

BETWEEN:

THE COCA-COLA COMPANY OF  
CANADA, LIMITED,..... }

PLAINTIFF;

1945  
Feb. 12-16  
21-23

AND

BERNARD BEVERAGES  
LIMITED ..... }

DEFENDANT.

1948  
Dec. 31

*Trade Mark—"Coca-Cola"—"Cleco"—"Cleco Cola"—Infringement—Unfair competition—Passing off—The Unfair Competition Act, 1932, S. of C. 1932, c. 38, ss. 2(k), 3(c), 6, 11(b)—Use of mark as a trade mark and similarity of mark essential conditions of infringement—Definition of infringement—Test of first impression in determination of similarity of trade marks—Importance of evidence of actual confusion—Infringement of design mark by word mark—Statutory action for unfair competition substitute for former action for passing off—Reasonable apprehension of likelihood of confusion a question of fact for the Court.*

The plaintiff complained that the defendant had infringed its trade mark "Coca-Cola" by using the words "Cleco Cola" as a trade mark in association with one of its beverages and that the defendant had directed public attention to its wares in such a way that it might be reasonably apprehended that its course of conduct was likely to create confusion in Canada between its wares and those of the plaintiff.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 Thorson P.

- Held:* That the use of words or a mark cannot constitute infringement of a registered trade mark unless there has been a trade mark use of the said words or mark. Only use as a trade mark can infringe.
2. That if a person has used words or a mark in the way in which a trade mark is ordinarily used it is not a defence in an infringement action brought against him to say that he did not intend the use of the words or mark as a trade mark.
  3. That the words "Cleco Cola" were used by the defendant as a trade mark to distinguish the beverage to which they were applied as its product.
  4. That it is not permissible to break up trade marks into so-called distinctive and so-called common parts with a view to emphasizing the difference in the distinctive ones and thus demonstrating that the marks are not similar. A trade mark must be looked at in its totality, rather than with reference to its component parts. *The British Drug Houses Ltd. v. Battie Pharmaceuticals* (1944) Ex. C.R. 239, (1946) S.C.R. 56 followed.
  5. That the answer to the question whether trade marks are similar must nearly always depend on first impression. *Aristoc Ltd. v. Rysta Ltd.* (1945) A.C. 68 at 86 followed.
  6. That while evidence of actual confusion may not be necessary to the determination of the likelihood of confusion through the use of similar marks, and is not conclusive of such likelihood, it is clearly helpful to such determination.
  7. That where a design mark consists of words written in a particular form it can be infringed by the use of a word mark containing a word or words similar to the words in the design mark.
  8. That the cause of action under section 11 of The Unfair Competition Act, 1932, is the statutory substitute for the former cause of action for passing off. Everything that would amount to a passing off in England would fall within the prohibitions of the section. It may even be wider in scope.
  9. That it is for the Court to decide whether there is reasonable apprehension that the defendant's course of conduct was likely to create confusion in Canada between its wares and those of the plaintiff. The question is really a jury question.

ACTION for infringement of the plaintiff's trade mark "Coca-Cola" and unfair competition.

The action was tried before the Honourable Mr. Justice Thorson, President of the Court, at Ottawa.

*O. M. Biggar K.C., G. M. Huycke K.C. and C. Robinson* for plaintiff.

*Hon. W. D. Herridge K.C. and H. M. Lehrer K.C.* for defendant.

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

THE PRESIDENT now (December 31, 1948) delivered the following judgment:

1948  
COCA-COLA  
COMPANY  
v.  
BERNARD  
BEVERAGES  
LIMITED  
Thorson P.

The parties to this action are both corporations and each has its head office and principal place of business in Toronto. The plaintiff manufactures and sells a non-alcoholic beverage known as "Coca-Cola" and also a syrup for such beverage. The defendant manufactures and sells non-alcoholic beverages of various flavours one of which is called "Cleco Cola". The plaintiff alleges two causes of action against the defendant: one, that the defendant has infringed its trade mark "Coca-Cola" by using the words "Cleco Cola" as a trade mark in association with the beverage above referred to; and the other, that the defendant has directed public attention to its wares in such a way that it might be reasonably apprehended that its course of conduct was likely to create confusion in Canada between its wares and those of the plaintiff. Both complaints are of breaches of The Unfair Competition Act, 1932, Statutes of Canada, 1932, chap. 38, the infringement coming under section 3(c) and the unfair competition under section 11(b).

The plaintiff is the registered owner of two "Coca-Cola" trade marks. The first was registered, on the application of the Coca-Cola Company of Georgia, on November 11, 1905, under the Trade Mark and Design Act, R.S.C. 1886, chap. 63, in Trade Mark Register No. 43, Folio 10433, as a specific trade mark consisting of the compound word "Coca-Cola" according to a specified pattern, to be applied to the sale of beverages and syrup for the manufacture of such beverages. The Coca-Cola Company of Georgia assigned this trade mark to the Coca-Cola Company of Delaware by an assignment, dated January 10, 1922, and registered January 31, 1922, and the plaintiff became the registered owner of it under an assignment from the Coca-Cola Company of Delaware, dated February 5, 1930, and registered March 7, 1930. The second "Coca-Cola" trade mark was registered, on the application of the plaintiff, on September 29, 1932, under the Trade Mark and Design Act in Trade Mark Register No. 257, Folio 55268, as a specific trade mark consisting of the compound word "Coca-Cola" in any and every form or kind or representation, to be applied to the sale of beverages and syrups for the manufacture of such beverages.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 THORSON P.  
 ———

“Coca-Cola” has become a very popular soft drink. Prior to the incorporation of the plaintiff in 1923 its predecessors in title distributed the beverage widely in Canada as well as in the United States. The sales grew from an original 25 wine gallons of syrup in 1886, each enough for 115 glasses or bottles of beverage, to 18,000,000 gallons in 1920. After the plaintiff acquired the Canadian assets of its parent, the Coca-Cola Company of Delaware, as from January 1, 1924, the Canadian sales grew from 39,000,000 glasses or bottles in 1924 to a peak of 625,000,000 in 1941. About 10 per cent of the “Coca-Cola” sales are by the glass at soda fountains, where the operator merely adds carbonated water to syrup supplied by the plaintiff. The remaining sales are by the bottle, singly or by cartons or by the case. The bottled beverage is sold in many kinds of stores and shops, restaurants, snack bars, clubs, theatres, factories, public buildings and numerous other kinds of establishments throughout Canada. There are about 3,400 soda fountain operators and 62,000 other dealers, about 6,000 in Toronto alone, who handle the plaintiff’s product and its sales amount to about 40 per cent of all sales of soft drinks in Canada. The plaintiff advertises its product extensively in every part of Canada and much of the advertising done by the parent company in the United States flows into Canada. The “Coca-Cola” trade mark in script form is used in a variety of ways, such as being blown into the bottles in which the beverage is sold or printed on the crowns or caps of such bottles, or being printed or stamped on the cartons and wooden cases in which the bottles are carried, or painted on the plaintiff’s delivery trucks and countless signs across the country. The “Coca-Cola” trade mark is also used in block letters in newspaper and magazine advertising. The word “Coca-Cola” is also spoken in radio advertising. It may fairly be said that “Coca-Cola” has become a household term meaning the plaintiff’s beverage.

Some of the evidence has no bearing on the issue of infringement but I think that it is desirable to set out the plaintiff’s complaints against the defendant’s course of conduct without attempting, for the time being, to separate what is relevant to the issue of infringement from what is not, but before that is done a brief general statement of the defendant’s business and registered trade marks is in order.

1948

COCA-COLA  
COMPANY  
v.  
BERNARD  
BEVERAGES  
LIMITED

Thorson P.

The defendant commenced business in 1928 and for about 10 years confined itself to manufacturing or bottling a sweet ginger ale, known as "Vernor's Ginger Ale", but in 1938 it decided to go into the bottling of other soft drinks as well. On August 19, 1938, it applied for the registration of the word "Cleco" as a word mark in connection with the sale of non-alcoholic beverages, syrups, extracts, essences, tonics, and flavours used in production, and the said word mark "Cleco" was registered on September 3, 1938, as Trade Mark No. N.S. 9968, Register 36, for use in association with the said wares. The word "Cleco" was said to have been coined from the words "Clear Water Company" which had been thought of at one time as the name for the defendant. Then on August 2, 1939, the defendant applied for the registration of a design mark to be applied to the manufacture and sale of the same wares. This was registered on September 26, 1939, as Trade Mark No. N.S. 13027, Register 49. The design mark was described as follows: "Label, the central figure of which comprises an ellipse in which appears reading matter in large conspicuous letters, the ellipse being mounted on a shaded backing formed with curved top and bottom edges and bearing reading matter, the whole being mounted on a ground formed in a fanciful convergent shape and surrounded by a border." In the centre of the ellipse the word "Cleco" appears in large capital letters slanting to the right. In October, 1938, the defendant commenced bottling aerated beverages of various flavours, "orange" being the first and "kola" the next. By November, 1940, it had put out the following beverages, namely, Cleco Orange, Cleco Kola, Cleco Grapefruit, Cleco Lime Rickey, Cleco Verdun Dry, Cleco Dr. Pep, Cleco Root Beer and Cleco Grape, and it still bottles all of these except the last named one. All the beverages were sold in the same kind of bottle with the word "Cleco", in the slanting form of the label, blown on both sides of the shoulder and appearing also on the label. It was also printed on the crown of the bottle. On January 13, 1943, the defendant applied for the registration of the words "Cleco Cola" as a word mark in connection with the manufacture and sale of non-alcoholic beverages, syrups, extracts, essences, tonics and flavours used in production and the said word mark "Cleco Cola" was registered on

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 THORSON P.  
 ———

January 27, 1943, on Folio N.S. 17129 of Trade Mark Register No. 65, for use in association with the said wares. On March 10, 1943, the defendant also filed an application for the registration of "Cleco Cola" as a trade mark in the United States Patent Office but registration of it there was refused. After the commencement of this action, the registration of the word mark "Cleco Cola" was cancelled, at the defendant's request, on April 14, 1944, under section 48 of the Act.

The plaintiff's complaints may now be enumerated. Its major complaint is of the defendant's use of the words "Cleco Cola" in association with the beverage manufactured by the defendant and sold under that name. Special objection is taken to the use of the words "Cleco Cola" on the crown or cap of the bottle in which it is sold. There were several changes in the form of this crown. The first order for crowns was placed on September 24, 1938, and a crown in the form of Exhibit 4-A was supplied. The top of this crown was divided into two segments: on the upper and much the larger one the word "Cleco" appeared in large capital letters, in the slanting form of the label, with the word "wholesome" above it in small type and in a curved line conforming with the upper curve of the segment; on the lower segment the word "Kola" appeared in small capital letters with the words "a pure" on the left and "blend" on the right in still smaller letters in line with it and below it the word "refreshing" also in small type in a curved line conforming with the lower curve. This crown was used for over a year. On November 23, 1939, Mr. J. B. Wolfe, the defendant's general manager, instructed a number of changes in it and a new crown in the form of Exhibit 4-B was made. In this one the upper segment of the top was made much larger than the lower one. In the upper segment the word "wholesome" was eliminated and only the word "Cleco" appeared, but in smaller letters than previously; in the lower segment the words "a pure blend" and "refreshing" disappeared, the size of the letters in "Kola" was greatly increased and the words "bottled by Vernor's of Toronto" were put in a very small print just inside the lower curve of the segment. This crown was used until after May, 1942, when Mr. Wolfe gave instructions for a further change and thereafter a crown in the form of

Exhibit 4-C was used. In this one the word "Cola" replaced the word "Kola", but otherwise the crown was the same except for a slight difference of colour in the background of the lower segment and the letters of the upper one. The crown in the form of Exhibit 4-C is still in use.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 THORSON P.  
 ———

In addition to using the words "Cleco Cola" on the crowns of the bottles in which the beverage was sold the defendant also used them in the form "Drink Cleco Cola" painted prominently on the backs of its delivery trucks and on its display advertising signs.

There is also evidence that from early in February, 1943, until early in February, 1944, the defendant sponsored a half-hour weekly radio program on station CFRB in Toronto, in which it featured the qualities of "Cleco Cola" as a drink.

The plaintiff also complains that the defendant used the name "Cleco Kola Co. of Canada" as a trade mark. Proof was given that this name appeared in the City of Toronto Directories of the Bell Telephone Company both in the alphabetical and in the classified listings in the issues of April, 1942, December, 1942, July, 1943, and April, 1944, under the same address and telephone number as the defendant's, that the defendant had applied for these listings and that it had been billed for them. There was also the evidence of Mr. R. S. J. Davies in which he said that in one of the radio broadcasts the Cleco Cola Company of Canada was referred to as the manufacturer of "Cleco Cola".

I shall deal first with the plaintiff's claim that the defendant has infringed its trade mark "Coca-Cola" by the use of the words "Cleco Cola" in association with the beverage designated by that name. Infringement of a trade mark has been defined in Kerley on Trade Marks, 6th Edition, at page 445, as follows:

Infringement is the use by the defendant, for trading purposes upon or in connection with goods of the kind for which the plaintiff's right to exclusive use exists (*i.e.*, goods in respect of which his mark is registered) not being the goods of the plaintiff, of a mark identical with the plaintiff's mark, or comprising some of its essential features, or colourably resembling it, so as to be calculated to cause goods to be taken by ordinary purchasers for the goods of the plaintiff.

This definition was approved by Romer L.J. in *Bale & Church Ltd. v. Sutton, Parsons & Sutton* (1) and has been

(1) (1934) 51 R P C 129 at 141.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 THOMPSON P.

generally accepted as a correct statement of the test to be applied in considering whether one trade mark does or does not infringe another registered trade mark. In Canada the prohibition against the infringement of a trade mark is put by section 3 of the Unfair Competition Act, 1932, as follows:

3. No person shall knowingly adopt for use in Canada in connection with any wares any trade mark or any distinguishing guise which
- (a) is already in use in Canada by any other person and which is registered pursuant to the provisions of this Act as a trade mark or distinguishing guise for the same or similar wares;
  - (b) is already in use by any other person in any country of the Union other than Canada as a trade mark or distinguishing guise for the same or similar wares, and is known in Canada in association with such wares by reason either of the distribution of the wares in Canada or of their advertisement therein in any printed publication circulated in the ordinary course among potential dealers in and/or users of such wares in Canada; or
  - (c) is similar to any trade mark or distinguishing guise in use or in use and known as aforesaid.

I think it may fairly be said that there is no difference so far as the present case is concerned between Kerley's definition of infringement and that contained by implication in section 3 of the Act. We are concerned only with section 3(c). There is no doubt that the plaintiff's "Coca-Cola" and the defendant's "Cleco Cola" beverages are similar wares, so that we are concerned only with the question whether "Cleco Cola" is a trade mark which the defendant has knowingly adopted for use in connection with its beverage, and, if so, whether it is similar to the plaintiff's trade mark "Coca-Cola", within the meaning of section 2(k) of the Act.

On the first question, counsel for the defendant contended that the words "Cleco Cola" had never been used by the defendant as a trade mark; its trade mark was "Cleco", which it applied to all the beverages manufactured by it, and "Cola" was simply a word describing one of the flavours in the "Cleco" series. It was also urged that the words "Cleco" and "Cola" were not used together in one line or integrated to convey one meaning but were two different words distinctly separated from one another in two lines and were not used in that kind of juxtaposition or interrelationship which is a basic essential of a trade mark. It was also suggested that the use of a registered trade mark such as "Cleco" in juxtaposition or propinquity to a de-



scriptive word like "Cola" could not make the registered trade mark and the descriptive word a trade mark. Finally, it was submitted that the defendant had a right to decide what its trade mark should be and that it had never intended the use of "Cleco Cola" as a trade mark.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 THORSON P.

In my opinion, there are several reasons why the contentions of counsel on this point should not be accepted. It is plain that the use of words or a mark cannot constitute infringement of a registered trade mark unless there has been a trade mark use of the said words or mark. Only use as a trade mark can infringe. What constitutes "use" of a trade mark is set out in section 6 of the Act as follows:

6. For the purposes of this Act a trade mark shall be deemed to have been or to be used in association with wares if, by its being marked on the wares themselves or on the packages in which they are distributed, or by its being in any other manner so associated with the wares at the time of the transfer of the property therein, or of the possession thereof, in the ordinary course of trade and commerce, notice of the association is then given to the persons to whom the property or possession is transferred.

In my view, the use of the words "Cleco Cola" on the crowns of the bottles comes within the ambit of this section, so that it is not necessary to determine whether their use on the backs of the delivery trucks or on the display signs or in the radio broadcasts was use in association with the wares within the meaning of the section. As I see it, the words "Cleco Cola" served the purpose of a trade mark, namely, to distinguish the beverage in association with which they were used as the defendant's product. If that is so, how can it be said that this was not a trade mark use of the words? It cannot help the defendant to say that the word "Cola" was used in relation to the word "Cleco" in the same way as other words descriptive of other flavours. How the defendant distinguishes or identifies its other beverages can have no bearing on whether the words "Cleco Cola" were used as a trade mark. Nor does it matter that the two words appear on the crowns in two lines instead of one. The eye would see the two words together and that would be all that would be seen if the bottles were immersed in one of the coolers which the plaintiff supplies to the trade. Moreover, when the two words are spoken by a customer asking for a bottle of the beverage by the name of "Cleco Cola" there is no dividing line in the customer's mind. In that case, the words are integrated to convey

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 THORSON P.  
 ———

one idea. Nor can I see how the fact that "Cleco" is itself a registered trade mark and "Cola" is said to be merely descriptive of a flavour can prevent the two words when used together from being a trade mark. The plaintiff in an infringement action need not show that the alleged infringing trade mark has been registered. It need not be. All that need be shown is that it has been used as a trade mark and is confusingly similar to the plaintiff's registered trade mark. The fact that "Cola" is a descriptive word has nothing to do with the matter for words of that sort are frequently used as part of a trade mark; it is the trade mark as a whole, not its separate parts, that must be looked at. It would be possible to cite a great many cases in which words of which "Cola" was one have been held to be trade marks that infringed the plaintiff's "Coca-Cola" trade mark and their use restrained. But no useful purpose would be served by so doing, for each case must stand on its own feet. Nor can the question whether the words "Cleco Cola" were used as a trade mark be determined negatively by Mr. Wolfe's statement that they were never used by the defendant as its trade mark. The issue is whether the words were used as a trade mark, not whether any one said that they were or were not so used. Allegations of non use or use cannot affect the fact of use. It follows that the intent of the user has no bearing on the fact of use. Thus, if a person has used words or a mark in the way in which a trade mark is ordinarily used it is not a defence in an infringement action brought against him to say that he did not intend the use of the words or mark as a trade mark. In this connection, I should refer briefly to the defendant's application to register "Cleco Cola" as a word mark in Canada and its attempt to register the words as a trade mark in the United States. In its application for the Canadian registration the defendant stated that it had adopted and continuously used the word mark "Cleco Cola" since September 1, 1942, and that the said word mark was imprinted or otherwise applied to the wares or packages or containers within which the wares were marketed to indicate the wares were manufactured and/or sold by the defendant. This statement was by the defendant's attorney who had been empowered by the defendant to make the application. A similar statement was made in the defendant's application for registration of "Cleco Cola" in the United States, but in

this case it was signed by Mr. H. M. Samuel, the defendant's president, who also swore an affidavit that the statement was true, and that the specimens submitted with the application "show the Trade Mark as actually used upon the goods". Just as I have held that Mr. Wolfe's statement that the defendant has never used the words "Cleco Cola" as a trade mark cannot negative the fact of their use as a trade mark, if they were so used, so also the defendant's statements in its application to register "Cleco Cola" in Canada and the United States that the words have been used as a trade mark are not conclusive of the fact of such use, although it seems to me that they are corroborative of it. I need not determine whether these statements are binding upon the defendant as an admission and thus prevent it from being able to allege that the words were not used as a trade mark, for I need not rely upon any such admission. There is plenty of evidence of trade mark use without it. In my opinion, it is clear that the words "Cleco Cola" were used by the defendant as a trade mark to distinguish the beverage to which they were applied as its product. The beverage was identified and known by these words. Customers asked for a bottle of "Cleco Cola". The defendant's advertisements on the back of its delivery trucks and on its display signs exhorted the public to drink "Cleco Cola" and the radio broadcasts extolled the qualities of "Cleco Cola". Even if these last mentioned uses were not in themselves trade mark uses within the meaning of section 6 they serve to confirm the fact of their use as a trade mark. Under the circumstances, I have no hesitation in holding that the defendant did use the words "Cleco Cola" as a trade mark.

The next question to be considered is whether the said trade mark "Cleco Cola" is similar to the plaintiff's trade mark "Coca-Cola". Similarity in relation to trade marks is defined by section 2(k) of The Unfair Competition Act, 1932, as follows:

2. (k) "Similar" in relation to trade marks, . . . describes marks . . . so resembling each other or so clearly suggesting the idea conveyed by each other that the contemporaneous use of 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, . . .

In the present case the question is whether, if "Cleco Cola" and "Coca-Cola" were both used at the same time

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 THORSON P.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 Thorson P.

and in the same place, there would be likelihood of confusion in the minds of dealers in and/or users of the beverages as to whose products they were.

Counsel for the defendant argued that if "Cleco Cola" was a trade mark its use could not infringe "Coca-Cola". His contention was that since the word "Cola", a descriptive word, is common to both marks the Court should, in determining whether the two marks are "similar", shift the emphasis to the uncommon and distinctive parts of the two marks, namely "Cleco" in the one case and "Coca" in the other. While it is possible to find some judicial support for comparing trade marks in this way I think that the weight of judicial authority indicates that it is not permissible to break up trade marks into so-called distinctive and so-called common parts with a view to emphasizing the difference in the distinctive ones and thus demonstrating that the marks are not similar. In my view, a trade mark must be looked at in its totality, rather than with reference to its component parts. It is a unitary concept and the question whether two trade marks are similar must be approached from that point of view.

This Court has dealt with similarity of trade marks in a number of cases, including *The British Drug Houses, Ltd. v. Battle Pharmaceuticals* (1). While the issue in that case related to expungement of the respondent's word mark "Multivims" on the ground that it was confusingly similar to the petitioner's word mark "Multivito", the tests of similarity there applied are equally applicable in an action for infringement. In that case I held, at page 248, following *Sandow Ltd's Application* (2):

In determining whether the registration of a trade mark should be expunged on the ground of its similarity to a mark already registered for use in connection with similar wares it is not a correct approach to solution of the problem to lay the two marks side by side and make a careful comparison of them with a view to observing the differences between them. They should not be subjected to careful analysis; the Court should rather seek to put itself in the position of a person who has only a general and not a precise recollection of the earlier mark and then sees the later mark by itself; if such a person would be likely to think that the goods on which the later mark appears are put out by the same people as the goods sold under the mark of which he has only such a recollection, the Court may properly conclude that the marks are similar.

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

(2) (1914) 31 R.P.C. 196.

And, at page 251, following *Re Christiansen's Trade Mark* (1), I said

It is, I think, firmly established that, when trade marks consist of a combination of elements, it is not a proper approach to the determination of whether they are similar to break them up into their elements, concentrate attention upon the elements that are different and conclude that, because there are differences in such elements, the marks as a whole are different. Trade marks may be similar when looked at in their totality even if differences may appear in some of the elements when viewed separately. It is the combination of the elements that constitutes the trade mark and gives distinctiveness to it, and it is the effect of the trade mark as a whole, rather than of any particular element in it, that must be considered.

The judgment of this Court was approved by the Supreme Court of Canada (2). There Kerwin J., who delivered the judgment of the Court, followed the judgment of the House of Lords in *Aristoc Ld. v. Rysta Ld.* (3), which adopted a passage in the dissenting judgment of Luxmore L.J. in the Court of Appeal as a fair statement of how the Court should approach the question of similarity of trade marks. The passage appears in the speech of Viscount Maugham, at page 86:

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.

I think it may fairly be said that this is now the leading statement of the test to be applied in determining whether words in trade marks are similar. While the passage refers to trade marks consisting of single words I see no reason why it should not be equally applicable to trade marks consisting of more than one word, such as those in question in the present case.

Having regard to the tests to be applied, and quite apart from the evidence of actual confusion, I have come to the conclusion that the trade marks "Cleco Cola" and "Coca-Cola" are confusingly similar in sound.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 Thorson P.  
 ———

(1) (1886) 3 R.P.C. 54.

(3) (1945) A.C. 68.

(2) (1946) S.C.R. 50.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 Thorson P.  
 ———

I am strengthened in my opinion that the two trade marks are confusingly similar by the fact that there has been actual confusion through their contemporaneous use. While evidence of actual confusion may not be necessary to the determination of likelihood of confusion through the use of similar marks, it is clearly helpful to that end. It is not conclusive, but it seems to me that if there has been actual confusion it would be difficult to find that there is no likelihood of confusion. Evidence relating to the presence or absence of confusion was given both for the plaintiff and for the defendant. Three dealers in soft drinks gave evidence that, so far as their experience went, there had been no confusion and I have no hesitation in believing their evidence. On the other hand, several witnesses for the plaintiff gave evidence on the subject. Mr. C. Duncan said that he had to listen attentively to "Cleco Cola" and "Coca-Cola" or he would be likely to become confused. Specific evidence of actual confusion was given by Mr. J. H. Ledger. He said that he and Mr. D. S. Macdonald, who was in service overseas at the time of the trial, had on May 19 and May 20, 1943, called on 80 retail dealers in the Toronto area. At each place of call either he or Mr. Macdonald asked for a bottle of "Cleco Cola". On the first request a bottle of "Cleco Cola" was served in 10 cases, a bottle of "Coca-Cola" in 14 cases, and in 24 other cases the dealer said that he was out of "Cleco Cola". In the other 32 cases the order was repeated after a discussion; in 8 of these a bottle of "Cleco Cola" was served, in 4 a bottle of "Coca-Cola", and there was no sale in the remaining 20. Mr. R. S. J. Davies, the head of the plaintiff's legal department, also gave evidence that he had been served with "Coca-Cola" when he had asked for "Cleco Cola" on 14 or 15 occasions out of 40 to 50 calls. While the Court should scrutinize "trap" orders with great care, I must say that I was very favourably impressed with the manner in which these witnesses gave their evidence and I believe their statements. I cannot accept the suggestion of counsel for the defendant that this was not evidence of confusion but of substitution. It is more likely, as counsel for the plaintiff suggested, that the dealers were confused as to what was being asked for, but I need not decide this. Nor does it matter whether one party stood

to gain or lose by the confusion. The question is whether there was confusion. In my opinion that fact is well established.

On the question of infringement, counsel for the defendant contended that the plaintiff could not successfully bring an action for infringement of its trade mark "Coca-Cola" where the trade mark complained of was a word mark and the alleged infringement was by similarity of sound. His argument, as I understood it, ran as follows: the plaintiff had never used the words "Coca-Cola" in association with its wares except in script form so that its trade mark, since The Unfair Competition Act, 1932, was exclusively a design mark, within the meaning of section 3(c) of the Act; that the non use of the words in association with its wares, apart from their use in script form, constituted an abandonment of their status as a word mark since they were not used as a trade mark, within the meaning of section 2(m); that the plaintiff had never used the "Coca-Cola" trade mark registered in 1932 in association with its wares so that it could not rely upon it as a word mark since it had never been used as a trade mark; that this left the plaintiff with only a design mark and no word mark; that since a design mark, under section 2(c), depends for its distinctiveness "upon its form and colour, or upon the form, arrangement or colour of its several parts" it could not be infringed by a word mark since it depends for its distinctiveness "upon the idea or sound suggested by the words"; that a design could be seen but not heard; and that, therefore, there could be infringement of a design mark by a design mark, since the similarity between the two designs could be seen, but not by a word mark, since no similarity could be heard so far as the design was concerned. From this line of reasoning the conclusion was drawn that since the plaintiff had no word mark it could not succeed in an action for infringement by a word mark where the alleged similarity was similarity of sound. The argument is a novel and interesting one. It is met, although perhaps not wholly, by the decision in *Saville Perfumery Ltd. v. June Perfect Ltd. et al* (1) in which a trade mark in a design form was held to be infringed by the use of a word in it in conjunction with other words. Moreover, I am not able to see how the

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 THORSON P.

1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 THORSON P.  
 ———

plaintiff's right to protection against infringement, which prior to the 1932 Act would have extended to infringement by the use of words, can have been restricted under the Act or by the fact that there has been no change in the manner of the plaintiff's use of its trade mark and that it has continued to use the words "Coca-Cola" in their script form. Nor do I think it must be conceded that the plaintiff's "Coca-Cola" trade mark is exclusively a design mark and has no status as a word mark. But even if it is exclusively a design mark I do not see how the argument can be applied in the case of such a design mark as "Coca-Cola" where the design consists of words written in a particular form and it would not be possible to see the distinctiveness of the design without seeing the words.

Under all the circumstances, I have come to the conclusion that the plaintiff has made out a case of infringement of its trade mark by the defendant.

Even if there were doubt as to whether the defendant was guilty of infringement of the plaintiff's trade mark, it would not be free from responsibility if its conduct brought it within the prohibitions of section 11 of the Act. This brings me to the second part of the plaintiff's case, namely, its claim for unfair competition under that section, which reads as follows:

11. No person shall, in the course of his business,
  - (a) make any false statement tending to discredit the wares of a competitor;
  - (b) direct public attention to his wares in such a way that, at the time he commenced so to direct attention to them, it might be reasonably apprehended that his course of conduct was likely to create confusion in Canada between his wares and those of a competitor;
  - (c) adopt any other business practice contrary to honest industrial and commercial usage.

We are concerned only with section 11(b). The cause of action under section 11 is wider than for infringement in that infringement is only one of the forms of unfair competition against which the section is directed. There may be other breaches of it that do not involve infringement of trade mark at all. Consequently, even if the plaintiff were to fail on the infringement issue it might



succeed in its claim under section 11. Conversely, the fact that the defendant was guilty of infringement does not *ipso facto* make it liable under section 11, for it might be able to show that its conduct, notwithstanding the infringement, had been such as not to fall within the prohibition of the section. The cause of action under section 11 is the statutory substitute for the former cause of action for passing off. Everything that would amount to a passing off in England would fall within the prohibitions of the section. It may even be wider in scope. Intent is not a necessary ingredient of the cause of action, nor can absence of intent beget freedom from responsibility. In the present case counsel for the defendant argued that it was not permissible to make a mosaic of the various acts of which the plaintiff complained. I need not discuss that question if there is any act on the part of the defendant that amounts to a breach of the section. The question is whether the acts which the defendant is proved to have done were acts from which there might be reasonable apprehension of the likelihood of confusion. It is for the Court to decide whether there is such reasonable apprehension. The question is really a jury question. After consideration of the evidence and the arguments of counsel I think that there is ample evidence to warrant the conclusion that there is reasonable apprehension that the defendant's course of conduct was likely to create confusion in Canada between its wares and those of the plaintiff. I, therefore, find that the plaintiff has established its claim of unfair competition by the defendant.

There will, therefore, be judgment in favour of the plaintiff for the injunctions and other relief sought by it and costs, except that the damages will be such as the Registrar of this Court may award on a reference to him, if the plaintiff elects such reference.

*Judgment accordingly.*

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1948  
 COCA-COLA  
 COMPANY  
 v.  
 BERNARD  
 BEVERAGES  
 LIMITED  
 ———  
 THORSON P.  
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