BETWEEN:

LESLIE WILLIAM WARREN..... PETITIONER;

AND

EXCEL PETROLEUM LIMITED..... RESPONDENT.

1932
Nov. 23.
1933
Apr. 11.

Trade-mark—Expunging—Calculated to deceive—Prior adoption—Registration without sufficient cause—Person aggrieved.

Petitioner has carried on business since May, 1917, as a manufacturer of, and dealer in, lubricating and other oils, greases and similar goods, including on a small scale, gasoline, under the firm name of "Atlas Oil Company." Respondent company in January, 1932, was granted a specific trade-mark consisting of the word "Atlas" to serve in connection with the sale of gasoline. The Court found not only that there was a likelihood of confusion but that there had been actual confusion in the minds of the public to the prejudice and detriment of the petitioner.

Held, that a trade-mark may be acquired by user and that the prior user of an unregistered trade-mark, the use of which by another is calculated to deceive, is entitled to protection, whether such use by another be made fraudulently and with deliberate intent to deceive or not.

2. That the registration of the trade-mark "Atlas" in the name of respondent was made, in the terms of sec. 45 of the Trade Mark and Design Act (R.S.C., 1927, c. 201), without sufficient cause.

3. That a specific trade-mark applies to all goods of the same class or description.

PETITION of petitioner to have respondent's trade mark expunged from the Register of Trade Marks.

The petition was heard before the Honourable Mr. Justice Angers, at Montreal.

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John Kerry, K.C., and *A. R. McMaster, K.C.*, for petitioner.

Antonio Perrault, K.C., for respondent.

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

ANGERS J., now (April 11, 1933), delivered the following judgment:

This is a petition asking that the specific trade mark *Atlas* registered in the name of the respondent on the 2nd day of February, 1932, in connection with the sale of gasoline, be expunged.

The petition alleges that, prior to May 21, 1917, the petitioner was carrying on business as manufacturer of and dealer in lubricating and other oils, greases and similar goods at the City of Montreal in co-partnership with one Robert Brennan under the firm name of Atlas Oil Company.

The petition further states that on or about February 1, 1921, said Brennan retired from the partnership and the business was continued and is still carried on by the petitioner alone.

The petition goes on to say that Atlas Oil Company, since it commenced business, has used as its trade mark the word *Atlas* on its containers and in its signs and advertisements so that the products manufactured by petitioner, namely, lubricating and other oils, greases and petroleum products in general, have become widely and favourably known under the name *Atlas*.

The petition moreover alleges that the respondent company, incorporated by letters patent of the Province of Quebec bearing date the 15th of April, 1931, on or about January 9, 1932, applied for and obtained a specific trade mark to serve in connection with the sale of gasoline, consisting of the word *Atlas;* that the petitioner, aggrieved by the registration of this mark, protested against it as soon as it came to his attention; that the declaration in respect to the respondent having first used the word *Atlas* in connection with the sale of gasoline was inaccurate and that the trade mark should not have been registered in the name of respondent; that gasoline is a petroleum product and petitioner has dealt in petroleum products for the past fifteen years under the name of *Atlas* and has made sales

of gasoline under that name; that the oils, greases and similar products dealt in by petitioner are sold by the same distributors as distribute gasoline and that confusion is likely to arise and does arise in the public mind concerning the origin of the products handled by the respondent and those handled by the petitioner, especially due to the fact that the respondent uses the trade-mark *Atlas* on signs bearing its name, the respondent handling not only gasoline under the name *Atlas* but also oils, greases and lubricants and that the said trade mark is calculated to deceive or mislead the public.

The petition is dated the 11th of July, 1932, and it was filed the following day.

In its statement of defence the respondent denies the material allegations of the petition and pleads especially that the trade mark obtained by the respondent is only in connection with the sale of gasoline, that the respondent, in conformity with said trade mark, is using the word *Atlas* solely in connection with the sale of gasoline, that the petitioner does not sell gasoline and that the use of the word *Atlas* by the respondent cannot mislead the public.

The issues were joined by a replication denying the affirmative allegations of the respondent's statement of defence.

On the 22nd of May, 1917, a declaration was deposited with the prothonotary of the Superior Court for the district of Montreal, in compliance with article 1834 of the Civil Code of the Province of Quebec, stating that the petitioner and one Robert Brennan, both of Montreal, have carried on and intend to carry on the business of manufacturers of and dealers in lubricating and other oils, greases and similar substances at the City of Montreal in co-partnership under the firm name and style of The Atlas Oil Company; a duly certified copy of this declaration has been filed as exhibit 1.

On the 2nd of February, 1921, another declaration was deposited with said prothonotary stating that the petitioner has carried on and intends to carry on the business of manufacturer at the city of Montreal under the firm name and style of Atlas Oil Company.

It appears that Brennan had withdrawn from the partnership and that the petitioner was continuing alone to

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carry on the business under the name of Atlas Oil Company.

Warren was called as witness in his own behalf. He declares that he is the Leslie William Warren mentioned in exhibits 1 and 2, that since 1917 he has always carried on business under the name of Atlas Oil Company, that the name and address of the firm appeared in the telephone index and the city directory, as doing business and having a warehouse at 171 (now number 437) McGill street and that for the past ten years he has had an office in the Beardmore building, 417 St. Peter street; the firm name appears on the building directory and on the office door.

Warren says that he has always had a sign on the warehouse on McGill street with the name Atlas Oil Co. on it: see the photograph filed as exhibit 23.

Previous to 1920 Warren, then associated with Brennan, carried on business under the name of Atlas Oil Company on de Chateaubriand avenue, in Montreal.

Warren says that he sold gasoline in a small way since 1917. He brought his books to Court at the request of counsel for the respondent, books dating back to 1922, and he had them during the trial at the disposal of counsel for respondent.

He filed six copies of invoices, covering sales of gasoline, as exhibits 4 to 9 inclusively; they are as follows:

Exhibit 4—Invoice dated September 14, 1921, for one drum Atlas gasoline (44·3 gallons).

" 5—Invoice dated February 18, 1922, for one drum Atlas gasoline (44 gallons) and 5 gallons Bulk Veedol Medium motor oil.

" 6—Invoice dated February 20, 1928, for 50 gallons Bulk Atlas gasoline and ½ barrel black paint.

" 7—Invoice dated March 30, 1928, for 2 barrels Atlas gasoline (82 gallons).

" 8—Invoice dated April 9, 1929, for one barrel Atlas gasoline (44 gallons) and 1 drum black paint.

" 9—Invoice dated May 13, 1932, for 5 gallons Bulk Atlas gasoline.

Warren says he sold his gasoline under the name *Atlas* (dep. p. 9).

Asked if the containers were marked in any way in order to identify them, Warren answered as follows (p. 9, question 37):

A. Yes, stencilled on the drums and 5 gallon cans "Atlas Gasoline" under "Atlas Oil Company, Montreal"; sometimes we sold the product in milk cans tagged with our own tag and marked "Atlas Gasoline."

The witness exhibited a drum bearing the words *Atlas Gasoline* and underneath *Atlas Oil Company, Montreal* stencilled. He said this was the kind of container he used whenever he sold gasoline in five gallon lots. Petitioner also sold gasoline in 45 gallon drums (dep. p. 9): . . .

Instead of filing the five gallon drum, which was rather cumbersome, the witness produced seven stencil impressions as exhibits 10 to 16 inclusive; they all have the name of the company with the word *Montreal;* each of them indicates a different product, motor oil, water oil, dressing grease and so on; exhibit 10, with which we are particularly concerned, bears the indication *Atlas gasoline,* above the name and address of the company.

The petitioner has used a special container since 1923 for the sale of Lion oil, Atlas brand. He had a plate and stone made to order to have the can lithographed with the word *Atlas* and the other literature thereon. He says he paid $150 for this plate and stone.

In cross-examination Warren admitted that since 1917 he had dealt mostly in lubricating oils for industrial plants. At the time of the trial he was dealing chiefly in lubricating oils for industrial plants and the automobile trade. A large proportion of his business is with industrial companies. He has however sold oil and gasoline to individual automobile dealers ever since he started in business (dep. p. 14). He has not sold extensively to the garage trade (dep. p. 15).

Victor L. Good, an employee of Canadian Industries Limited, says that he has known the petitioner for at least ten years. The firm with which the witness was formerly connected, i.e., the Grisella Chemical, and which was taken over by Canadian Industries Limited, had done business with petitioner under the name of *Atlas Oil Company* for a number of years (dep. Good p. 22).

William G. Henderson, purchasing agent for the Steel Company of Canada, has been acquainted with petitioner since 1919. He bought lubricating oils, motor oils, greases, etc., from petitioner, who was carrying on business under the name Atlas Oil Company (dep. Henderson, p. 23).

Three witnesses were heard on behalf of respondent, namely Riendeau, Lafontaine and Bachand, for the purpose of establishing that Atlas Oil Company was not known to the trade, particularly as a dealer in gasoline.

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Riendeau, who owns a garage and service station, stated that he has been selling gasoline in Montreal since 1916. Up to three years ago he had been manager for divers companies. During the last three years he has had a business of his own. He said that he had never heard of Atlas Oil Company, had never met petitioner as a competitor and had never been offered any of his products. In cross-examination Riendeau admitted that for the last 15 or 18 months he has been buying respondent's products.

Lafontaine has been a distributor for British-American Oil Company for approximately 13 years, selling oils and gasoline. He saw the name of Atlas Oil Company on its warehouse on McGill street. He has not, during these thirteen years, known the petitioner as a dealer in gasoline and he has never been aware of any sales of gasoline by Atlas Oil Company.

Bachand, who travels for the respondent, swore that he had never heard of Atlas Oil Company before his employer received a letter from petitioner's solicitors; this would be sometime in May, 1932.

The evidence of these three witnesses does not prove much. Bachand and British-American Oil Company, represented by Lafontaine, sell chiefly, if not exclusively, to garages and gasoline stations and Warren declared that he did not cater to that trade; most of his dealings were with industrial plants, the automobile trade and private automobile owners (dep. Warren, pp. 14 and 15, q. 73 to 80). As far as Riendeau is concerned, he sells to private automobile owners and is only concerned with the products he handles; and for approximately a year and a half he has been buying respondent's products exclusively. But even if petitioner had dealt with the garage and gasoline station owners, I do not think that the testimonies of these three witnesses, selected, quite legitimately I may say, because of their ignorance of the existence of Atlas Oil Company or at least of its dealings in gasoline, can offset the evidence adduced by petitioner. It has been proven beyond doubt that Atlas Oil Company has been in existence since 1917 or 1918, that it has chiefly sold oils, but that it has also dealt on a small scale in gasoline since its inception to the date of the trial.

Now even if petitioner had used his trade-mark *Atlas* solely in connection with motor oils, I am inclined to be-

lieve that he would still be entitled to use it in connection with gasoline, to the exclusion of others, in as much as gasoline and motor oils are goods of a same class or description; both are distillates of crude oil: see deposition Warren, p. 6, question 15.

The respondent company was incorporated by letters patent of the province of Quebec dated the 27th of May, 1931, a copy whereof was filed as exhibit 21. On the 2nd of February, 1932, the respondent obtained a specific trade-mark consisting of the word *Atlas* to be used in connection with the sale of gasoline, upon the allegation that the said trade-mark was not in use by any other person; this appears on reference to a certified copy of the said trade-mark and of the application relating thereto filed as exhibit 3.

Asked as to when he first noticed that the respondent was putting gasoline on the market under the name *Atlas,* Warren says it was sometime in May, 1932; at page 12 of his deposition we find the following questions and answers:

. . . .

As I have already said, the petitioner filed his petition on the 12th of July, 1932. On his instructions his solicitors had written to the respondent sometime in May. Surely the petitioner cannot be blamed of having been remiss.

It seems obvious to me that the respondent appropriated a name or mark which the petitioner had adopted as far back as 1917 and had constantly used in connection with the sale of motor oils and also, though to a lesser extent, with the sale of gasoline, a cognate product. The petitioner does not suggest that the respondent acted in bad faith; in fact the evidence does not disclose any fraudulent intent. It may well be that the respondent, when it adopted the name *Atlas* for its gasoline, was totally ignorant of the activities of petitioner in the gasoline trade. This however is immaterial. When respondent became aware of the fact that Atlas Oil Company was and had for over fourteen years been using the trade mark *Atlas* for its oils and its gasoline it should have, in my opinion, given up the name *Atlas* and adopted another mark.

Even though the respondent has put the name *Excel Petroleum* below the words *Atlas gasoline* on its tank waggons and around the word *Atlas* on the globes of its gasoline pumps and on its signs there has been confusion

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and deception, as the evidence discloses. On this point I may refer to the depositions of Warren, Good, Henderson and Cotnam. . . . .

Good, of the Canadian Industries Limited, when in the spring of 1932 he noticed a gasoline on the market known as *Atlas* gasoline, thought it was a product of Atlas Oil Company (dep. p. 22). . . . .

The same notion occurred to Henderson, purchasing agent for Steel Company of Canada, when he happened to notice that there was on the market a gasoline called *Atlas* (dep. p. 23). . . . .

John Cotnam, an employee of petitioner, stated that he answered several telephone calls, particularly one from a Mr. Mayotte, with whom he had never dealt, said Mayotte complaining about the quality of Pennsylvania Motor Oil which apparently he thought he had bought from Atlas Oil Company (dep. p. 24).

This evidence is sufficient to satisfy me that there was confusion to the prejudice and detriment of the petitioner. If that proof had not been made I would without hesitating have reached the conclusion that the use of the trade mark *Atlas* by the respondent in connection with the sale of gasoline was calculated to deceive and bound to induce the public to believe that it was getting the petitioner's product when buying the respondent's *Atlas* gasoline.

It is well settled law that a trade mark may be acquired by user; and such a trade mark is entitled to protection by the courts. If the use by a newcomer upon his goods of an unregistered trade mark belonging to a prior user is calculated to deceive, such use may be restrained and if the mark has been registered by the newcomer, the registration may be expunged and this whether such use be made fraudulently and with a deliberate intent to deceive or not: see *Millington* v. *Fox* (1); *Singer Machine Manufacturers* v. *Wilson* (2); *Reddaway* v. *Bentham Hemp-Spinning Co.* (3); *Johnston* v. *Orr-Ewing* (4); *Saxlehner* v. *Apollinaris Co.* (5).

Under section 11 of the Trade Mark and Design Act (R.S.C., 1927, ch. 201) the Minister may refuse to register any trade mark:

(1) (1838) 3 My. & Cr., 338.
(2) (1877) L.R. 3 App. Cas., 376.
(3) (1892) 2 Q.B.D. 639.
(4) (1882) 7 App. Cas., 219.
(5) (1897) 1 Ch., 893.

11. The Minister may refuse to register any trade-mark or union label.

(*a*) if he is not satisfied that the applicant is undoubtedly entitled to the exclusive use of such trade-mark or union label;

(*b*) if the trade-mark or union label proposed for registration is identical with or resembles a trade-mark or union label already registered;

(*c*) if it appears that the trade-mark or union label is calculated to deceive or mislead the public.

I am convinced that if all the facts had been put before the registrar, particularly the fact that the petitioner, Atlas Oil Company, had used the name or mark *Atlas* in connection with the sale of lubricating and other oils and also of gasoline, though to a smaller extent, he would have refused to register the respondent's trade mark *Atlas*.

Section 45 of the Act says:

45. The Exchequer Court of Canada may, on the information of the Attorney-General, or at the suit of any person aggrieved by any omission without sufficient cause, to make any entry in the register of trade-marks or in the register of industrial designs, or by any entry made without sufficient cause in any such register, make such order for making, expunging or varying any entry in any such register as the Court thinks fit; or the Court may refuse the application.

I am of opinion in the circumstances disclosed that the trade mark *Atlas* registered in the name of the respondent on the 2nd of February, 1932, in register no. 250, folio 53825, ought to be expunged from the register as having been made, in the terms of the statute, without sufficient cause.

There is no doubt in my mind that the use by the respondent of the word *Atlas*, even with the words "Excel Petroleum" around it, is apt to create confusion in the public; in fact the proof shows that there has been confusion on a few occasions. If there was a doubt as to whether or not the use of the mark by the respondent would cause confusion, it should not be allowed: *Eno* v. *Dunn* (1); *E. Z. Waist Co.* v. *Reliance Mfg. Co.* (2); *McDowell* v. *Standard Oil Co.* (3). *In re John Dewhurst & Son's Tm.* (4); *Melchers* v. *DeKuyper* (5).

The respondent produced as exhibit A a photograph of a sign bearing the words *Atlas Manufacturing Company Limited* and underneath *Paints and Varnishes*. The respondent also filed as exhibit B a letter from *Atlas Manufacturing Company Limited* to respondent, dated Novem-

(1) (1890) 15 App. Cas., 252.
(2) (1923) 286 Fed. Rep., 461.
(3) (1927) L.R. App. Cas., 632.
(4) (1896) L.R. 2 Ch. 137.
(5) (1898) 6 Ex. C.R., 82.

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ber 21, 1932. The apparent purpose of these two exhibits was to show that the name *Atlas* was used by different firms. This, in my opinion, is immaterial; as counsel for petitioner said, his client does not pretend to claim the exclusive use of the word *Atlas* in connection with any kind of trade or business; his contention is merely that he is entitled to the exclusive use of it in respect to the sale of motor oils and gasoline.

It has been urged on behalf of respondent that the Court must go back to the time of the registration of the trade-mark to determine whether the entry was made without cause: I quite agree with the learned counsel for respondent on this point and that is what I have done.

A specific trade-mark applies to all goods of the same class or description; this principle has been laid down expressly or implicitly in, among others, the following cases: *Pugsley, Dingman & Co.* v. *Proctor & Gamble Co.* (1); *Continental Oil Co.* v. *Consumers Oil Co.* (2); *Collins Co.* v. *Oliver Ames & Sons* (3); *Omega Oil Co. v. Weschler* (4); *Warwick Tyre Co.* v. *New Motor & General Rubber Co.* (5).

Under section 45 of the Act a person seeking to expunge an entry in the register of trade-marks must be aggrieved thereby; it seems to me that there cannot be the shade of a doubt that the petitioner is a person aggrieved, within the meaning of said section, assuming of course that the entry was made without sufficient cause: see Kerly on Trade Marks, pp. 324 and 325; *In the matter of Powell's Tm.* (6); *W. J. Crothers Co.* v. *Williamson Candy Co.* (7); *In the matter of the Trade-Mark Zonophone* (8); *In re Apollinaris Co.'s Tm.* (9); *Jones* v. *Horton* (10). *In re Talbot's Tm.* (11).

The president of the respondent company, Paradis, says that he was unaware of the existence of Atlas Oil Company previous to January, 1932, when he made his application for the trade-mark *Atlas* in connection with the sale of gasoline. As I have said, I believe he was and that he acted in good faith. But what I cannot understand is why he

(1) (1929) S.C.R., 442.
(2) (1932) Ex. C.R., 136.
(3) (1882) 18 Fed. Rep., 561.
(4) (1901) 35 Misc. (N.Y.), 441.
(5) (1910) L.R. 1 Ch., 248.
(6) (1893) 2 Ch., 388.
(7) (1925) S.C.R., 377.
(8) (1903) 20 R.P.C., 450.
(9) (1891) 2 Ch. 186, at 229.
(10) (1922) 21 Ex. C.R., 330.
(11) (1894) 11 R.P.C., 77.

should have persisted in keeping this mark when he was notified in May, 1932, by petitioner's solicitors that this mark had been adopted and used by the petitioner for approximately fifteen years. He says that out of 30 or 40 names submitted to the Commissioner in Ottawa there were five or six which the latter was willing to accept. Why did not respondent drop the word *Atlas* and adopt one of these five or six names when it became known to it that Atlas Oil Company was using and had been using this name for a period of approximately fifteen years. This is a thing which is beyond my comprehension.

Counsel for respondent suggested that, if the Court arrived at the conclusion that the petition ought not to be dismissed, an order might be given to rectify the entry so that the mark would read *Atlas Gasoline Excel Petroleum.* I cannot accept this suggestion; the word *Atlas* has been used by the respondent in conjunction with the words *Excel Petroleum* on its tank waggons and on the globes of its gasoline pumps and, as the proof shows, it has caused confusion.

There will be judgment ordering that the entry in the Registry of Trade Marks, register No. 250, folio 53825, of the specific trade mark of the respondent consisting of the word *Atlas* be expunged.

The petitioner will be entitled to his costs of the proceeding against the respondent.

Judgment Accordingly.