well), while the goods of the appellant have been more expensive and limited to ladies' coats, cloaks, jackets and suits. But it is to be kept in mind that the application of the appellant also includes ladies' dresses and slacks, both of which have been manufactured in the past by the Objecting Party, and that there is nothing to prevent the latter from again manufacturing these articles, or the other articles which it now manufactures from other and more expensive materials, and using its mark "ESCO" thereon. In fact, the evidence is that the Objecting Party now proposes to expand its lines and has taken steps to do so. If that is done, then undoubtedly the wares of the parties hereto will be in more direct competition than at present.

Keeping in mind the principles laid down in the cases to which I have referred, I have reached the conclusion that the word marks "ESCO" and "ESCONONE" are similar within the definition of that word (*Supra*). "ESCONONE" is made up of the entire word "Esco" and two additional letters. The sound of the two final letters of "ESCONONE" does not distinguish that word from the word "ESCO"

(1) (1940) S.C.R. 17 at 32.



unless pronounced in a very clear manner, the emphasis being entirely on the first four letters which have exactly the same sound as the Objecting Party's mark. A dealer in the wares of both parties, due to his superior knowledge of the origin of such goods, might have but little difficulty in distinguishing them. But the user of such goods, and particularly one having but an imperfect recollection and desiring to purchase under the trade description, would be most likely to be confused. Applying the tests both of sight and sound, I have reached the conclusion that the contemporaneous use of both the marks in the same area in association with the wares manufactured by the parties hereto would be likely to cause users of such wares to infer that the same person assumed responsibility for their character or quality, or for their place of origin, and that confusion would thereby be brought about. The registration of the word mark "ESCONE" is therefore barred by the provisions of sec. 26 (f) of the Unfair Competition Act due to the prior registration of the word mark "ESCO."

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I have not overlooked the argument of the appellant that the Objecting Party has acquiesced in the use of the word "ESCONE." I find, however, that in fact there has been no such acquiescence. I accept the evidence of the general manager of the Objecting Party that he had heard of the use of the word "ESCONE" but once. In 1941 his Toronto jobber told him that he had heard that the word "ESCONE" was being used but there is no satisfactory evidence to show that he knew by whom it was being used, or on what goods. He had no direct knowledge of its use until notified of the appellant's application in 1945, from which date its registration was opposed.

In my opinion the Registrar's decision was right. The appeal will be dismissed with costs to the Objecting Party, after taxation.

The other matter for consideration is the motion brought by the appellant in these proceedings. At the opening of the hearing, counsel for the appellant filed a Notice of Motion which on the same date had been served on the Registrar of Trade Marks and counsel for the Objecting Party. This motion was for a declaration under the provisions of sec. 29 of the Unfair Competition Act that the word mark "ESCONE" had been so used by the

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appellant as to become generally recognized by dealers in and/or users of the class of wares in association with which the said mark had been used, as indicating that the said appellant assumed responsibility for their character or quality throughout Canada. This motion was made in the alternative and was to be considered only if the Court, on the main appeal, was of the opinion that the said word mark "ESCONÉ" was not registrable and had dismissed the appeal.

I am of the opinion that this motion must be dismissed. At the opening of the hearing, when the motion was referred to by counsel for the appellant, I stated that I would not give consideration to the motion until the appeal was concluded. No objection was taken to that ruling, but upon the completion of the evidence led by the appellant his counsel asked that all evidence so introduced should be considered as evidence in support of this motion. Counsel for the Objecting Party had proceeded on the understanding that the entire motion would be dealt with at a later stage and had therefore neither cross-examined the witnesses called by the appellant in connection with the motion, nor did he later lead any evidence in opposition to the motion. However, at the conclusion of the trial, I heard argument by both parties on the motion itself, subject to the objection raised by counsel for the respondent. Inasmuch as the Objecting Party had no notice of this application until the opening of the hearing of the appeal, and had therefore no opportunity of calling any evidence in regard thereto, I am of the opinion that the application for short leave to serve the Notice of Motion should have been refused. On the merits, also, I am of the opinion that the motion should be dismissed.

It is an essential part of any application under sec. 29 (1) of the Unfair Competition Act that the applicant should satisfy the Court that the proposed mark has been so used by any person as to have become generally recognized by dealers in and/or users of the class of wares in association with which it has been used as indicating that such person assumes responsibility for their character or quality, for the conditions under which or the class of person by whom they have been produced, or for their place of origin. The present application is made on the basis that the mark

"ESCONE" has become generally recognized by dealers or users as indicating that Samuel Cohen assumes responsibility for their character or quality throughout Canada. None of the evidence submitted by the appellant establishes this to be the case. There is evidence that the word "ESCONE" has been used by the appellant on his wares since about 1935, although in his application for registration he stated that the first user was in 1937. There is also some evidence that purchasers of his goods have asked for them under the name of "ESCONE." There is no evidence, however, to indicate that "ESCONE" has been used so as to have become generally recognized by dealers in and/or users of the appellant's wares as indicating that Samuel Cohen assumes responsibility for their character or quality. The Notice of Motion referred to the affidavit of Samuel Cohen, dated May 31, 1948, but counsel for the appellant did not read the said affidavit when the motion was heard. In any event, that affidavit, which is that of the appellant himself, is not helpful to his case. He states in par. 5: that the said unregistered trade mark "ESCONE" has become generally recognized by dealers in and/or users of the class of wares in association with which the said mark has been used as indicating that I, the said Samuel Cohen, assume responsibility for their character or quality throughout Canada.

That evidence, of course, is quite inadmissible as being entirely hearsay.

Exercising the discretion vested in the Court by sec. 29(1) of the Act, this motion will be dismissed. The Objecting Party is entitled to its costs of the motion.

*Judgment accordingly.*

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