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 May 27
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BETWEEN:

J. K. SMIT & SONS INTERNA- }
 TIONAL LIMITED } APPLICANT;

AND

PACKSACK DIAMOND DRILLS LTD. . .RESPONDENT.

*Trade Marks—Originating Motion—“Dinky”—“Winkie”—Mark expunged—
 Mark not used or made known as a Mark in Canada—Diamond drills—
 Trade Marks Act S. of C. 1962-53, c. 49, ss. 12(1)(b)(c)(d), 16(1), 36,
 37, 38(1), 55(1), 56(1)(2)—Objections to motion dismissed.*

Applicant moved to expunge the registration on August 24, 1962, of respondent's mark “Dinky” in respect of diamond drills on two grounds (1) that when written or sounded in the English language the word “Dinky” is clearly descriptive of the character or quality of the wares in association with which it is used and its registration is therefore contrary to s 12(1)(b) of the *Trade Marks Act*, and (2) that the registration is contrary to s. 12(1)(d) of the Act because Dinky is confusing with the applicant's mark “Winkie” registered on February 2, 1962 for use in association with portable diamond drills

Held: That the word “Dinky” used in association with respondent's small portable drills called attention to features which distinguish these drills from larger models having greater capacity and was “clearly descriptive of the character of the wares in association with which it is used” within the meaning of s. 12(1)(b) of the Act, and therefore was not registrable.

- 2 That respondent was not entitled to have the mark registered in respect of diamond drills as a general class because the mark had never been used or made known in Canada as a mark used by respondent for the purpose of distinguishing its diamond drills generally from those of others.
3. That since the entry in the register purported to say that the respondent was entitled to the exclusive use of the mark “Dinky” in respect of diamond drills, which was not in accordance with the facts, the entry as it appeared in the register did not accurately express or define the rights of the respondent and the registration might be expunged on a motion to the Court under s. 56(1) of the *Trade Marks Act*.
4. That the decision of the Registrar under s 36(1) to advertise the respondent's application for registration of “Dinky” was not a decision from which the applicant had the right to appeal and the applicant's failure to appeal therefrom accordingly did not bar its right to move to expunge the respondent's registration.
5. That since the registration was made under s. 38(1) on the basis of no opposition thereto having been filed rather than under s. 38(3) following consideration of an opposition the failure of the applicant to appeal the registrar's decision to register the mark did not bar its right to move to expunge the registration.

MOTION for expungement of trade mark.

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

Donald F. Sim, Q.C. for applicant.

Redmond Quain Jr. for respondent.

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

THURLOW J. now (July 22, 1963) delivered the following judgment:

This is a motion to expunge the registration under the *Trade Marks Act*, S. of C. 1952-53, c. 49 made in the name of the respondent on August 24, 1962 under number 127724 of the mark DINKY in respect to diamond drills. The motion is made on two grounds the first of which is that when written or sounded in the English language the mark DINKY is clearly descriptive of the character or quality of the wares in association with which it is used and its registration is thus contrary to s. 12(1)(b) of the Act. The other ground of attack is that the registration is contrary to s. 12(1)(d) of the Act because DINKY is confusing with the applicant's mark WINKIE which was registered on February 2, 1962 for use in association with portable diamond drills.

The evidence discloses that the respondent is engaged primarily in the manufacture of portable diamond drilling equipment and that since it introduced the first effective portable diamond drill in 1954 its sales have expanded to the point where in 1962 they amounted to \$90,000. What is known as the Packsack "DINKY" Diamond Drill was first publicly advertised in September 1961. It is a prospector's portable diamond drill capable of drilling a 1½ inch hole not more than 15 feet into rock. It weighs 29 pounds and sells for about \$200. The applicant's portable drills sold in association with its mark WINKIE weigh 45 pounds, and their minimum price is in the vicinity of \$800. Their capacities vary with the size of the particular model, one being rated as being capable of drilling a 3 inch hole to a depth of 40 feet and another 1¼ inch hole to a depth of 200 feet. There is no evidence as to the size, capability or price of other diamond drills made or sold by the respondent or by any other manufacturer or dealer but the affidavits

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and exhibits thereto leave the impression that the word DINKY as used by the respondent is intended to distinguish the small portable prospector's drill having the characteristics I have mentioned from other models of drills. As defined in the Oxford English Dictionary—Supplement and Bibliography Edition, printed in 1933—the adjective “dinky” means neat, trim, dainty and tiny and when used as a substantive as applied to contrivances it connotes those of smaller size than the usual standard. As an adjective the use of the word in this country is not uncommon and when used in association with the respondent's small portable prospector's drill it appears to me to call attention to features which distinguish these drills from larger models having greater capacity and to be “clearly descriptive of the character of the wares in association with which it is used” within the meaning of s. 12(1)(b) of the Act. It was therefore not registrable in respect of such drills in the absence of evidence sufficient to satisfy the requirements of s. 12(1)(c) that it had been so used in Canada by the respondent or its predecessor in title as to have become distinctive within the meaning of the act at the date of filing of the application for its registration. Moreover, under s. 16(1) an applicant for registration who has used a registrable trade mark in Canada or made it known in Canada is entitled to secure its registration only in respect of the wares in association with which he has used it or made it known and since the respondent's application was based entirely on its use of the mark and the affidavit of Reginald J. Minogue, which was filed on behalf of the respondent, indicates that such use has been entirely in association with the small portable prospector's drill of which the mark is in my opinion clearly descriptive, the use so made of the mark would not entitle the respondent to registration of it in respect of other diamond drills of which it may not be descriptive. The respondent therefore in my opinion was not entitled to have the mark registered either in respect of diamond drills of the kind in respect of which it had in fact been used because it was clearly descriptive of their character nor was the respondent entitled to have it registered in respect of diamond drills as a general class because the mark had never been used or made known in Canada as a mark used by the respondent for the purpose of distinguishing its diamond drills

generally from those of others. It follows that the trade mark was not registrable, that the respondent was not entitled to the registration which it secured and that the registration ought to be expunged.

In view of his conclusion, it is unnecessary to deal with the second ground on which the present motion was made but several objections which were advanced on behalf of the respondent with respect to the right of the applicant to bring this motion remain to be considered.

The first of these was that though the Court has jurisdiction under s. 21(b) of the *Exchequer Court Act* to expunge a trade mark on any adequate ground in proceedings commenced by a statement of claim, the jurisdiction of the Court to strike out or amend the registration of a trade mark on an originating motion such as this, arises under s. 56(1) of the *Trade Marks Act* and may be exercised only on the ground therein mentioned, i.e., that at the date of the application to the Court "the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark", and that this provision for striking out or amending registrations cannot apply where as in this case the entry in the register contains no expression or definition of the rights of the respondent.

The registration in fact consists simply of the following:

"Application No. 267108	Registration No. 127724
Filing Date: Jan. 19, 1962	Registration Date: Aug. 24, 1962
Registrant:	PACKSACK DIAMOND DRILLS LIMITED 1385 Hammond Street North Bay, Ontario
Used in Canada since	October 1, 1961
Wares:	Diamond drills.
Trade Mark:	DINKY"

In my opinion this entry purports to say that the mark DINKY is a trade mark in respect of diamond drills and that it was registered in the name of the respondent on August 24, 1952, and having regard to the nature of the book or record in which the entry is made its purport in my opinion is that the respondent, being the person in whose name the mark is registered, is entitled to the exclusive rights provided by the statute to use the mark DINKY as

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its trade mark in association with diamond drills. Such an entry does not in my opinion accurately express or define the existing rights of the person appearing to be the registered owner of the mark when as in this case the person appearing to be the registered owner was not entitled to have the mark registered as his trade mark in respect of the wares referred to in the entry. While the grounds of attack on the registration as set out in the notice of motion do not repeat the wording of s. 52(1) they amount in my opinion to statements of particular reasons why the registration does not accurately express the existing rights of the respondent and are I think sufficient for the purposes of such a motion. The respondent's objection to the motion on this ground accordingly fails.

The remaining objections taken by the respondent were based on s. 56(2) of the *Trade Marks Act* which provides that "no person is entitled to institute under this section any proceeding calling into question any decision of the Registrar of which such person had express notice and from which he had a right of appeal." By s. 55(1) an appeal lies to this Court from any decision of the Registrar under the Act within two months from the date upon which notice of the decision was despatched by the Registrar or within such further time as the Court may allow. The respondent contended that there were two decisions of the Registrar of which the present applicant had express notice in connection with the respondent's application for registration of its mark and from which the applicant had the right to appeal and that contrary to s. 56(2) the applicant by this proceeding is calling these decisions into question. It appears that on or about June 6, 1962 the Registrar having considered the respondent's application for registration of DINKY came to the conclusion that it should be advertised in accordance with s. 36(1) and on July 16, 1962 he notified the present applicant pursuant to s. 36(3) that the application would be advertised in the Trade Marks Journal on July 18, 1962 and referred to the rules of procedure relating to oppositions. This the respondent now contends was a decision on the part of the Registrar from which the applicant had a right to appeal.

Section 36 of the Act provides as follows:

36. (1) The Registrar shall refuse an application for the registration of a trade mark if he is satisfied that

- (a) the application does not comply with the requirements of section 29;
- (b) the trade mark is not registrable; or
- (c) the applicant is not the person entitled to registration of the trade mark because it is confusing with another trade mark for the registration of which an application is pending,

and where the Registrar is not so satisfied, he shall cause the application to be advertised in the manner prescribed.

(2) The Registrar shall not refuse any application without first notifying the applicant of his objections thereto and his reasons for such objections, and giving the applicant adequate opportunity to answer such objections.

(3) Where the Registrar, by reason of a registered trade mark, is in doubt whether the trade mark claimed in the application is registrable, he shall, by registered letter, notify the owner of the registered trade mark of the advertisement of the application.

By s. 38(1) it is further provided that:

38. (1) When an application either has not been opposed and the time for the filing of a statement of opposition has expired or it has been opposed and the opposition has been decided finally in favour of the applicant, the Registrar thereupon shall allow it.

In my opinion the action taken by the Registrar in determining to advertise an application amounts at the most to an act somewhat in the nature of an order *nisi* since its effect, in view of s. 38(1), appears to be to put the matter in a position where the Registrar will no longer have authority to refuse the application if no opposition is filed within the time limited therefor by the statute. Any matters on which he had provisionally reached a conclusion, as well as some others, may, however, be put in issue by any opponent who may come forward in which case it becomes the Registrar's duty, after following the procedure provided by the Act, to reach a decision and to notify the opponents accordingly. When determining to advertise, however, the Registrar does not in my opinion decide anything adversely to the interest of anyone who may wish to oppose the registration. Such persons at that stage are not parties to the application and have no status in connection with the proceeding. No possible ground of opposition is concluded against them and in my opinion they have no right to appeal against a determination by the Registrar to advertise the application whether they have express notice of it

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under s. 36(2) or not. The respondent's objection on this point is therefore unfounded.

The other action of the Registrar's relied on by the respondent as a decision from which the applicant had a right of appeal was his allowance of registration of the respondent's mark. It was said that here there were really two decisions the first being a decision that the applicant's opposition would not be recognized because it was too late and was not accompanied by the required fee and the second being a decision to allow the registration.

To explain these points it is necessary to relate some further facts. The respondent's application having been advertised on July 18, 1962 the last day for filing an opposition was August 18, 1962. On August 17, applicant's agent in Toronto sent to the Registrar a notice of opposition which reached its destination the following day but was not accompanied by the fee of \$10 prescribed by the Trade Marks Rules. A cheque for \$10 had in fact been enclosed but that had been appropriated by the sender to the payment of the fees on filing two trade mark assignments which were also enclosed in the envelope. On September 5, 1962 the Registrar wrote to the applicant stating *inter alia* that the opposition had been received but was not accompanied by the prescribed fee and that the respondent's application had been allowed on August 21, 1962 and the mark registered on August 24, 1962 and that since the applicant had not met the requirements of s. 37(1) of the Act the actions so taken were in accordance with s. 38(1) of the Act. It would seem from the Registrar's letter that the statement of opposition had not in fact come to his attention prior to his allowing the registration for he refers to the document as having been received on August 21, 1962 and not noted amongst the assignment documents which accompanied it until August 31. The office stamp on the document however indicates that it was in fact received on the 18th.

Section 37(1) provides that:

37. (1) Within one month from the advertisement of an application, any person may, upon payment of the prescribed fee, file a statement of opposition with the Registrar.

Subsection (2) defines the grounds on which an application may be opposed and s-s. (3) prescribes the information to

be set out in a statement of opposition. The procedure subsequent to the filing of a statement of opposition is provided for as follows in s.ss. (4) to (8):

(4) If the Registrar considers that the opposition does not raise a substantial issue for decision, he shall reject it and shall give notice of his decision to the opponent.

(5) If the Registrar considers that the opposition raises a substantial issue for decision, he shall forward a copy of the statement of opposition to the applicant.

(6) Within the prescribed time after a statement of opposition has been forwarded to him, the applicant may file a counter statement with the Registrar and serve a copy upon the opponent in the manner prescribed, and if he does not file and serve a counter statement within the prescribed time he shall be deemed to have abandoned his application.

(7) Both the opponent and the applicant shall be given an opportunity, in the manner prescribed, to submit the evidence upon which they rely and to be heard by the Registrar if they so desire.

(8) After hearing the parties, if so required, and considering the evidence, the Registrar shall refuse the application or reject the opposition and notify the parties of his decision and his reasons therefor.

Having regard to these provisions it is clear that whether or not the applicant's statement of opposition to the respondent's application was validly filed, the application was not allowed following due consideration of and rejection of the opposition in accordance with the procedure prescribed by s. 37 but was in fact allowed pursuant to s. 38(1) on the basis of no opposition having been filed. I incline to the view that this was the correct way for the Registrar to deal with the matter for under s. 37(1) a statement of opposition may only be filed "on payment of the prescribed fee." But even if the statement was validly filed the registration which the respondent has obtained is plainly based on the provision of s. 38(1) applicable to a situation in which no opposition has been filed and I do not think the respondent who seeks to uphold the Registrar's action can be heard to support the registration as one allowed following the rejection of the opposition under s. 37(8). The applicant on the other hand is I think in a position, even if the statement of opposition was validly filed, to accept and abide by the Registrar's treatment of it as having been not validly filed. The position must accordingly in my opinion be treated as one in which the Registrar allowed an application which under s. 38(1) he no longer had authority to refuse because it was unopposed and the time for filing an opposition had expired.

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Now in the present proceeding the applicant in my opinion is not calling into question the action—or decision, if it can be so called—of the Registrar in treating its statement of opposition as having been invalidly, and thus ineffectively, filed for there is nothing in the bringing of the motion which is inconsistent with the Registrar's action having been properly taken and nowhere in the proceeding is that action attacked or challenged. And since the respondent's application was allowed on the basis that it was not opposed the proceeding by which registration was secured was in my opinion one to which the applicant never became a party and therefore never became entitled to notice of the action taken by the Registrar on it or to appeal therefrom. This I think disposes of the respondent's objection.

The motion will accordingly be allowed with costs and an order will go striking out the whole of the entry in question.

Order accordingly.