

6, 1942

In the Privy Council.

No. 14 of 1941.

ON APPEAL FROM THE SUPREME COURT
OF CANADA

BETWEEN

THE COCA-COLA COMPANY OF CANADA
LIMITED (Plaintiff) Appellant

AND

PEPSI - COLA COMPANY OF CANADA
LIMITED (Defendant) Respondent.

AND ON CROSS-APPEAL

BETWEEN

PEPSI - COLA COMPANY OF CANADA
LIMITED (Defendant) Appellant

AND

THE COCA-COLA COMPANY OF CANADA
LIMITED (Plaintiff) Respondent.
(Consolidated Appeals.)

RECORD OF PROCEEDINGS.

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19	Supplementary Factum of Plaintiff.
20	Plaintiff's Reply to Defendant's Supplementary Factum.

In the Privy Council.

No. 14 of 1941.

ON APPEAL FROM THE SUPREME COURT
OF CANADA

BETWEEN

THE COCA-COLA COMPANY OF CANADA
LIMITED (Plaintiff) Appellant

AND

PEPSI - COLA COMPANY OF CANADA
LIMITED (Defendant) Respondent.

AND ON CROSS-APPEAL

BETWEEN

PEPSI - COLA COMPANY OF CANADA
LIMITED (Defendant) Appellant

AND

THE COCA-COLA COMPANY OF CANADA
LIMITED (Plaintiff) Respondent.

(Consolidated Appeals.)

RECORD OF PROCEEDINGS.

PART I.

No. 1.

Statement of Claim.

IN THE EXCHEQUER COURT OF CANADA.

Between

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

and

PEPSI-COLA COMPANY OF CANADA, LIMITED... .. Defendant.

Filed the 30th day of March, 1936.

In the
Exchequer
Court of
Canada.

No. 1.
Statement
of Claim,
30th March,
1936.

- 10 1. The Plaintiff is a Company incorporated under the laws of the Dominion of Canada and having its principal office at the City of Toronto in the Province of Ontario, and the Defendant is a Company incorporated

In the
Exchequer
Court of
Canada.

No. 1.
Statement
of Claim,
30th March,
1936—
continued.

under the laws of the Dominion having its principal place of business at the City of Montreal in the Province of Quebec.

2. The Plaintiff is the duly recorded owner of the registered trade mark "COCA-COLA" for non-alcoholic, soft drink beverages and syrup for the preparation thereof, the said trade mark having been registered in the Canadian Patent Office on the 11th day of November 1905, Registration No. 43/10433, and renewed on the 15th day of April 1930; and again registered on the 29th day of September 1932, Registration No. 257/55268. Said registrations are now in full force and effect, unrevoked and uncancelled.

3. The Plaintiff and its predecessors in title have for at least fifty years 10 manufactured according to a secret formula a non-alcoholic beverage or soft drink having a characteristic appearance and taste and have continuously distributed the same under the said trade mark "COCA-COLA."

4. The Plaintiff has expended very large sums of money in advertising the said beverage under the said trade mark "COCA-COLA"; the beverage has long been very widely sold and is now on sale by over 40,000 distributors in Canada; it is consumed daily by an average of over three-quarters of a million purchasers.

5. The said beverage has always been sold in containers on which the said trade mark "COCA-COLA" appears and the said trade mark 20 has always distinguished the said beverage as the product of the Plaintiff Company, and its predecessors in title.

6. The incorporation of the Plaintiff as aforesaid was effected by letters patent of the Dominion of Canada dated the 29th day of September 1923, and immediately upon such incorporation the Plaintiff was duly organized and forthwith commenced and has since continued the manufacture and sale of soft drink beverages and syrups used in the preparation thereof, having contemporaneously with its organization acquired all of the business and goodwill in and throughout the Dominion of Canada associated with the soft drink beverage in connection with which the said trade mark 30 "COCA-COLA" had theretofore been used by the Plaintiff's predecessors in title including the trade mark "COCA-COLA."

7. The Defendant was incorporated by letters patent of the Dominion of Canada dated the 29th day of May, 1934, under the said corporate name "Pepsi-Cola Company of Canada, Limited" with full knowledge of the Plaintiff's long established existence and business and forthwith or shortly thereafter commenced the manufacture and sale of soft drink beverages and syrups in the City of Montreal and other places in Canada, adopting and using in connection with the sale of a soft drink beverage the designation "Pepsi-Cola," which beverage was and always has been so arbitrarily 40 similar in colour and appearance to Plaintiff's "COCA-COLA" as to be virtually indistinguishable therefrom by the purchasing public.

8. The adoption and use of the corporate name Pepsi-Cola Company of Canada, Limited and as well the adoption and use of the designation "Pepsi-Cola" in connection with the manufacture and sale of soft drink beverages by the Defendant, the same being respectively confusingly similar to the corporate name and trade mark "COCA-COLA" of the Plaintiff, was obviously done having for object that the Defendant in competition with the Plaintiff benefit by the large and valuable goodwill which had been theretofore built up by the Plaintiff and its predecessors in title and was then enjoyed by the Plaintiff, and in furtherance of such
 10 object the Defendant deliberately and at all times has set forth the designation "Pepsi-Cola," whenever applied to its soft drink beverages, in script form closely and confusingly similar to the distinctive script form in which the trade mark "COCA-COLA" has at all times been used by the Plaintiff and its predecessors in title and of identical colour.

9. All of the acts aforesaid of the Defendant have been knowingly done in contravention of the provisions and prohibitions of "The Unfair Competition Act" and by way of infringement of the Plaintiff's trade mark "COCA-COLA" and for the purpose of causing confusion between the Defendant and the Plaintiff and the beverage of the Defendant and that
 20 of the Plaintiff.

The Plaintiff therefore claims :—

- (a) An injunction restraining the Defendant, its servants, agents, and workmen, from selling or distributing any beverage not of the Plaintiff's manufacture in association with the word "Pepsi-Cola" or any other words so similar to the trade mark "COCA-COLA" as to be calculated to cause confusion between the Defendant's beverage and that of the Plaintiff ;
- 30 (b) An injunction restraining the use by the Defendant of the word "Pepsi-Cola" in or as part of its corporate name or any word or words therein so similar to the trade mark "COCA-COLA" as to be calculated to cause confusion between the Plaintiff and the Defendant.
- (c) An injunction restraining the Defendant, its servants, agents and workmen, from distributing any beverage not of the Plaintiff's manufacture in association with any word in script form of a kind calculated to cause confusion between the Defendant's beverage and that of the Plaintiff.
- (d) Damages in the sum of \$25,000.00 or such greater sum as may be awarded.
- 40 (e) Such further and other relief as to the Court may seem just.
- (f) The costs of this action.

(Sgd:) RUSSEL S. SMART,
 A. W. LANGMUIR,
 Of Counsel for the Plaintiff.

In the
 Exchequer
 Court of
 Canada.

No. 1.
 Statement
 of Claim,
 30th March,
 1936—
continued.

In the
Exchequer
Court of
Canada.

No. 2.

Statement of Defence.

No. 2.
Statement
of Defence,
as amended,
16th May,
1936.

Amended pursuant to Order of February 1st, 1937.

1. The Defendant admits the allegation set out in paragraph 1 of the Plaintiff's Statement of Claim, but denies all other the allegations therein contained, except those that are hereinafter specifically admitted.

2. The Defendant admits that the Plaintiff is registered as the proprietor of the registered trade mark Coca-Cola, as set out in paragraph 2 of the Statement of Claim, but denies that the registrations therein referred to are now in full force and effect. 10

2. (a) *The Defendant says that the registration dated the 11th day of November, 1905, and numbered 43/10433, has been abandoned, or in the alternative, that the registration bearing date the 29th day of September, 1932, No. 257/55268 is not distinguishable from the said first mentioned registration, or if distinguishable, at no time has there been user or intended user of the said registered trade mark, No. 257/55268.*

3. The Defendant does not admit the allegations set out in paragraphs 3, 4, 5 and 6 of the Statement of Claim and puts the Plaintiff to the strict proof thereof. 20

4. The Defendant was incorporated by Letters Patent of the Dominion of Canada, dated the 29th day of May, 1934, under the corporate name Pepsi-Cola Company of Canada, Limited.

5. The Defendant is the owner (by assignment) of a trade mark consisting of the words "Pepsi-Cola," to be applied to the sale of beverages and particularly to a non-alcoholic beverage. The said trade mark was registered in the Trade Mark Register No. 47, folio 11479, in accordance with the Trade Mark and Design Act by the Pepsi-Cola Company of New Bern, State of North Carolina, U.S.A., on the 30th day of November, 1906, and is now in full force and effect. 30

6. The Defendant's predecessors in title carried on, in the United States, for very many years prior to the incorporation of the Defendant, an extensive business, and in Canada for a short period of years, a Limited business in the manufacture and sale of soft drink beverages and syrups used in the preparation thereof under the trade mark Pepsi-Cola used in the distinctive form set out in the certificate of registration thereof referred to in paragraph 5.

7. Upon the incorporation of the Defendant as aforesaid, the Defendant commenced and has since continued the manufacture and sale of soft drink

beverages and syrups used in the preparation thereof, and has distributed the same under the trade mark Pepsi-Cola.

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Exchequer
Court of
Canada.

8. The Defendant denies that its adoption and use of the corporate name Pepsi-Cola Company of Canada, Limited, and of the trade mark in connection with its manufacture and sale of soft drink beverages, was, as alleged in paragraph 8 of the Statement of Claim, with the object of profiting by the alleged goodwill built up by the Plaintiff and its predecessors in title, and says that the Defendant and its predecessors in title have at all times desired to keep distinct, and have in fact, kept distinct, the product of the Defendant from that of the Plaintiff or any other competitor in business.

No. 2.
Statement
of Defence,
as amended,
16th May,
1936—
continued.

9. The trade mark Pepsi-Cola is not in any way an imitation of the Plaintiff's trade mark Coca-Cola, but is well known to purchasers and vendors of soft drinks to be distinct from the Plaintiff's said trademark and to indicate the product of the Defendant.

10. The Defendant denies that it has infringed the Plaintiff's trade mark and denies that the use of its trade mark Pepsi-Cola is calculated to deceive persons into the belief that they were buying a soft drink beverage of the Plaintiff's manufacture.

20 11. The Defendant says that the Plaintiff has so used and has permitted others to so use, the said trade mark, that the said trade mark is and always has been, without distinctiveness, and is and always has been, *publici juris*.

12. The Defendant says that the alleged trade mark Coca-Cola consists of two descriptive words, originally indicating that the basic ingredients of the beverage sold under the said trade mark are extracts, respectively, of the coca tree and of the cola nut.

30 13. The Defendant says that the word Cola for very many years has been in common use by manufacturers of soft drink beverages, as a bona fide description of the character and quality of the product in fact dealt in by them, and the Plaintiff is not entitled and never has been entitled to the exclusive use of such word.

13 (a) *The Defendant says that the common use alleged in the next preceding paragraph was in many instances prior to the registrations set out in paragraph 2 of the Statement of Claim.*

13 (b) *The Defendant says that the words "Coca-Cola" at the date of the said registration, the 11th day of November, 1905, as set out in paragraph 2 of the Statement of Claim, were descriptive and not properly registrable as a valid trade mark.*

40 14. The Defendant says that if the Plaintiff at any time had any right to the exclusive use of the word Cola (which is denied) the Plaintiff,

In the
Exchequer
Court of
Canada.

No. 2.
Statement
of Defence,
as amended,
16th May,
1936—
continued.

through acquiescence in such public use, has abandoned the said word and has forfeited any right to its exclusive use.

15. If the use by the Defendant and/or its predecessors in title of the trade mark Pepsi-Cola was at any time an infringement of the Plaintiff's trade mark (which the Defendant denies) the Plaintiff and/or its predecessors in title have acquiesced in the same and have forfeited any right to interfere with such use.

The Defendant therefore submits that this action should be dismissed with costs.

And by way of Counterclaim :—

The Defendant repeats the allegations set out in paragraph 11 *and in paragraphs 2, 2a, 13a, 13b* and says that the said trade mark registrations referred to in paragraph 2 of the Statement of Claim are, and always have been, invalid and that the trade mark was not registrable under the Acts in force at the respective dates of the said registrations and counterclaims for cancellation of the said registrations.

(Sgd.) J. J. CREELMAN,
W. D. HERRIDGE,
Of Counsel for the Defendant.

10

No. 3.
Order for
Further
Particulars,
12th June,
1936.

No. 3.

Order for Further Particulars.

20

UPON application of Counsel for the Plaintiff in the presence of Counsel for the Defendant, upon hearing read the Notice of Motion herein and the Affidavit of Melville B. Gordon filed, and upon hearing what was alleged by Counsel aforesaid :

IT IS ORDERED that the Defendant, before July 15th, 1936, furnish the following additional particulars of the allegations in the Statement of Defence :—

1. Particulars of the assignment referred to in paragraph 5 of the Statement of Defence.

30

2. Particulars of the Defendant's predecessors in title who carried on business in Canada for a short period of years, as alleged in paragraph 6 of the Statement of Defence, together with particulars of any assignments obtaining between such predecessors regarding such title ; and further, particulars of the extent and time of the period so alleged and the extent and place of such use.

3. Particulars of the use alleged in paragraph 11 of the Statement of Defence.

4. Particulars of the manufacturers of soft drink beverages who have used the word " Cola " for very many years, as alleged in paragraph 13 of the Statement of Defence, giving the names and addresses of said manufacturers and the time of such use and the period during which they have used the said word " Cola " and the manner of such use.

In the
Exchequer
Court of
Canada.

No. 3.
Order for
Further
Particulars,
12th June,
1936—
continued.

IT IS FURTHER ORDERED that, with regard to the particulars under paragraph 11, the Defendant shall have leave to furnish such Further Particulars as he may be advised within ten days after the completion of
10 any examination on discovery of the Plaintiff.

IT IS FURTHER ORDERED that the time for joining issue or filing reply should be extended fifteen days after the particulars have been furnished.

ARNOLD W. DUCLOS,
Registrar.

In the
Exchequer
Court of
Canada.

No. 4.

Particulars of allegations in the Statement of Defence furnished pursuant to the Order of the Honourable the President, dated the 12th day of June, 1936.

No. 4.
Particulars
of allega-
tions in
Statement
of Defence,
15th July,
1936.

1. Particulars of the assignment to the Defendant of the trade mark alleged in paragraph 5 of the Statement of Defence.

The assignment was recorded in the Patent and Copyright Office at Ottawa on the 15th day of May, 1936, under No. 11479/47.

2. Particulars of prior user in Canada alleged in paragraph 6 of the Statement of Claim ; in August, 1926, F. P. Hinds & Son, Orillia, Ontario, began the manufacture of PEPSI-COLA, using concentrate supplied by 10 Pepsi-Cola Corporation, Richmond, Va., U.S.A. The said concentrate was imported by the said F. P. Hinds & Son until May, 1928, and the manufacture was continued until the supply of concentrate was used up. The beverage was sold in bottles without labels but with crown stoppers bearing the words "Drink Pepsi-Cola (in the scroll letters of the registered trade mark) Trade Mark Reg. F. P. Hinds & Son, Orillia." The beverage was advertised and sold in Orillia and vicinity from 1926 until probably 1929.

3. Particulars of the use alleged in paragraph 11 of the Statement of Defence are set out in Schedule A. 20

4. Particulars of the manufacturers of soft drink beverages who have used the word Cola are set out in Schedule B.

Delivered this 15th day of July, 1936, by Henderson, Herridge, Gowling & MacTavish of 56 Sparks Street, Ottawa, Canada, Ottawa, agents for the solicitors for the Defendant.

Schedule A
to Par-
ticu-
lars
of allega-
tions in
Statement
of Defence,
15th July,
1936.

SCHEDULE A.

LIST of Persons and Companies permitted by THE COCA-COLA COMPANY OF CANADA, LIMITED, to use its registered TRADE MARK.

Province of Nova Scotia :

AMHERST.....H. F. Tennant Limited
ANNAPOLISFort Anne Beverage Co., Ltd.
NEW GLASGOWMonarch Mineral Springs
SYDNEYHavelock-Home Bottling Co.. Ltd.

30

Province of New Brunswick :

CAMPBELLTON	Restigouche Beverage Works
NEW CASTLE	Frank M. Gallivan
ST. STEPHEN	International Drug Co.
SUSSEX	Sussex Ginger Ale Ltd.
WOODSTOCK	Woodstock Bottling Works

Province of Quebec :

	AMOS	J. T. Massicotte
	ASBESTOS	J. B. Monfette
10	BERTHIERVILLE	Gustave Lafontaine
	CHANDLER STN.....	Geo. Molloy
	DOLBEAU	Philippe Simard
	DRUMMONDVILLE	Geo. Plamondon
	GRANBY	National Soft Drinks Co.
	JOLIETTE.....	J. A. Roy
	JONQUIERE	Leclerc & Houde Enrg.
	LACHUTE.....	Jas. P. MacKimmie & Son
	LA TUQUE	Emile Fontaine
20	LOUISEVILLE	Donat Lafontaine
	MANIWAKI	A. Roy Limitée
	MONT JOLI	Royal Bottling Company
	MONTMAGNY	J. B. Charbonneau
	NICOLET	F. X. Gagné
	RIVIERE-DU-LOUP.....	La Cie. Thibeault Ltée.
	ROUYN	Poulin & Fils
	STE.-AGATHE	J. L. Brissette
	ST. CASIMER	Trottier & Cie.
	ST. EVARISTE STN.....	Joseph Leclerc
30	ST. GEORGE EAST	Arthur Grenier
	ST. HYACINTHE	D. Vandal
	ST. JEROME.....	S. Désormeaux
	ST. JOHNS	Monarch Bottling Works
	ST. JOSEPH D'ALMA	Ed. Abel
	SHAWINIGAN FALLS	Chevalier & Larose
	SHERBROOKE	J. H. Bryant Limited
	SOREL	Alfred Caisse
	THETFORD MINES	J. L. Monfette
	THREE RIVERS	Dufresne & Frere Ltée.
40	VALLEYFIELD.....	Majestic Bottling Works
	VAUDREUIL	L. P. Leroux

Province of Ontario :

CHATHAM	Erie Beverages
COBALT	Cobalt Aerated Water Co. (Trudel's Bev.)

In the
Exchequer
Court of
Canada.

—
No. 4.
Schedule A
to Particulars
of allegations
in
Statement
of Defence,
15th July,
1936—
continued.

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Exchequer
Court of
Canada.

No. 4.
Schedule A
to Particulars
of allegations
in
Statement
of Defence,
15th July,
1936—
continued.

Province of Ontario:—continued.

COLLINGWOOD	Collingwood Gingerale Works	
CORNWALL	Cornwall Bottling Works— John T. Denton	
GRAVENHURST	Brown's Beverages Limited	
KIRKLAND LAKE	Dominion Bottling Works	
NORTH BAY	MacDonald & Son, Ltd.	
ORANGEVILLE.....	Orangeville Bottling Works	
OSHAWA	Hambly's Carbonated Beverages	
OWEN SOUND.....	Wm. Taylor & Son, Ltd.	10
PENETANGUISHENE	Penetang Bottling Company	
PORT PERRY	Murelle Goode	
PRESCOTT	M. A. Willis	
RENFREW	Renfrew Bottling Works	
SARNIA	Hambly's Carbonated Beverages	
SMITH'S FALLS	Rideau Beverages—J. C. Ketchum	
STRATFORD	Stratford Bottling Company	
SUDBURY	Sudbury Brewing Co.	

Province of Manitoba :

PORTAGE LA PRAIRIE	John McLeod— Portage Soda Water Works	20
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Province of Saskatchewan :

ESTEVAN.....	Chippewa Water Co. of Estevan, Estevan	
NORTH BATTLEFORD.....	Standard Mineral Water Co.	
PRINCE ALBERT	Prince Albert Mineral Water Co. Ltd.	
SWIFT CURRENT.....	Swift Current Bottling Works	
YORKTON	Pachal's	

Province of Alberta :

DRUMHELLER	Drumheller Bottling Works	30
LETHBRIDGE	Purity Bottling Works	
RED DEER	Red Deer Bottling Company	

Province of British Columbia :

NANAIMO.....	Rumming's Bottling Works	
NELSON	MacDonald Jam Company Ltd.	
VERNON	A. McCulloch & Company	
VICTORIA.....	Old English Beverage Co. Ltd. 625 David St.	

SCHEDULE B.

HISTORY OF SOME COLA AND KOLA BEVERAGES.

In the
Exchequer
Court of
Canada.No. 4.
Schedule B
to Particulars
of allegations
in
Statement
of Defence,
15th July,
1936.

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters
10 O'Keefe's Cola	O'Keefe's Brewery, O'Keefe's Beverages, Consolidated Beverages (Toronto) Ltd., Toronto, Ont. (Trade Mark Registered 1922)	Prior to 1922	Continuously to 1936	Same	7-oz.	Script
Tona-Cola	J. J. McLaughlin Co. and now Canada Dry Co., Toronto, Ont. (Trade Mark Registered 1906)	Prior to 1906	Continuously since	J. J. McLaughlin Co. and Canada Dry Company	About 7-oz.	Script then Block
Kel-Ola	Ed. F. Kelly, also Frank Dupuis, also Kel-Ola Company, Montreal, Que. (Trade Mark Registered 1915)	1915	1915 to 1936	Kel - Ola Company and a number of independent bottlers	About 7-oz.	Script
20 Mexicola	Stewart-Dupuis, Limited, also Frank A. Dupuis & Co., Montreal, Que. (Trade Mark Registered 1930)	1930	1930 to present time	Bottled by a large number of	7-oz. and 12-oz.	Script
Kola-Dry	Charles Gurd & Company, Montreal, Que.		Still being sold	Charles Gurd & Company, Montreal, Que.	30-oz. 6-oz.	Partial Script
Fruta-Kola	Constantin Frère Ltée. afterwards Robillard & Cie., Montreal, Que. (Trade Mark Registered 1926)	1926	From 1926 continuously	Fruta-Kola Company and Robillard & Cie, Montreal, Que.	6-oz. 28-oz.	Script
30 Koca-Nola	Flavour received from Atlanta, Ga.	1900	From 1900 to 1903	Chas. Wilson, Ltd., Toronto, Ont.	8-oz.	Script
Coca-Claret	Chas. Wilson, Limited, Toronto, Ont. (Trade Mark Registered 1907)	1907	From 1907 to 1922	Chas. Wilson, Limited, Toronto, Ont.	8-oz.	Script
Denis-Cola	E. Denis, 6314 Delanaudière St., Montreal, Que.	1914	Continuously since	E. Denis, 6314 Delanaudière St., Montreal, Que.	6-oz. 12-oz. 20-oz. 30-oz.	Script
Kuna-Kola	Kuntz Brewery, Waterloo, Ont.	1919		Kuntz Brewery, Waterloo, Ont.	7-oz.	
40 Bi-Cola	Les Liqueurs X-Ki Beverages, J. O. Biron, Granby, Que.	1934	Continuously ever since	Les Liqueurs X-Ki Beverages, Granby, Que.	6½-oz. Special Bottle	Script

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
Kola-Kola	Do not know name of manufacturer of Kola-Kola Concentrate Flavour	1930	5 years	A. Lanouette, Ville-Marie, Que.	6-oz.	Script	No. 4. Schedule B to Particulars of allegations in Statement of Defence, 15th July, 1936— <i>continued.</i>
Niagara Kola	S.W.B. Works of Niagara Falls succeeded by Niagara Dry Beverages, Niagara Falls, Ont.	1932	2 years	Niagara Dry Beverages, Niagara Falls, Ont.	6½-oz.	Block	
10 Champagne Kola	Allan's Beverages Limited, 124 Dorchester St., W., Montreal, Que.	Prior to 1902	Continuously since	Allan's Beverages Limited, Montreal, Que.	10-oz.	Block	
Stewart Cola	Stewart Bottling Company, 1265 William St., Montreal, Que.	Prior to 1908	Continuously ever since	Stewart Bottling Company, Montreal, Que.	6-oz. 12-oz. 20-oz. 28-oz.	Script	
Kola	Weir Specialty Company Toronto, Ont.	About 1916		A. Reinhart, Guelph, Ont.	6-oz.	Script	
20 Reina Cola	La Reina Mineral & Soda Water Ltd., 2373 Duvernay St., Montreal, Que.	1919	1919 to 1935	La Reina Mineral & Soda, Water, Limited, Montreal, Que.	6-oz. 20-oz. 30-oz.	Block	
Crush Kola or Kola Crush	Orange Crush Company, Toronto, Ont.	About 1926	About 1926 to 1936	Orange Crush Company's own plants and also bottled by a large number of independent bottlers.	6-oz.	Script	
Gassosa Cola	Gassosa Manufacturing Co., 103 de Castelnau St., Montreal, Que.	1934	1934 to 1936	Gassosa Manufacturing Co., Montreal, Que.	7-oz. 10-oz.	Script	
30 Pirat-Cola	Gassosa Manufacturing Co., 103 de Castelnau St., Montreal, Que.	1936	1936	Gassosa Manufacturing Co., Montreal, Que.	12-oz.	Script	
Knu-Kola	Bell Bottling Co., 1087 Selkirk Ave., Winnipeg, Man.	1934	2 years	Bell Bottling Company, Winnipeg, Man.	7-oz.	Block	
Wynola	Wynola Corporation Ltd., Toronto, Ont.	1936	Continuing	Bell Bottling Company, Winnipeg, Man., and a number of independent bottlers	12-oz.	Script	
Celery Kola	The Drewrys Limited, Winnipeg, Man. (Trade Mark Registered 1930)	1930	1930 to 1936	Drewrys Limited, Redwood & Main Sts., Winnipeg, Man.	7-oz.	Block	
40 Pepsi-Cola	Pepsi-Cola Corporation, and Pepsi-Cola Co. of Canada, Ltd., Montreal, Que. (Trade Mark Registered 1906)	Registered 1906	1926 to 1929-1934 continuously	Hinds of Orillia, Ont. Pepsi-Cola Co. of Canada, Ltd., & 52 independent bottlers	7-oz. 12-oz.	Script Always Script	

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
Coca-Cola	Coca-Cola Company, also Coca-Cola Co. of Canada, Ltd. (Trade Mark Registered 1905)	1906	Continuously since	Coca-Cola Company, also Coca-Cola Co. of Canada Ltd., and about 60 independent bottlers.	7-oz. 6-oz.	Script	— No. 4. Schedule B to Particulars of allegations in Statement of Defence, 15th July, 1936— <i>continued.</i>
Zest-Cola	Zest Beverages, Limited, Montreal, Que.	1935	Continuously ever since	Zest Beverages Limited, Montreal, Que	12-oz.	Script	
10 Moonlight-Cola	Zest Beverages Ltd., Montreal, Que.	1936	1936	Zest Beverages Ltd., Montreal, Que.	12-oz.	Script	
Roxo-Cola	Meunier Frère, 2326 Mousseau St., Montreal, Que.	1922	Continuously	Meunier Frère, 2326 Mousseau St., Montreal, Que.	6-oz.	Block	
Nu-Life-Cola	Windsor Beverages, Windsor, Ont.	1936	1936	Windsor Beverages, Windsor, Ont.	12-oz.	Script	
Jersey-Cola	Nu Jersey Crème Co. Toronto, Ont.	1935	1935-1936	Nu-Jersey Crème Co., Toronto, Ont.	12-oz.	Script	
20 Cleta-Cola	Cleta Syrup Company, Montreal, Que. and Toronto, Ont.	1935	1935-1936	Whistle Co. of Eastern Canada,	12-oz.	Script	
Punch Cola	Punch Dry Company, Toronto, Ont.	1935	1935-1936	Punch Dry Company, Toronto, Ont.	12-oz.	Script	
Yo-Yo Ola	Orange Dandy Company, Toronto, Ont.	1936	1936	Orange Dandy Company, Toronto, Ont.	6½-oz.	Script	
Testi-Cola	Kola Flavour purchased from Canadian Extract Company, Toronto, Ont.	1935	1936	Dominion Dry Ginger Ale Co., Toronto, Ont.	12-oz.	Script	
Buster-Kola	Stewart-Hall Co., Ltd., Toronto, Ont.	1935	1935-1936	International Soda Water Co. and a number of other bottlers	12-oz.	Script	
30 Vitakola and Vita-Kola	Stewart-Hall Company, Ltd., Toronto, Ont. (Trade Mark Registered 1935)	1935	1935-1936	Evangeline Beverages, Ltd., Toronto, Ont., and other bottlers, including Riverside Bottling Works, Wallaceburg, Ont., who use a Vita-Kola crown on a bottle of Pep-A-Lo	12-oz.	Script	
40 Lemon-Cola	National Dry Limited, London, Ont.	1935	1935-1936	Bottled by National Dry Ltd., London, Ont., and sold by National Dry, Ltd., to bottlers who make their own Brands of Cola and/or Kola Beverages in a manner similar to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.	12-oz.	Partial Script	
Kola Champagne	Anglo-Canadian Drugs Ltd., Oshawa, Ont.	Issued Price-List but claim never sold any		Am not informed.			

	Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
	Koola Kola	Anglo-Canadian Drugs Ltd. Oshawa, Ont.	Issued	Price-List but claim never sold any	Am not informed.			No. 4. Schedule B to Particulars of allegations in Statement of Defence, 15th July, 1936— <i>continued.</i>
10	Kola Champagne	W. J. Bush & Co. (Canada) Ltd., Montreal, Que. W. J. Bush & Co., Ltd., London, England	Over 60 years in British Empire and over 34 years in Canada		Sold to Bottlers who make their own Brands of Cola and/or Kola Beverages in a manner similar to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.			
	Kola Champagne	Stuart Bros., Co., Ltd., Montreal, Que.	Prior to 1906	Continuously since	Sold to Bottlers who make their own Brands of Cola and/or Kola Beverages in a manner similar to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.			
20	Kola Champagne	F. X. Brunelle, Victoriaville, Que.	1904	1904—1907	F. X. Brunelle, Victoriaville, Que.	8-oz.	Partial Script	
	Kola Crush	Orange-Crush Co., Ltd., Toronto, Ont., and Montreal, Que.	1933	1 Year	U. L. Brunelle, Victoriaville, Que.	6-oz.	Block	
	Victo-Kola	Not known	1933	1 Year	U. L. Brunelle, Victoriaville, Que.	6-oz.	Block	
	Cola Fortier	Elzear Fortier & Cie Quebec, City Que.	1928	Continuously since	Elzear Fortier & Cie, Quebec City, Que.	6-oz.	Script	
30	Cola	Standard Beverage Co., 1462 de Bullion St., Montreal, Que., formerly Orange Pop Company	1935	Continuously since	Standard Beverage Co., Montreal, Que.	6-oz.	Block	
	Kola and Cola	National Bottling Works, 1428 Clarke St., Montreal, Que.	1927	Continuously since	National Bottling Works, Montreal, Que.	6-oz. 19-oz. 28-oz.	Block	
	Kola Fruit	The Canadian Extract Supply Company, Toronto, Ont.	1923	Continuously since	Sold to Bottlers who make their own Brands of Cola and/or Kola Beverages in a manner similar to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.			
40	Kola	The Canadian Extract Supply Company, Toronto, Ont.	1923	Continuously since				
	Champlain Cola	Champlain Beverages, 5309 des Carriers St., Montreal, Que.	1935	Continuously since	Champlain Beverages, Montreal, Que.	6-oz. 28-oz.	Block	

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
King-Kola	Old King-Kola Limited, 776 Chatham St., Montreal, Que.	1936	1936	Old King-Kola Limited, 776 Chatham St., Montreal, Que.	12-oz.	Script	— No. 4. Schedule B
Hero-Kola	H. Girouard & Co., 2349 Quesnel St., Montreal, Que.	1896 or 1897	Continuously since	H. Girouard & Co., Montreal, Que.	6-oz. 20-oz. 30-oz.	Block	to Par- ticulars of allega- tions in Statement of Defence, 15th July, 1936— <i>continued.</i>
10 Houle Cola	Houle & Cie, 1610 de Bullion St., Montreal, Que.	1934	Continuously since	Houle & Cie, Montreal, Que.	6-oz. 20-oz. 30-oz.	Block	
Jumbo Kola	W. Bissonnette, 2348a Moreau St., Montreal, Que	1935	Continuously since	W Bissonnette, Montreal, Que.	68-oz.	Block	
Spello Cola	Champlain Beverages, Montreal, Que., Uses a Cola Crown.	1935 A Cola beverage	Continuously since	Champlain Beverages, Montreal, Que. Uses a Cola Crown	12-oz	Block	
20 Bona-Cola	J. Christin & Cie, 327 Christin Place, Montreal, Que.	1934	Continuously since	J. Christin & Cie, Montreal, Que.	20-oz.	Script	
Friscola	Frisco Soda Water Company, 4398 Clarke St., Montreal, Que.	1928	Continuously since	Frisco Soda Water Co., Ltd., Montreal, Que.	28-oz.	Script	
Cuba Kola	Cuba Kola and Orange Company, 5309 Berri St., Montreal, Que.	1936	September 1936	Cuba Kola and Orange Co., Montreal, Que.	12-oz.	Block	
30 Cola	City Fruit Bottles Works, 3179 Adam St., Montreal, Que.	1936	1936	City Fruit Bottles Works, Montreal, Que.	6-oz.	Block	
Texacola	Eskimo Bottling Works, 4111 Colonial Ave., Montreal, Que.	1935	Continuously since	Eskimo Bottling Works, Montreal, Que.	12-oz.	Script	
Noxie-Kola	Crystal Springs Bottling Works, Waterloo, Ont. (Trade Mark Registered 1906)	1906	Continuously since	Crystal Springs Bottling Works, Waterloo, Ont.	10-oz 30-oz.	Script	
Roxy-Cola	Les Liqueurs X-Ki Beverages, Granby, Que.	1934	Continuously since	Les Liqueurs X-Ki Beverages, Granby, Que.	10-oz.	Block	
40 dub'l Kola	dub'l Kola Beverage Co., 10705 Vianney Ave., Montreal, Que.	1936	1936	dub'l Kola Beverage Co., Montreal, Que.	12-oz.	Special Type	
Rex-Kola	Not Informed	1935	Still being sold	Kingston, Ont.	12-oz.	Block	

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
Cola	S. V. Horne, Kingston, Ont.	1935	Still being sold	S. V. Horne, Kingston, Ont.	12-oz.	Block	No. 4. Schedule B to Particulars of allegations in Statement of Defence, 15th July, 1936— <i>continued.</i>
Lime-Cola	Trade Mark Registered			Walkerville, Ont.	6-oz.	Script	
Texi-Cola	Country Club Dry Company, Toronto, Ont.	1935	1936	Country Club Dry Co., Toronto, Ont.	12-oz.	Script	
10 K-Ola	Ver-E-Best Beverages, Toronto, Ont. Uses a Cola Crown	1936	Continuously since	Ver-E-Best Beverages, Toronto, Ont. Uses a Cola Crown	12-oz.	Special Type	
Coronola	Corona Co., Ltd., 3159 Verdun Ave., Verdun, Que.	1933	Continuously since	Corona Soft Drinks, Ltd., Verdun, Que.	30-oz.	Script	
Koke	Racine & Frère, Joliette, Que.			Racine & Frère, Joliette, Que.	6-oz.	Block	
B-B D 20 Cola Reg.	Blackburn's Dry Ginger Ale Co., Ltd. Hull, Canada			Blackburn's Dry Ginger Ale, Hull, Que.	9-oz.	Block	
Bryant's Kola Champagne	J. H. Bryant Ltd., Sherbrooke, Que.			J. H. Bryant, Ltd., Sherbrooke, Que.	6-oz.	Block	
Klair-Kola	Claire Fontaine Ltd., Quebec, Que.	1930	Continuously since	Claire Fontaine Ltd., Quebec, Que.	6-oz.	Script	
Kola Freeze	Orange Freeze Co. of Canada, Ltd., 4133 St. Dominique St., Montreal, Que.	1925	Continuously	Orange Freeze Co. of Canada, Ltd., Montreal, Que.	6-oz. 10-oz. 20-oz. 28-oz.	Script	
30 Vess Cola	Vess Beverages			Whistle Reg'd.	28-oz.	Block	
Cola	Chas. Ed. Piché, Donnacona, Que.			Chas. Ed. Piché, Donnacona, Que.	6½-oz.	Block	
Bo-K Cola	San Domingo Fruit Syrups, Ltd.			Theo. Laniel, Valleyfield, Que.	12-oz.	Script	
Bromo-Kola	The Diehl Beverage Co., Memphis, Tennessee (Trade Mark Registered 1896)			Embouteillage Whistle de Sherbrooke, Enrg., Sherbrooke, Que.	7-oz.	Script	
Twin-Koak	Gold Lion Beverages Reg'd., Pembroke, Ont.	1936	1936	Gold Lion Beverages Reg'd., Pembroke, Ont.	6½-oz.	Script	

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
Kola-Coca	Extract of Kola-Coca Compound made and sold by Fritzsche Brothers of Canada, Ltd., Toronto, Ont.	Sold in Canada for past 12 years	12 Years	Sold to Bottlers who make their (Bottlers Preference) own Brands of Cola and/or Kola in a manner similar to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.			No. 4. Schedule B to Particulars of allegations in Statement of Defence, 15th July, 1936— <i>continued.</i>
10 Picnic Cola	Ls. Ph. Hardy, 1031 St. Andre St., Montreal, Que.	1936	1936	Same and uses a Cola crown	68-oz.	Block	
Ace Kola-Creme	205 Goulet Ave., Montreal, Que.			Same.	7-oz.	Block	
Kolo Kolo	Nu Jersey Crème Co., Toronto, Ont.			Same label on Bottle as Jersey Cola	7-oz.	Script	
20 Acme Kola	Everett Walsh, Toronto, Ont.		1931 to 1935	Chas. Tocknell, Kamloops Bottling Works, Kamloops, B.C.			
Cocktail Kola Secrestat	Maison J. Hr. Secrestat, Aine—Bordeaux, France	Trade Mark Reg'd. 1912					
Ko Kol-Drink	David Seiden	Trade Mark Reg'd. 1936					
Kola-Cardinette	Palisade Manufacturing Co., Yonkers, N.Y.	Trade Mark Reg'd. 1910					
La Kola	Lawson A. Kirkland, Toronto, Ont.	Trade Mark Reg'd. 1907					
30 Kola Tonic Wine	Hygien Kola Company Ltd., Manitoba, Saskatchewan & Alberta only	Trade Mark Reg'd. 1902					
Clarke's Kola Compound for Asthma	Griffiths & McPherson Co. Ltd., Vancouver, B.C.	Trade Mark Reg'd. 1898					
Bromo-Kola	The Kola Medicine Co., Ltd., Detroit, Mich.	Trade Mark Reg'd. 1896					
Kali-Kola	Calixte Goulet, Montreal, Que.	Trade Mark Reg'd. 1928					
Royal Cola	Athanasian Brothers, Montreal, Que.	Trade Mark Reg'd. 1927					
40 Kola-Fiz	Charles A. Leduc, Ottawa, Ont.	Trade Mark Reg'd. 1926					

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
Ketra-Kola	Theodore Constantin, Montreal, Que.	Trade Mark Reg'd. 1927					No. 4. Schedule B to Particulars of allegations in Statement of Defence, 15th July, 1936— <i>continued.</i>
Smith's O'Kola	James A. Smith, Toronto, Ont.	Trade Mark Reg'd. 1925					
10 Orange Kola	Stevenson & Howell, Ltd., London, England	Trade Mark Reg'd. 1922		Sold to Bottlers who make their own Brands of Cola and/or Kola Beverages in a manner similar to that used by Bottlers in making their own Brands of Ginger Ale, Lemon, Orange, Lime, etc., etc.			
Rose Cola	P. Guerin, Ltd., Montreal, Que.	Trade Mark Reg'd. 1922					
Kola Astier	Pierre Paul Placide Astier, Paris, France	Trade Mark Reg'd. 1921					
20 Kelo	Joseph Reid, Buffalo, N.Y.	Trade Mark Reg'd. 1918					
Kuna Kola	Reid Press, Limited, Hamilton, Ont. (Trade Mark registered by Reid Press Limited, for use of Kuntz Brewery, Waterloo, Ont.)	Trade Mark Reg'd. 1919					
Mint Kola	Smith A. Hoag, Niagara Falls, Ont.	Trade Mark Reg'd. 1915					
Kolade	The Knox Company, Toronto, Ont.	Trade Mark Reg'd. 1934					
30 Sunshine Cola	Frisco Soda Water Co., Ltd., 4398 Clarke St., Montreal, Que.	1926	1926 to 1932 inclusive	Frisco Soda Water Co., Ltd., Montreal, Que.	6½-oz.	Block	
Knut-Kola	L. Beaulieu & Co., 5309 Des Carrieres St., Montreal, Que.	1920	1920 to 1933	L. Beaulieu & Co., Montreal, Que.	6½-oz.	Block	
King Kola	Stewart, Dupuis, Ltd., Montreal, Que.	1927	1927 to 1928	Stewart, Dupuis, Ltd., Montreal, Que.	6-oz.	Block	
40 Kola Thrill	Rose & Laflamme Ltd., 400 St. Paul St., W., Montreal, Que.	A Number of years	Continuously Since	Sold to Bottlers who make their own Brands of Cola and/or Kola Beverages in a similar manner to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.		Script	
Kola Champagne	ditto	1902	ditto	ditto.			

Name of Cola or Kola Beverage	Name and Address of Manufacturer of Flavour, concentrate or Owner of Trade Mark	Approx. Year Started in Canada	Approx. Period Years Sold in Canada	Name and Address of Bottler	Size of Bottle	Trade Name in Script or Block Letters	In the Exchequer Court of Canada.
Cola	Kelly's Ginger Ale Ltd., 6901 Jeanne Mance St., Montreal, Que.	1936	1936	Kelly's Ginger Ale Ltd., Montreal, Que.	6-oz.	Block	No. 4. Schedule B to Particulars of allegations in Statement of Defence, 15th July, 1936— <i>continued.</i>
10 Eskimo Cola	Eskimo Bottling Works, 4111 Colonial Ave., Montreal, Que.	1926	Continuously since	Eskimo Bottling Works, Montreal, Que.	6-oz. 30-oz.	Block	
Maurice Cola	Louis Phillip Hardy, 1031 St. Andre St., Montreal, Que.	Sept. 1936	Continuously since	L. P. Hardy, Montreal, Que.	40-oz.	Block	
Cola	Windsor Dry Ginger Ale, 1469 Notre Dame St., East, Montreal, Que.	1929	June 10, 1935	Windsor Dry Ginger Ale, Montreal, Que.	6-oz.	Block	
20 Kola Champagne	Stevenson & Howell, Ltd., London, England Canadian Agents, Weir Specialty Co., Toronto, Ont.	About 1900	Continuously since	Sold to Bottlers who make their own Brands of Cola and/or Kola Beverages in a similar manner to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.	(Various Sizes)	Bottlers' Choice	
Gurd's Scotch Kola	Charles Gurd & Company, Montreal, Que.	Prior to 1901	Prior to 1901 on through 1913-1914	Charles Gurd & Company, Montreal, Que.	10-oz.	Block	
Select Kola	ditto	About 1914		ditto.	10-oz.	Block	
30 Kola	Willson & Warden, Toronto, Ont.	Prior to 1906	Continuously since	Sold to Bottlers who make their own Brands of Cola and/or Kola Beverages in a similar manner to that used by Bottlers in making their own Brands of Ginger Ale, Orange, Lemon, Lime, etc., etc.	(Various Sizes)	Bottlers' Choice	
Kolo Kolo	Willson & Warden, Toronto, Ont.	1906	ditto	ditto	ditto	ditto	
Kara Kola	Willson & Warden, Toronto, Ont.	1906	ditto	ditto	ditto	ditto	
Kola Champagne	Willson & Warden, Toronto, Ont.	1906	ditto	ditto	ditto	ditto	
40 Celery Kola Wine	Willson & Warden, Toronto, Ont.			ditto	ditto	ditto	

In the
Exchequer
Court of
Canada.

No. 5.

Plaintiff's Evidence.

No. 5.
Plaintiff's
Evidence.

PROCEEDINGS AT THE TRIAL

IN THE EXCHEQUER COURT OF CANADA.

Opening
remarks of
Counsel for
the
Plaintiff,
31st March,
1937.

Between

THE COCA-COLA COMPANY OF CANADA, LIMITED ... *Plaintiff*
and
PEPSI-COLA COMPANY OF CANADA, LIMITED ... *Defendant.*

Tried before the Honourable Mr. Justice MacLean, President of the Exchequer Court of Canada, at Ottawa, Ontario, commencing March 10 31st, 1937.

COUNSEL : RUSSELL S. SMART, K.C.,
A. W. LANGMUIR, K.C. } for the Plaintiff
J. J. CREELMAN, K.C.
Hon. W. D. HERRIDGE, K.C. } for the Defendant.

HIS LORDSHIP : Mr. Smart.

Mr. SMART : I appear with my learned friend, Mr. Langmuir, for the Plaintiff ; and my learned friends, Mr. Herridge and Mr. Creelman appear for the Defendant.

HIS LORDSHIP : Yes, Mr. Smart.

20

Mr. SMART : My Lord, this is an action for infringement of trade mark and for the use of a trading name.

The trade mark is "Coca-Cola." It has been before your Lordship on some occasions ; and it was registered in 1905.

The trading name of the Defendant is the Pepsi-Cola Company of Canada, Limited ; and that of the Plaintiff, the Coca-Cola Company of Canada, Limited.

I do not think that I need say very much in opening, as to the similarities between the trade marks used by the Plaintiff and the Defendant. I think—

30

HIS LORDSHIP : The whole question is, you say, as to whether the words Pepsi-Cola infringe Coca-Cola ?

Mr. SMART : Yes, in the way it is written.

The "Coca-Cola" is, as your Lordship may have seen, always displayed in characteristic form. The first letter has a scroll extending below the first word, and the second word has a scroll extending above. There are

the pictures of two cases, one marked with the Plaintiff's trade mark, and the other with the Defendant's trade mark. Of course the word "Cola" has been taken entirely, and the way in which "Pepsi-Cola" is written, I submit, is likely to cause confusion within the meaning of the cases.

First, I shall say that the Defendant Company started in business in 1934, about the middle of 1934, and it succeeded to the business of no other company. It started in Montreal with a capital of \$5,000.00.

HIS LORDSHIP : In 1934 ?

10 Mr. SMART : In the middle of 1934 ; so that it is a comparatively recent infringement.

I think I should first put in the original certificate of trade mark of the word "Coca-Cola," which was registered on the 11th day of November 1905 as registered number 43/10433 ; the specific trade mark to be applied to the sale of beverages and syrups for the manufacture of such beverages.

The trade mark consisting of the compound word "Coca-Cola" as per annexed pattern and application ; and that pattern and application is the characteristic form which I mentioned to your Lordship, and I will ask that this be filed as Exhibit No. 1.

20 EXHIBIT No. 1. Filed by Mr. Smart. Certificate of registration of Trade Mark No. 43/10433, dated 11th November 1905.

The second trade mark was one registered on the 29th September 1932, at Folio 55268 of trade mark register 257 ; and it consists of a compound word "Coca-Cola" again, but it is not shown in the characteristic form. This is a word mark in itself.

HIS LORDSHIP : Why was it renewed—does the statute require it ?

30 Mr. SMART : It is the second registration. That was just before the Unfair Competition Act was passed, dividing trade marks into word marks and design marks. And, as the original registration showed not only the word but a special form, it was presumably thought that some additional protection would be obtained by registering it without showing the particular form.

As a matter of fact, that drops out of sight now, in view of the Unfair Competition Act, which provided that marks registered before that Act, under the Trade Marks and Design Act, should be treated, if they were in distinctive form, as a word mark for the word and a design mark for the design.

40 So that by reason of the Unfair Competition Act, the first registration is the equivalent of two registrations, one on the word "Coca-Cola," and one on the special and distinctive and characteristic form of that word. So I will put this in as Exhibit No. 2.

EXHIBIT No. 2. Filed by Mr. Smart. Trade mark registered on 29th September, 1932, No. 257/55268.

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No. 5.
Plaintiff's
evidence.

Opening
remarks of
Counsel for
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Plaintiff,
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continued.

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No. 6.

Plaintiff's Evidence.

Readings from Examination for Discovery of Donald S. Hawkes.

No. 6.
Plaintiff's
Evidence.

Readings
from
Examina-
tion for
Discovery
of Donald
S. Hawkes.

Now, I will read certain parts of the Examination on Discovery of Mr. Donald S. Hawkes, General Manager of the Defendant Company. There are not a great many questions, and I think it would be more convenient if they were taken into the Record.

First is Question number 1 and Question number 2 :

" 1. Q. Mr. Hawkes, what is your position in the Defendant
Company ?—A. General Manager. 10

" 2. Q. How long have you occupied that position ?—A. Since
December 15th, 1934."

Then I go to Questions 36 to 42 :

" 36. Q. Perhaps you would give me the chronological dates
when you were at the different places. When you first came to
Canada where were you working—I am sorry—how long back
does your business experience in the soft drink business go ?
A. I started with Coca-Cola April 1st, 1919."

" 37. Q. At what ?—A. At Winnipeg.

" 38. Q. What position did you have there ? A. I started in as
salesman there. 20

" 39. Q. Continue ?—A. From there I went to Edmonton,
Alberta, and opened a new branch there.

" 40. Q. You were in charge of the branch at Edmonton.
When did that happen ?—A. That was in May, 1919. A branch
of the American Company.

" 41. Q. How long did you stay there ?—A. I was there
until August, 1922, and I was transferred to London, Ontario,
and opened a branch there. I was transferred to Montreal in
March, 1923. 30

" 42. Q. What was the nature of the business in Montreal ?
Had you a bottling plant ?—A. Bottling plant and syrup plant."

Then I go to Question 47 :

" 47. Q. And when did you leave ?—A. I was transferred to
Europe in February, 1929."

Then Questions 53 to 55 :

" 53. Q. When you went to Europe what position did you
occupy there ?—A. I was second in charge of the foreign work in
Europe.

" 54. Q. You travelled around European countries in relation to
the sale and distribution of Coca-Cola ?—A. Introducing Coca-Cola
and getting the foreign department established. 40

" 55. Q. That carried you until when ?—A. May, 1931."

Then I go to Questions 57 to 58 :

“ 57. Q. And where did you go then ?—A. I was in charge of the south part of New Jersey State eventually.

“ 58. Q. For what period ?—A. 1931, 1932, until the end of October or November, 1933.”

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Next I go to page 8, Questions 65 and 66 :

“ 65. Q. Did the Pepsi-Cola Company of Canada, Limited, take over the business of any other company—the Canadian business of any other company ?—A. Not to my knowledge.

10 “ 66. Q. Is there any contract in existence relating to any business taken over or perhaps proposed to be taken over by the Defendant Company ?—A. Not to my knowledge.”

Readings
from
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tion for
Discovery
of Donald
S. Hawkes

Then I go to page 20, Questions 152 and 153 :

“ 152. Q. Perhaps you have a sample bottle. We may as well have it identified—a sample bottle of Pepsi-Cola. This is an example of the way the beverage is bottled and sold ?—A. That is right, Sir.” That was put in as Exhibit 11, and I now ask that it be marked as Exhibit 3.

—continued.

20 EXHIBIT No. 3. Filed by Mr. Smart. Sample bottle Pepsi-Cola.

I show your lordship a bottle cap, which bears the words “ Pepsi-Cola ” printed on it, just as the words “ Coca-Cola ” are printed on our caps.

“ 153. Q. What is this bottle ?—A. That is the bottle sold in the Montreal area.”

Next I go to Questions 179 to 188 :

“ 179. Q. Can you tell me who was the previous General Manager of the Pepsi-Cola Company before you took charge ?
“ A. The man I succeeded ? His name was Maw.

30 “ 180. Q. And before that ?—A. I think it was a man named Turner.

“ 181. Q. Was there a man named Whitworth ?—A. I do not think there were any others—not to my knowledge.

“ 182. Q. Records of the Company would show—

“ Mr. CREELMAN : Those are the only three.

“ 183. Q. Mr. SMART : I am informed they were all employees of the Coca-Cola Company at one time. Do you remember that ?—

“ A. Maw was. Turner was not to my knowledge ever an employee of the Coca-Cola Company.

40 “ 184. Q. Whitworth ?—A. Whitworth was there for a short time.

“ 185. Q. Do you mean that Turner was employed by a bottler and not by the Coca-Cola Company ?—A. I believe he did work for a bottler at Moncton or Amherst.

“ 186. Q. Do you mean that Mr. Turner was employed by a bottler of the Coca-Cola Company ?—A. I believe so. I do not know what position.

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tion for
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—continued.

“ 187. Q. You told me that there was no contract in existence
“ with regard to the acquisition of any goodwill or of the business in
“ Canada by the Defendant Company. Perhaps you will tell me what
“ consideration the original stock was issued for?—A. I cannot tell
“ you that. I do not know.

“ 188. Q. The books of the Company, I suppose, would tell me
“ that?—

“ Mr. CREELMAN : \$5,000 was issued for \$5,000 of value, all
“ cash.

“ Mr. SMART : I take it there has been no subsequent issue of 10
“ stock for other than cash ?

“ Mr. CREELMAN : No.”

Then I go to the second to the last page, page 45, and I read Questions
378, 379 and 380. But before Question 378 there are four lines which
really should have been numbered as a question, for they are really another
question. I will call them Question 377-a, and perhaps the reporter will so
mark it. I want to read this first :

“ 377-a. Q. Then, in addition to the markings on your bottle
“ which you show on the Pepsi-Cola bottle which you have put in—
“ you ship the bottled goods in cases ; is that correct?—A. In my 20
“ own bottles.

“ 378. Q. Those cases are marked on the side and end with the
“ word ‘ Pepsi-Cola ’ in script?—A. Yes.

“ 379. Q. I am showing you photographs of one of those
“ cases which we secured in which ‘ Pepsi-Cola ’ is coloured in red
“ and I ask you if you can recognize that as the case which you
“ used?—A. I think so.

“ 380. Q. The photographs will be marked as exhibits.”

I now put in these two photographs, which were marked on the
examination as Exhibit 87. One I will ask to have marked as Exhibit 4 30
and the other as Exhibit 5.

EXHIBITS Nos. 4 and 5. Filed by Mr. Smart. Photographs
showing markings on cases.

That, my Lord, is the case for the Plaintiff.

No. 7.
Defendant's
Evidence.

Motion for
Nonsuit.

No. 7.

Defendant's Evidence.

Motion for Nonsuit.

Hon. Mr. HERRIDGE : My Lord, in view of the position which my
learned friend has taken in opening and closing his case in-chief, I am obliged
at this juncture to move for a nonsuit, on these grounds : The Plaintiff 40
has failed to establish the incorporation of the Plaintiff Company in Canada ;

has failed to prove that the Company, as alleged in the Statement of Claim, was organized and took over the goodwill of the predecessor in title in Canada of the Plaintiff Company—

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HIS LORDSHIP : He has proved the registration of the mark, has he not ?

Hon. Mr. HERRIDGE : Yes.

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HIS LORDSHIP : That is the vital matter.

Hon. Mr. HERRIDGE : No. my lord. That is part of the vital matter. He has proved the registration, he has proved the assignment
10 of the registration to the Plaintiff Company. The incorporation of the Plaintiff Company is admitted in the Pleadings ; but the organization of the Company, the going into business of the Company, the assignment of the goodwill to the Company, these are not admitted in the Pleadings. These are specifically denied, and the Plaintiff is put to the strict proof thereof. The Plaintiff has failed to meet that issue.

Motion for
Nonsuit—
continued.

HIS LORDSHIP : You do not deny the incorporation of the Plaintiff Company ?

Hon. Mr. HERRIDGE : I admit the incorporation. I admit there
20 was a Company called Coca-Cola Company of Canada, Limited, incorporated. I deny that that Company was organized, was the assignee of the mark of the predecessor in title of the Plaintiff Company. Until those facts are proved, the Plaintiff has failed to establish his status in this Court.

HIS LORDSHIP : Well, I deny your motion now. That is a matter for argument at the end.

Hon. Mr. HERRIDGE : I wish to have it specially noted, my Lord, that I am moving for a nonsuit on these grounds.

HIS LORDSHIP : Yes, it will be noted. We shall deal with the point at the end of the case.

30 Mr. SMART : I hope I am not under any misapprehension as to the effect of my learned friend's Pleadings. In paragraph 2 of the Statement of Defence the Defendant admits that the Plaintiff is registered as the proprietor of the registered trade mark "Coca-Cola." And the certificates which I have put in are certificates of the various transfers that were made.

HIS LORDSHIP : Mr. Herridge admits that.

No. 8.

Opening Remarks of Counsel for Defence.

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Defence.

Hon. Mr. HERRIDGE : Now, my Lord, I must draw to your Lord-
40 ship's attention for just a moment the matter of procedure. In his Statement of Claim my learned friend has made certain allegations, which read as follows :—

" 3. The Plaintiff and its predecessors in title have for at

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continued.

“ least fifty years manufactured according to a secret formula
“ a non-alcoholic beverage or soft drink having a characteristic
“ appearance and taste and have continuously distributed the same
“ under the said trade mark ‘ COCA-COLA.’ ”

“ 4. The Plaintiff has expended very large sums of money
“ in advertising the said beverage under the said trade mark ‘ COCA-
“ COLA ’ ; the beverage has long been very widely sold and is now
“ on sale by over 40,000 distributors in Canada ; it is consumed
“ daily by an average of over three-quarters of a million purchasers.

“ 5. The said beverage has always been sold in containers 10
“ on which the said trade mark ‘ COCA-COLA ’ appears and the
“ said trade mark has always distinguished the said beverage as
“ the product of the Plaintiff Company, and its predecessors in
“ title.

“ 6. The incorporation of the Plaintiff as aforesaid was effected
“ by letters patent of the Dominion of Canada dated the 29th day
“ of September, 1923, and immediately upon such incorporation
“ the Plaintiff was duly organized and forthwith commenced and
“ has since continued the manufacture and sale of soft drink beverages 20
“ and syrups used in the preparation thereof, having contemporane-
“ ously with its organization acquired all of the business and goodwill
“ in and throughout the Dominion of Canada associated with the
“ soft drink beverage in connection with which the said trade mark
“ ‘ COCA-COLA ’ had theretofore been used by the Plaintiff’s
“ predecessors in title including the trade mark ‘ COCA-COLA.’ ”

What the Plaintiff now desires to do, my Lord, presumably, is, having
put in a prima facie case, as he claims, and having failed in the establishment
of his case, as I submit, he now wishes to shift the onus to the Defendant
Company and then, rather than in-chief, come in by way of rebuttal.

My submission, my Lord, as a matter of procedure, is this : Either the 30
Plaintiff must now offer evidence in respect to those paragraphs which I
have just read and which form part of his subsequent allegations, or he
must be estopped from offering evidence in reply in respect to any of these
allegations.

Now, this is more than a matter of superficial proceeding, this goes
to the fundamental qualities of the case. And perhaps before I go further
your Lordship might care to have me say a word or two in regard to my
position.

HIS LORDSHIP : Yes.

Mr. HERRIDGE : The position of the Defendant Company is this : 40
It started business at the turn of the century, a little before, as a matter of
fact, in United States. So did the Plaintiff Company. The Plaintiff
Company at that time had a trade mark called Coca-Cola, substantially—
although this is not an admission—substantially the same as it now has,
with some variations which I will point out. The Defendant Company had
a trade mark called Pepsi-Cola, identically the same as it has now in the
United States and in Canada, for a quarter of a century or better.

The Plaintiff Company and the Defendant Company did business in the United States of America, the Plaintiff Company in an increasingly aggressive way, the Defendant Company in a more conservative way, but in a very substantial way in a great many of the States of the Union, probably thirty or forty, as we shall show. That went on and they did business in complete unanimity and there seemed to be no difference, because in all that time the Plaintiff never complained about the Defendant's trade mark and the Plaintiff never brought action against the Defendant for infringement of trade mark. The whole business went on on the assumption that the thing was separate and divided in the view of the public. All right. The Defendant Company, as I say, did business admittedly in a much lesser way than the Plaintiff Company, although in a substantial way. It had its vicissitudes. In 1921 it had a difficulty, I am instructed. It picked up again. It went down again. It was like a lot of these businesses. In 1931, while it was doing a good business, it was bought by Mr. Guth, the present proprietor of both the American and Canadian businesses.

10

HIS LORDSHIP : You are speaking of the Defendant Company ?

Hon. Mr. HERRIDGE : Yes, my Lord. In 1931 it was taken over by Mr. Guth and his associates.

20

Then Mr. Guth, as will be shown, conceived the idea that the ultimate success of the Company rested upon the establishment of a quality beverage coupled with good merchandising methods. He took the old trade mark exactly as it was. He took the old secret formula; because each of these drinks are manufactured from syrups under a secret formula, which is supposed not to be known and is not known at least to me, and he built up this business. He had phenomenal success. It is true that within the last three or four years the soft drink business through the Continent has boomed in an amazing way, really out of keeping with the general recovery in merchandising. Precisely why that is, I do not know. It may be on

30

account of prohibition, or something.

HIS LORDSHIP : You mean the business has fallen off ?

Hon. Mr. HERRIDGE : I mean that the soft drink business has boomed. I think the Coca-Cola Company will freely admit that their business has picked up. We will admit that we have done a fine business in the United States, and we have done a fine business in Canada.

40

When this new organization of the Defendant Company had got their home business, in the State of New York, to a point which they regarded as satisfactory, namely, had got all the outlets filled, as they term it, because the method of merchandising soft drinks is different from the method of merchandising boots, shoes, and automobiles, and perhaps I had better explain this to your Lordship. The first order means nothing. What you have got to persuade the consuming public is that you have got a quality beverage so that you will get repeats in your business. To sell one drink of Coca-Cola or Pepsi-Cola avails you very little, and for that reason the view of producers varies a great deal on the question of advertising. Certain producers take the view that when you are trying to shove your product

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beyond its natural and normal level in the trade, advertising may be necessary. But the view of the Defendant is that the thing that counts and the thing that makes for increased sales is, first of all, a quality beverage, and, secondly, the capacity of the organization to persuade every distributor in the soft drink field to handle your drink.

When Mr. Guth had reached that point in New York State, or approximately so, he began to look abroad for development both in the United States and in Canada, because, as your Lordship knows, whether we like it or not, most American manufacturers in a large way regard this North American Continent as an economic unit. 10

Before Mr. Guth came to Canada he did one thing, a very significant thing, in my submission. When he took over the business in 1931 of the Pepsi-Cola Company of the United States he took over the trade mark exactly as it was, he took over the formula exactly as it was, he took over the goodwill of the whole business, and he took over the bottle as it had been for a long time. This is the bottle which he took over, but I shall not mark it now as an exhibit. But that is the bottle which he took over and which bears a certain similarity to the Coca-Cola bottle.

Now Mr. Guth got this into his head, and I mention it because I think it is relevant at this point, because his conception of business has been 20 proved to be sound by subsequent developments. He decided that the public not only wanted a quality beverage, but a beverage perhaps in larger quantity than that offered by the Coca-Cola and other bottlers, what they termed six ounce bottles. That is a six ounce bottle.

HIS LORDSHIP : Would that make any difference in this case ?

Hon. Mr. HERRIDGE : Yes.

HIS LORDSHIP : Supposing they applied it in a tub ?

Hon. Mr. HERRIDGE : It leads us to the point of similarity, confusion, intention to defraud, and so on, my Lord, which your Lordship will agree are fundamental points to consider in a question of infringement. 30

Now what he did, and the only thing he did differently—

HIS LORDSHIP : As a matter of fact, in actual practice the quantity in these bottles varies with the tax on it, does it not ?

Hon. Mr. HERRIDGE : That is not the point I am making, my Lord. It only goes to the question of the similarity of bottle. As I say, the only thing that this new organization which took over the business of the Defendant in the United States in 1931 did which was different from what had been done in the United States for this quarter of a century or more was to change the bottle from the six ounce bottle, bearing in a sense a superficial similarity to other six ounce bottles, to a twelve ounce 40 bottle, Exhibit 3.

HIS LORDSHIP : The first bottle which you showed me was the bottle used by the Defendant Company ?

Hon. Mr. HERRIDGE : Yes, for many years.

HIS LORDSHIP : Then when Mr. Guth purchased the assets of that Company—

Hon. Mr. HERRIDGE : —a year or two afterwards—

HIS LORDSHIP : —he used the second bottle which you have shown me ?

Hon. Mr. HERRIDGE : Yes.

HIS LORDSHIP : That is the bottle being used to-day ?

Hon. Mr. HERRIDGE : In the United States and in Canada.

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A few months afterwards, in the same year, after he had forced upon his distributors this bottle, because as your Lordship knows no industry likes to change its plant, machinery, and so on, on account of the very enormous expense involved—but having established his American business on the basis of the bottle, Exhibit 3, he comes into Canada. He comes to Montreal, as he will tell your Lordship. Why he came to Montreal, he will tell your Lordship, and this is a matter that I never knew before, among other things.

HIS LORDSHIP : There is a lot about it you do not know ?

Hon. Mr. HERRIDGE : Yes, indeed. But Montreal is a tremendous soft drink centre, in some respects the greatest soft drink centre in the world. Why that should be, I do not know, but it is. That, in addition to the fact that Montreal was the metropolis of Canada, persuaded him along with other manufacturers to come into Montreal. He did. He came in in 1934, and he has done a good business in Montreal. He put over this quality beverage in Montreal, and he was fortunate in being able to get the one time manager of the Coca-Cola Company who brought Coca-Cola sales in Montreal to an all time peak as of that date. Mr. Hawkes is now general manager of the Canadian Company, under whose personal and direct control the Company is operating.

I have only this much more to say, my Lord. There seems to be two fundamentally opposing philosophies of business, if I may put it that way, between the Plaintiff Company and the Defendant Company. The Defendant Company under Mr. Guth's management looked at the soft drink business in this way, as they will tell you : Mr. Guth says, I believe the soft drink business as of 1931 when he came into it has only been scratched ; I do not think they have really got anywhere, despite the sales of Coca-Cola, despite the sales of other drinks, such as Ginger Ale, Sarsaparilla, etc., I do not believe they have got anywhere ; but what I have to put out is, first, a quality beverage, secondly, to get distribution, and, thirdly, I must insure that my drink, a new drink in terms of the new business, is distinctive from the Plaintiff's drink, because if I fail to do that, if it is confused with the Plaintiff's drink, I just fall in to the slough of the Plaintiff's drink and I do not break into this new market. Now, that is the basis on which the Defendant proceeded.

HIS LORDSHIP : I was just wondering if that, after all, is of any importance.

Hon. Mr. HERRIDGE : It is fundamentally important, in my submission, my Lord.

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HIS LORDSHIP : I am not objecting.

Hon. Mr. HERRIDGE : I would just like to answer your Lordship's point.

HIS LORDSHIP : Supposing he had put an ounce of brandy into the bottle it might perhaps have been popular, but would it have anything to do with this case ?

Hon. Mr. HERRIDGE : No. That is not the point. The point is this, my Lord ; that having conceived a new field in the soft drink business, let me say, he says, Coca-Cola has pounded the six-ounce, five cent. division pretty thoroughly, but I do not think that in terms of potential consumptive capacity of the public for soft drinks they have really got anywhere ; I believe I have got a big place in that field if I can put over a good drink, if I can get distribution and if I can make sure that there is no confusion between my drink and any other drink because all the other drinks have had their day. 10

Now that is what he did, and not altogether in pursuance of that, but in support of that theory he changes his bottle from a bottle with certain superficial similarities to a Coca-Cola bottle to a bottle which is just, after all, an ordinary pint beer bottle used by innumerable people for numerous purposes, and which can be found in any restaurant or bar throughout the Dominion of Canada or the United States. 20

The Coca-Cola Company, on the other hand, seems to be operating on a different theory, and I think it is relevant at this moment to suggest it. It seems now to be operating on the theory that either the soft drink market has reached its saturation point or that Coca-Cola's place in it has reached the saturation point ; or like many other corporations, when they advance to a certain place in the business, the Coca-Cola Company has now got a sort of monopolistic complex and desires to drive from the market not only what they regard as substitutes but what are definitely established to be competitors, without any similarity in trade mark, appearance or get-up. 30

HIS LORDSHIP : Well, there would not be very much sense in their having a monopolistic complex, I mean, that goes to the quantity of sales.

Hon. Mr. HERRIDGE : What I mean is this. Let us assume that they have said, We have been in the soft drink field over thirty years, we have advertised in a terrific way, we are the world's greatest advertisers, and that sort of thing, we have got numerous sales, we are improving, our sales are increasing under the general pick up in business ; but these other companies are coming in and they are coming in in a destructive way to us, they are coming in with a drink equal to ours, the quantity may be more or less, but in quality they are creating a new taste and developing a new class of customer, and so on. The only way to dispose of them is to dispose of them. In other words, we do not care from our point of view, so says the Coca-Cola Company, whether there is actual infringement or not, the point is that when you buy a bottle of Pepsi-Cola you do not buy a bottle of Coca-Cola. 40

That must be the theory on which they are working, because for all these years in the United States, right up to the present day, they have never interfered with the business of the Defendant Company by suit or protest or any other way, so I am instructed. They wait till they come into Canada, for this reason, obviously, I suggest : They come into Canada and try to divorce the Canadian business from the American business, they try to eliminate from the record, apparently, the history that goes not only to the bona fides and good faith of the thing, as your Lordship has held in the *Williamson* and *Carruthers* case, but to what was implicitly held under the terms of the Unfair Competition Act as the governing influence upon the course of business in Canada. That is, you cannot say, cut the thing off at the border. My friend takes this position. He says, We have been in Canada for a great many years. We have done an enormous business in Canada, we were in the Montreal area, we did a huge business in the Montreal area ; the Defendant Company comes into the Montreal area, which is a big area, and in two years he does a great big business starting from scratch. Now the truth, in no sense of the word, is from scratch. The American business, in determining the goodwill and the good faith of the whole matter, is just as much a part of the alleged infringement in the Montreal market as if the business had been done in Toronto. There is essentially no distinction whatever. I was showing you the difference between these two bottles. Here is the Coca-Cola bottle which they used for a great many years, I think twenty-five years or something like that. Here is the Pepsi-Cola bottle which they have been using for a great many years.

In 1934, two years after this Defendant and its associates had reorganized and revitalized the Pepsi-Cola Company, they abandoned their old bottle, as your Lordship will see, and adopted this new bottle. This is what they were using in Canada, and this is the only thing that they are using in Canada.

HIS LORDSHIP : I suppose you are going to contend that the public would not be deceived in using one for the other ?

Hon. Mr. HERRIDGE : Of course not, my Lord.

I submit, my Lord, that while fraud or intention to defraud is not determined to the exclusion of other trade mark cases, your Lordship has held and knows, of course, that fraud in intention, intention to deceive, is an element in determining the question, it is not controlling, but it is a very strong element in determining it.

HIS LORDSHIP : Of course that would make the case all the stronger.

Hon. Mr. HERRIDGE : I do not mean criminal fraud, but intention to deceive.

My contention is, then, and I think your Lordship will realize the importance of it, if you start from scratch, as my friend does, in 1934, and he says he does not label his bottle—he does not really present to your Lordship what is presented to the public, but he hands to your Lordship two trade marks : Here is “Coca-Cola” with eight letters, and here is

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“Pepsi-Cola” with nine letters, and here are the difficulties, I submit that there is identity in design.

HIS LORDSHIP : I suppose the size and shape of the bottle is relevant to the issue ?

Hon. Mr. HERRIDGE : I do not know what their case is on that. I do not know.

I will point all this more fully later on, but I point out now that this is what we buy, this is the Coca-Cola bottle, on the market. They have the magnum size, but I do not think it is in popular consumption. We have only the 12 ounce bottle. 10

HIS LORDSHIP : You have not reached that larger size yet ?

Hon. Mr. HERRIDGE : We do not want to, because that might cause confusion.

Mr. SMART : My friend is thinking of champagne when he speaks of magnum.

Hon. Mr. HERRIDGE : My learned friend is thinking of his southern cruise.

These are the old bottles, and this is our new bottle. I hope we will be able to satisfy your Lordship that anybody who comes in and buys a Pepsi-Cola bottle in mistake for a Coca-Cola bottle is deaf, dumb and 20 blind.

HIS LORDSHIP : It is enough to say that he is blind.

Hon. Mr. HERRIDGE : I will let it go at that. Sometimes you buy it by words or by sound.

Then there is another point—

HIS LORDSHIP : I suppose, Mr. Smart, to save time later on, while these bottles will probably be identified by Mr. Herridge, his statement is correct, is it not ?

Mr. SMART : Not as to the facts. I think my friend has been misinformed as to the facts. I think he will not be able to establish his case 30 as he has stated it. There are certain facts in connection with the United States which I hoped we would not have to go into here. We are not making any point on the size of the bottle. This is a trade mark question.

On the question of proof, as your Lordship knows, Section 18 makes the certified copy prima facie evidence of all the facts set forth in the Record.

HIS LORDSHIP : Do not get to that point. I interrupted Mr. Herridge, and he is not through yet.

Hon. Mr. HERRIDGE : The point I set out to make is this : I would ask your Lordship's specific ruling on this point. My friend has opened 40 and closed his case in-chief. I have moved, and your Lordship, as I understand, reserved judgment on the nonsuit and would direct a nonsuit at the close of the trial, if it is proper.

HIS LORDSHIP : Yes.

Hon. Mr. HERRIDGE : Assuming for the point of my argument

that the nonsuit is decided against me, I request a definite ruling by your Lordship at this point: Is my friend to be permitted to offer evidence in reply in respect to the paragraphs 3, 4, 5 and 6, which I have read? I submit there is no authority and no precedent, and it is contrary to the most elementary rules of evidence in the Exchequer Court, and also in any other Court, to open his case and waive establishment of his allegations until the reply comes; and to put the Defendant in the position of the Plaintiff to meet a case which he does not know what it is, is palpably unjust; and I do not know how to meet such a case, unless your Lordship

10 will rule upon it.

HIS LORDSHIP: The rule is that he must make out his case so that you can reply to it.

Hon. Mr. HERRIDGE: And if he does not make out his case on those four paragraphs, I ask your Lordship to rule that he is not entitled to offer evidence in respect to these four paragraphs later.

HIS LORDSHIP: I do not know what he is going to do as to that.

Hon. Mr. HERRIDGE: He can say now. And it does not make any difference what he says, I am putting it to your Lordship that the Court should now direct the parties in respect to this matter.

20 HIS LORDSHIP: That means that the Court must take hold of the direction of the Plaintiff's case; and the Court cannot do that.

Hon. Mr. HERRIDGE: No, it means that the Plaintiff has made certain allegations in the Statement of Claim, in paragraphs 3, 4, 5 and 6, which the Defendant has specifically denied and put him to the direct proof of. And those allegations patently are not established in the opening. Now, am I to meet that case, or how am I to meet that case?

HIS LORDSHIP: I should think, in general principles, Mr. Smart will find it very difficult to give evidence on these points when it comes. I am not in charge of his case.

30 Hon. Mr. HERRIDGE: But your Lordship is in charge of the conduct of this trial, and I submit, with the very greatest respect, that we have reached a point where the Defendant is entitled to know what he has to meet.

HIS LORDSHIP: That is all you can say on that, is it not?

Hon. Mr. HERRIDGE: There is this further point. We examined the secretary treasurer of the Plaintiff Company on discovery; he was unable to answer certain questions. We proposed to take commission evidence in respect to securing answers on those questions and others. My friend said he would produce a witness—

40 Mr. SMART: I said I would produce Mr. Dobbs at the trial, and Mr. Dobbs is here.

Hon. Mr. HERRIDGE: Am I to make Mr. Dobbs my witness? Your Lordship sees into what absurdities we fall when my friend tries to force this position upon us.

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HIS LORDSHIP : I see, you want to examine him just as if he were being examined on discovery ?

Hon. Mr. HERRIDGE : I want to examine him as Mr. Smart's witness.

HIS LORDSHIP : I will see that you are protected on that point.

Hon. Mr. HERRIDGE : Now I will ask your Lordship's direction on this question of evidence, because I am frankly at a loss to know how the Defendant can meet this case.

My friend has filed a trade mark, and what have we got to meet ? Have we to meet allegations of actual disproof, or have we to meet allegations of attempted fraud ? Or what have we to do ? Your Lordship will have to direct me as to what case I am to meet. 10

HIS LORDSHIP : I am not cutting you short, but I presume you have covered your point.

What have you to say, Mr. Smart, on this point ? Do you intend to make a point of the facts pleaded, namely, that you have expended large sums of money in advertising in the United States or Canada ?

What was the other point, Mr. Herridge ?

Hon. Mr. HERRIDGE : Paragraphs 3, 4, 5 and 6, my Lord.

HIS LORDSHIP : Well, you have the point that Mr. Herridge 20 makes.

Mr. SMART : And there are two answers. I cannot tell at this moment whether any of those facts will be relevant at all, because I do not know whether my learned friend—he has pleaded it—but I do not know whether he adduces evidence in support of it or not, I do not know, that is, as to whether he attacks our trade mark. In his pleadings he attacks the trade mark, not only by Defence, but also by Counterclaim which, in the ordinary course of events, I would have an opportunity to answer.

Hon. Mr. HERRIDGE : There is no question about that.

Mr. SMART : If my learned friend drops his Counterclaim, I am not 30 concerned to offer evidence in support of the trade mark, because the certificate of registration is prima facie evidence that this is a good trade mark.

If I attempted to supplement that by evidence to support it by large sales or something of that kind, and then wanted to answer in reply, I would have divided my case. So that as the matter stands now I have proved a valid trade mark.

There is no reason why I should prove anything more than that, my Lord. If my learned friend makes an attack on that trade mark, then I can answer his attack by proving secondary meaning, or any other answer 40 I may have to the kind of attack he makes. But until that attack is made, I submit I have not to answer it.

Moreover, if my friend is confident in his position, he can refuse to give evidence, and I am satisfied to argue the case on the material that is now in ; if my friend is not satisfied with that position, I can go further into the matter ; but that is a short statement.

HIS LORDSHIP : I am more concerned as to the complete trial of the case in an orderly way. I do not care what the legal view is, so much, or the technical view.

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Mr. SMART : It seemed to me that that would conduce to that end more than any other course ; because, after all, probably Coca-Cola is one of the most outstanding trade marks in the world.

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HIS LORDSHIP : I do not know that.

Mr. SMART : At this moment, all your Lordship knows is that there is a valid trade mark before your Lordship, which is alleged to be
10 infringed. Now it may be that that trade mark, as a trade mark, will never be attacked by the Defendant. There is nothing in his opening, in the statement he made to your Lordship, which suggests any attack on our trade mark. Now, if that is so, I certainly would not call evidence in reply, and your Lordship would be saved a great deal of time in the trial of the case.

HIS LORDSHIP : Well, the only ruling I make at present, Mr. Herridge, is that Mr. Smart has prima facie established his case. That is all.

Hon. Mr. HERRIDGE : Might I have your Lordship's specific
20 direction ? My motion to your Lordship was that the Plaintiff had failed to offer evidence in respect to the allegations in paragraphs 3, 4, 5 and 6 of the Statement of Claim. My motion to your Lordship was for a direction requiring the Plaintiff to either offer evidence in respect to those allegations or a direction that the Plaintiff would have no opportunity to offer evidence in respect to those allegations in reply.

HIS LORDSHIP : Well, Mr. Herridge, I will rule upon that when you reach it.

Hon. Mr. HERRIDGE : With respect, my Lord, we have reached it now.

HIS LORDSHIP : All the evidence Mr. Smart, in reply, is producing,
30 is an answer to what you give.

Hon. Mr. HERRIDGE : My Lord, this is the simple position : My friend takes an action against me, and he makes certain allegations in his Statement of Claim. He has not proved those allegations, admittedly. Now, what am I to meet ? Am I to go ahead and say, I leave these allegations, although you have not established them ? What case am I to meet ? I must ask your Lordship's direction.

I submit that perhaps never a case like this ever appeared before, where the Plaintiff makes statements in his Statement of Claim and then
40 waives those allegations and makes no proof of those allegations.

I submit that a direction of the Court should be made by the Court to the effect that either proof be made now of those allegations, or that the Plaintiff be estopped from later offering proof of those allegations in reply.

He says he has made his case, and that he may make his reply to my

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evidence. My friend will have a chance to reply to my case, when I become the Plaintiff on the Counterclaim; but I submit that now the Plaintiff must be directed to make his case, or be stopped when I conclude.

HIS LORDSHIP: Your point is that there is no evidence to indicate that Pepsi-Cola infringes Coca-Cola. Outside of that, I do not see much to it. Mr. Smart is taking some risks there.

Hon. Mr. HERRIDGE: He has made certain statements in respect to the Coca-Cola trade mark, and he has talked about long usage and big use. In other words, he has made the statements in paragraphs 3, 4, 5 and 6.

HIS LORDSHIP: I do not know that it is important. 10

Hon. Mr. HERRIDGE: It is most vital to the Defendant.

HIS LORDSHIP: He speaks about spending sums of money in advertising. It is not essential though.

Hon. Mr. HERRIDGE: He cannot have his cake and eat it.

HIS LORDSHIP: If you give no evidence as to the quantity of sales of the Plaintiff, then Mr. Smart cannot give any evidence in reply. I rule that now. Whether he is correct in assuming that in proving registration of "Coca-Cola," the compound word "Coca-Cola," he can argue that "Pepsi-Cola" is an infringement of that word without evidence is another point; and I am not going to decide that now. You will have to direct 20 your own course as you see fit. That is a very important point.

Hon. Mr. HERRIDGE: Then I think, my Lord, we are really getting on.

HIS LORDSHIP: You may state your points.

Mr. SMART: Your Lordship will hear me on that last remark?

HIS LORDSHIP: I think you have to take your risk upon that. Let Mr. Herridge finish.

Mr. Herridge, you state your points. I understood you were about to enumerate the points on which you say the Court should give direction. I think probably you are justified in asking that the record contain them. 30 Will you enumerate them?

Hon. Mr. HERRIDGE: In a word, I wish directions on this point: Whether or not the Plaintiff, if he does not offer evidence in-chief in support of the allegations in paragraphs 3 to 6 inclusive of the Statement of Claim, will be permitted to offer evidence in respect to those allegations in reply? It is not my case. It is the Plaintiff's case. These are allegations in respect to his trade mark.

He has come into Court and has sued us on a certain representation of facts, and he has not proved them. I am content if he says he abandons those allegations. But he cannot come in and say, "You have made a 40
"pretty good case, you have made a lot of statements which really concern
"us, and now we will bring in our high-powered experts and give evidence
"in respect of those four paragraphs." He cannot do that. He must come in now, or not at all. That is fundamental to the issues involved in this case.

HIS LORDSHIP: Your point is technical. I do not say there is not any force in it. You will have to decide what course you pursue. We want all the evidence in the case before us. That need not take very long. This is a case which I think might finish in a day.

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Hon. Mr. HERRIDGE: There is some slight doubt about that, my Lord. These four paragraphs concern allegations in respect to the Plaintiff's trade mark. Now, I am not going to have any evidence in respect of the Plaintiff's trade mark, on those allegations. How can I? But my friend will come in and try to drag out of my witnesses, on cross-examination, some references to Coca-Cola, and obscure the thing and in that way get a status. If I offer no evidence in respect of those allegations enumerated in the four paragraphs, can my learned friend then come along and mop up on that point? I ask your Lordship's ruling on that.

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Mr. SMART: It is immaterial, I submit, whether my Statement of Claim sets up more facts than it need set up. If Validity of my trade mark is established by what I put in, the fact that I have set up some additional facts in support of it which might answer an attack on the trade mark is no reason why I need prove that in opening. Let us say, for instance, that my learned friend attacks my trade mark as descriptive. Now, take a trade mark—not like this, because the point is more difficult to apply to this—take a trade mark like the Camel's Hair Belting trade mark, evidence might be given that the words were descriptive. But in reply, evidence might be offered that a secondary meaning had been created. But the question of secondary meaning does not arise until there is some evidence that the trade mark as registered is not good or is descriptive. So if I now put in evidence of a character which would establish secondary meaning—such as extent of sales, and advertising, things like that—I would be anticipating an attack on my registered trade mark which may never be made. And suppose I offered some evidence of that and then an attack were made and came back and replied with some more, I would be dividing my case. It is with a view of avoiding a division of the case that I proposed the calling evidence of that kind in reply.

HIS LORDSHIP: I am not going to direct how you shall conduct your case. That is for you. I have already stated that if Mr. Herridge should produce no evidence which goes to the question of sales, you could not give any evidence about that. Then it would not be at issue. But I am more concerned about this matter: Supposing Mr. Herridge produces no evidence at all. Then could you ask me to hold that Pepsi-Cola infringes Coca-Cola, without any evidence?

Mr. SMART: In the form in which it is shown, yes, my Lord. I have a number of authorities, which, I think, would be helpful to your Lordship.

HIS LORDSHIP: I do not care so much about the authorities. They are dealing with particular cases, but I have to decide this case.

Mr. SMART: I would then have to look at the two, side by side, the identity of appearance and the identity of sound.

HIS LORDSHIP: That is what you would argue?

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Mr. SMART : That is what I would argue, in short. If your Lordship would allow me just a word on that question of sales, may I say that it does not seem to me to depend on whether the Defendant offers any evidence of his sales, because that is irrelevant. The gradual growth of the Plaintiff's business and the extent of the Plaintiff's sales are evidence which might be considered if any question of secondary meaning arises.

HIS LORDSHIP : As a matter of fact our statute makes no provision about secondary meaning. We use that term because the English Trade Mark Act uses it. I do not know that secondary meaning has any place in our law at all. 10

Mr. SMART : Perhaps I should say, then, evidence in support of the fact that the words are adapted to distinguish the goods of the Plaintiff.

HIS LORDSHIP : Possibly I should hold open that question about sales.

Hon. Mr. HERRIDGE : And in respect of allegations in the other paragraphs, in the same way.

HIS LORDSHIP : In the same way, yes.

Hon. Mr. HERRIDGE : Now, my Lord, I want to make myself clear. I do not propose to ask any of the defence witnesses anything about the Plaintiff Company, either in the United States or in Canada. There is a defence witness, Mr. Hawkes by name, who is an ex-employee of the Plaintiff Company. I submit to your Lordship it would be highly improper for my learned friend to try to establish by cross-examination of this witness evidence with respect to Coca-Cola which should have been offered in-chief. 20

HIS LORDSHIP : I am not sure that evidence of what the Plaintiff Company does in the United States is evidence in this case.

Hon. Mr. HERRIDGE : Or in Canada.

HIS LORDSHIP : I am not sure that it is. The question before the Court is : has the Defendant infringed the Plaintiff's Canadian trade mark ?

Hon. Mr. HERRIDGE : Yes. There is another question. 30

HIS LORDSHIP : What was done in the United States is possibly of no importance whatever. If it is of importance it would be very slight.

Hon. Mr. HERRIDGE : There are two questions that arise in this case. My friend said I did not make reference to the second question. It is this. I have counter claimed alleging invalidity of the Plaintiff's trade mark registrations, on several grounds.

HIS LORDSHIP : You may attack the validity, under the statute, may you not ?

Hon. Mr. HERRIDGE : Yes. My friend, if I did not misunderstand him, has suggested that we argue this case without the submission of further evidence. 40

Mr. SMART : I was suggesting that my learned friend, if he had the courage of his convictions, would not call any evidence but would argue the case on my opening. It is not for me to press that, of course.

Hon. Mr. HERRIDGE : Do I understand that my friend offers—

Mr. SMART : I am of course making no offer.

HIS LORDSHIP : Mr. Herridge, if you decide to call no witnesses, and to produce no evidence, I suppose that would be the end of the case. Mr. Smart could not call anyone then.

Hon. Mr. HERRIDGE : My Lord, this is what I may term a novel departure on the part of my learned friend. It raises points which I should like to discuss with my colleagues, and may be we shall be able to shorten this case, if your Lordship would agree to an adjournment until after the
10 lunch hour. I am not pressing it. I do not much care how we go about this case, so long as we get a chance to put in evidence which we think is right and to keep out evidence of my learned friend which we think is not right.

Mr. SMART : My Lord, this is a short week. We are very reluctant to lose time.

Hon. Mr. HERRIDGE : I am not in the role of petitioner for this at all. I am merely suggesting this as probably a practical way out of the difficulty created by my learned friend's unprecedented procedure.

HIS LORDSHIP : I could live quite happily for the next hour or two,
20 hoping there would be no evidence in this case, if you seriously say that you would like time to consider with Counsel associated with you whether you are going to produce any evidence.

Hon. Mr. HERRIDGE : We might agree on a stated case. I must have before your Lordship the technical evidence upon which to base an argument—not oral evidence, but technical evidence, that is the registration and so on.

HIS LORDSHIP : Can you assure me, Mr. Herridge, that there would be any expectation of shortening the evidence if we adjourned now ?

Hon. Mr. HERRIDGE : I cannot give your Lordship any assurance.

HIS LORDSHIP : I ask if there would be any expectation, or hope.
30

Hon. Mr. HERRIDGE : There is always hope. I think the chances are very much against it though. We have nothing to conceal in our case. But my learned friend has put me in a very difficult position, under your Lordship's ruling, as I understand it.

HIS LORDSHIP : Possibly you mean that you have been taken a little bit by surprise, and you want some time to consult with your associated Counsel.

Hon. Mr. HERRIDGE : No ; I am indifferent. I will go right ahead.

HIS LORDSHIP : I am not disposed to refuse an adjournment.

Hon. Mr. HERRIDGE : I do not come as petitioner for this. I say
40 that my learned friend has done a thing which, to my recollection, is unparalleled in this Court. I have asked your Lordship for a ruling. I understand your Lordship has ruled this ; that if my learned friend does not offer any evidence in respect of those four paragraphs now, and if evidence is not offered in-chief by the defence witnesses in respect of those

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paragraphs, the Plaintiff may not have a chance to reply. Is that your Lordship's ruling?

HIS LORDSHIP: Mr. Herridge, I will adjourn to 2 o'clock. In the meantime, if I find any reason for ruling otherwise than I have indicated I shall say so when we resume. If not, we shall proceed. The adjournment will give you a little time for consultation. I can quite understand that you have possibly been taken a little by surprise and that a readjustment of arrangements is necessary. There is nothing wrong about that.

Hon. Mr. HERRIDGE: I am not so much surprised as shocked. 10

HIS LORDSHIP: I do not see any evidence of the shock.

(At 12.15 noon adjourned to 2 p.m.)

AFTERNOON SESSION.

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Hon. Mr. HERRIDGE: I hasten to relieve your Lordship's mind. The adjournment was of good effect, my Lord, and the Defendant has decided now to offer no evidence in respect of those paragraphs in the Plaintiff's Statement of Claim, and will offer but one witness establishing the technical points in the Defendant's case. 20

HIS LORDSHIP: What is that?

Hon. Mr. HERRIDGE: The ownership of the trade mark and the effect of Pepsi-Cola in the United States.

HIS LORDSHIP: What is that, again?

Hon. Mr. HERRIDGE: The ownership of the Canadian trade mark, the ownership of the American Pepsi-Cola trade mark, a word or two on the course of business in the United States, a word on the Pepsi-Cola business in Canada, but no word whatsoever directly or indirectly in connection with—

HIS LORDSHIP: Are you sure this evidence will be of any use? 30

Hon. Mr. HERRIDGE: I think it will help your Lordship. It is very brief, and after that I am prepared to argue the case.

No. 9 (a).

Defendant's Evidence.

CHARLES G. GUTH, Sworn. 40

Examined by the Hon. Mr. HERRIDGE.

HIS LORDSHIP: What points are you replying to?

Hon. Mr. HERRIDGE: I am not replying to any points, I am simply proving my *prima facie* case as my friend has proved his case.

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HIS LORDSHIP : Is this on your Counterclaim ?

Hon. Mr. HERRIDGE : No, no.

HIS LORDSHIP : Are you abandoning that ?

Hon. Mr. HERRIDGE : No, but this is all the evidence I am going to offer in this case in-chief, or the only witness I should say.

Q. You are a citizen of the United States, Mr. Guth ?—A. I am.

Q. What is your relationship to the Defendant Company ?—A. I am the general manager of the American Company which owns all the capital stock of the Canadian Company.

10 Mr. SMART : Of the Defendant Canadian Company ?

Q. Hon. Mr. HERRIDGE : Of the Defendant Canadian Company ?

A. Yes.

Q. What was your first knowledge of Pepsi-Cola in the United States ?—

Mr. SMART : My Lord, I think this is an appropriate time to take objection to any evidence with regard to user in the United States. The trade mark rights in Canada, I think, are firmly established. They depend on knowledge and use in Canada, and to go into the checkered history of the matter in the United States with regard to Pepsi-Cola would not, I submit, be of any assistance to your Lordship in reaching a conclusion and cannot in any way affect either the Plaintiff's or the Defendant's rights in this country, and, therefore, should be excluded.

20 HIS LORDSHIP : Ordinarily, I would be disposed to agree with that. What have you to say, Mr. Herridge ?

Hon. Mr. HERRIDGE : I have this to say, my Lord, that the evidence of user in the United States is pertinent to the issues raised by the Plaintiff.

HIS LORDSHIP : On what grounds ?

Hon. Mr. HERRIDGE : On the grounds that if the case originated in 1934, as it does in Canada, it would change the weight of the element of intent. The purpose of offering this witness in respect of the business in the United States, which, of course, is very brief, is simply to show that this was a going concern.

HIS LORDSHIP : The intent is of no consequence in a trade mark case.

Hon. Mr. HERRIDGE : It enters into the element. It is not controlling, but it is a significant and important element.

HIS LORDSHIP : I would think your strong ground would be that we must take cognizance of cold facts. Trade flows rather freely between both countries. We are so close that advertising circulates in one country and the other country, and it would be rather unfortunate if people of one country did not pay respect to the trade mark law in the other country.

40 Hon. Mr. HERRIDGE : As you held in the case of *Williamson and Carruthers*.

HIS LORDSHIP : That was a case of application. That was only a case of apparent fraud at the beginning. This, perhaps, is different,

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perhaps a case stronger from your standpoint because if the trade marks "Pepsi-Cola" and "Coca-Cola" are to be allowed in the United States unheeded, it raises a very, very awkward question in this country. I will allow the evidence subject to objection, and I will consider later whether I will reject it or accept it.

(Reporter read: "Q. What was your first knowledge of Pepsi-Cola in the United States?")

WITNESS: In 1904 I was acquainted with the originator of Pepsi-Cola, Dr. Bradham.

Q. Hon. Mr. HERRIDGE: What has been your knowledge of Pepsi-Cola from 1904 to the present time?—A. Well, I know that it was sold continuously in the United States right up to the present time; that it never was out of business; that it was doing business uninterruptedly during that entire period. 10

Q. HIS LORDSHIP: From 1900?—A. From 1904. As a matter of fact, however, it was on the market since 1896. It is 41 years old right now.

Mr. SMART: Has this witness qualified in any way to make that statement?

HIS LORDSHIP: He is speaking on a question of fact.

Hon. Mr. HERRIDGE: You say that the business is now being carried on in the United States by what Company?—A. By the Pepsi-Cola Company. 20

Q. The company which controls the Canadian company?—A. That is correct.

Q. What is the origin of the name "Pepsi-Cola"?—A. It derives its name from two of its outstanding ingredients, the first being Pepsin, which aids digestion, and the other from the marvellous flavour of the Cola-nut, which is grown in the British Jamaica Isles and Africa.

Q. HIS LORDSHIP: Are you speaking from your own knowledge now?—A. Absolutely, your Lordship. 30

Q. Hon. Mr. HERRIDGE: Is this Cola flavour in the present American product?—A. Yes, it is.

Q. And in the present Canadian product manufactured by the subsidiary Canadian Company?—A. Absolutely.

Q. When did you first become identified with the Pepsi-Cola business?—A. In 1931.

Q. In what capacity?—A. At that time the Company had had some financial difficulties, and a group of business friends and myself purchased the goodwill and the trade-mark of Pepsi-Cola.

Q. Do you operate under a secret formula?—A. Yes, Sir. 40

Q. Did you purchase the formula too?—A. Absolutely.

Q. Is the Canadian business carried on under the same formula?—A. In the identical same way.

Q. Will you compare the trade mark used now in the United States with the original trade mark, as your memory serves you?—A. It is absolutely identical.

Q. Will you compare the trade mark in the United States with the trade mark registered in Canada in 1906 to Pepsi-Cola Company of which I hand you a certified copy, and which will be marked as Exhibit "A." In the
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Mr. SMART: May I see the document?

Q. Hon. Mr. HERRIDGE: What is your answer?—A. Identical. No. 9(a).
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Q. Identical with the trade mark used in the United States at the present time?—A. That is correct.

Q. And also identical with the trade mark as used throughout the course of the history of Pepsi-Cola of the United States, as your memory serves you?—A. That is correct. Charles
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EXHIBIT "A." Filed by the Hon. Mr. Herridge. Certified copy of trade-mark of Pepsi-Cola Company, registered in Canada 1906.

Q. When you became identified with the Pepsi-Cola Company in 1931, what did you come into possession of?—A. The trade mark, the secret formula and the goodwill of the Company which had been operating for 35 years or more.

Q. The trade mark in the United States? A. Yes, sir.

Q. And in Canada?—A. And in Cuba and in England. In a great many places. I do not recall them all.

20 Q. And in Canada, you said?—A. And in Canada since 1906.

Q. Do you do business in any countries other than in the United States and Canada?—A. Yes, we do business in Cuba, we do business in London, England, we do business in Bermuda, Canada and in all of the 48 States of the United States.

Q. Will you in a word compare the Canadian business with the United States business in respect to your general merchandising methods?—A. Our merchandising methods in all of the places where we operate, in all of the countries, and as in Canada, are identical with the United States. There has never been a change.

30 Q. In what form do you sell Pepsi-Cola in Canada?—A. Only in a 12-ounce bottle, which is distinctively labelled and crowned, and that is the way we sell it all over the world, as far as that is concerned.

Q. Do you mean by that that the label and crown and bottle, as well as the trade mark in Canada, are identical with those used throughout the world where you are doing business?—A. Yes, Sir, the same in England, the same in every place where we do business.

Q. Will you identify this bottle of Pepsi-Cola filed by the Plaintiff and marked Exhibit 3?—A. Yes, that is the original.

HIS LORDSHIP: Is that the right exhibit?

40 Hon. Mr. HERRIDGE: Exhibit 3.

HIS LORDSHIP: It cannot be Exhibit 3 in the trial.

Hon. Mr. HERRIDGE: That is Exhibit 3 in the trial.

HIS LORDSHIP: Oh, is it?

Hon. Mr. HERRIDGE: Yes.

Mr. SMART: I filed it.

HIS LORDSHIP: I beg your pardon.

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Hon. Mr. HERRIDGE: And is this your bottle?—*A.* Yes, Sir.

Q. A bottle of your product manufactured in Canada?—*A.* Yes,
Sir.

Q. And are the caps used in Canada and elsewhere the same?—*A.* The
identical same caps are used everywhere.

Q. Is the Pepsi-Cola product sold as a fountain beverage in Canada?—
A. It is not.

Q. It is sold only in this one form?—*A.* Sold only in that distinctive
bottle and size.

Hon. Mr. HERRIDGE: My Lord, I will file the assignment of the 10
trade mark to the Defendant Company.

Mr. SMART: That is the document that was produced on discovery,
is it?

Hon. Mr. HERRIDGE: Yes.

EXHIBIT "B." Filed by the Hon. Mr. Herridge. Assignment of
trade mark to Defendant.

No 9(b).

Charles G. Guth (cross-examination).

Cross-examined by Mr. SMART.

No. 9(b).
Defendant's
Evidence.

Charles
G. Guth,
Cross-
examina-
tion.

Q. Mr. Guth, you are interested in Loft Incorporated in New York?— 20
A. Yes, Sir. I was President of that Company for six years up to a year
ago.

Q. And that Company owns a large number of candy stores?—*A.* 225,
when I left there.

Q. And the Happiness Candy Stores, you are interested in them?—
A. That is correct.

Q. How many stores have they?—*A.* Well, they were included in the
figure of 225. We did business all through Loft.

Q. Does that include the Mirror Stores as well?—*A.* Yes, that is
correct. 30

Q. You said you became interested in this Pepsi-Cola situation in
1931?—*A.* That is correct.

Q. Is it correct that you did not do any substantial business till 1933?—
A. No. we carried on the business just as it had been carried on for many
years.

Q. But there had just been a bankruptcy of the Pepsi-Cola Company
had there not?—*A.* Yes, there were two—

Q. Just at that time?—*A.* Yes, prior to that time. That is correct.

Q. That is in 1931?—*A.* That is correct.

Q. Would you say that the business at that time before the bankruptcy, 40
was of the order of \$600 to \$1,000 a month?—*A.* How is that?

Q. Was it any greater than \$600 to \$1,000 per month?—*A.* I should
say so.

Q. It was ?—A. Why, certainly. That is ridiculous.

Q. Quite ridiculous, is it ?—A. Very ridiculous.

HIS LORDSHIP : Where ?

Mr. SMART : In the United States.

Q. I suppose that before buying it at that time you made investigations as to the extent of the business ?—A. Indeed we did.

Q. When you made the actual purchase, who was carrying on the business ?—A. I don't quite get that.

10 Q. The business of the Pepsi-Cola Company.—A. Who was carrying it on ?

Q. Yes.—A. The Pepsi-Cola Company.

Q. Was it not the Receiver that was carrying it on ?—A. No, the Receiver was only in there probably less than sixty days before the new Company took it over.

Q. But you dealt with the Receiver ?—A. No, we dealt with the largest stockholder and creditor of the Company that went into bankruptcy.

Q. Who was that ?—A. Roy C. McGargle, now deceased.

Q. Then you entered into some agreement with Mr. McGargle to purchase the trade mark and formula, if possible, from this Company ?—

20 A. And goodwill.

Q. It was pursuant to that that Mr. McGargle bought it from—I suppose he would have to buy it from the Receiver ?—A. He had to deliver it. He had to deliver it on the purchase.

Q. And he got it from the Receiver ?—A. Yes.

Q. And he paid \$10,000 for it ?—A. I don't know what he paid. I can tell you what we paid.

Q. Well, I thought you made inquiries about the Receivership ?—A. No, we had nothing to do with that at all. We were dealing with Mr. McGargle.

30 Q. Do you not now know that he purchased it for \$10,000 ?—A. I have nothing to do with that at all, Sir.

Q. You have never looked at any Court record with regard to it ?—A. I know we paid out \$150,000 just for the trade mark and formula, and one third of the stock of the new Company for which I put up over \$100,000.

Q. Did you pay him that in cash ?—A. We paid it to him according to our agreement.

Q. Well, that is not quite an answer to my question. Did you pay him in cash ?—A. Certainly. We didn't pay it in script.

40 Q. You changed your agreement with him, did you not, after you first made an agreement you made a settlement for cash ?—

HIS LORDSHIP : Mr. Smart, I do not want to interrupt you, and possibly I will have to rule as to the relevancy of all this evidence, but just for the sake of saving time, what has this got to do with the case, what he paid for it ? He paid something for it, does it matter whether he paid a dollar or a hundred thousand ?

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No. 9(b).
Defendant's
Evidence.

Charles
G. Guth,
Cross-
examina-
tion—
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No. 9(b).
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Charles
G. Guth,
Cross-
examina-
tion—
continued.

Mr. SMART : I think, my Lord, it is rather hard to ask me to explain the purpose of the cross-examination of this witness.

HIS LORDSHIP : What is that ?

Mr. SMART : I say it is rather hard to ask my purpose of the questions that I am asking the witness. They may lead in many directions.

HIS LORDSHIP : Yes, I know, but one can generally see where questions lead, and where they seem obviously irrelevant. One cannot help inquiring why you take the time.

Mr. SMART : Well, I may be attacking the credibility of this witness.

Hon. Mr. HERRIDGE : Are you ?

HIS LORDSHIP : Yes. Then that would be a ground, probably. 10

Mr. SMART : I think I have some document here that may shorten it.

Q. It was you who suggested the policy of changing over the method of marketing Pepsi-Cola ?—A. Absolutely.

Q. And when was that change made ?—A. In 1934. I might mention that it took us that long to get started because of interference by the Coca-Cola Company who tried to wreck this Company several times.

Q. Well, that brings up an interesting subject. How many stores did you say you had ?—A. Well, we started with about fifty when I went into the Company.

Q. No, no, at that time. You gave me the figure before ?—A. I think 20 it was 225 or 226.

Q. In and about New York ?—A. Yes.

Q. And they were all doing a large business in the sale of Coca-Cola ?—A. We didn't do such a big business with Coca-Cola. We did a \$15,000,000 business, however. Coca-Cola was a very small, insignificant part of that business.

Hon. Mr. HERRIDGE : I do not wish to interrupt my friend, my Lord, unnecessarily, but he is obviously trying to broaden the scope of the cross-examination to allow for other evidence on his part. I stated to your Lordship that this evidence-in-chief was confined to the operations of the Pepsi-Cola Company and was designed studiously to avoid any reference to Coca-Cola in any shape or form. 30

Mr. SMART : I can see no objection to the question I was asking the witness.

Hon. Mr. HERRIDGE : You do not take the position that you can go beyond the scope of the direct examination, I trust ?

Mr. SMART : Oh, yes.

HIS LORDSHIP : There is a limit on cross-examination.

Mr. SMART : But that limit has been nowhere approached in the questions I have been asking. 40

(Reporter read : " Q. And they were all doing a large business

" in the sale of Coca-Cola ?—A. We didn't do such a big business

" with Coca-Cola. We did a \$15,000,000 business however. Coca-

" Cola was a very small, insignificant part of that business.")

Q. But it was on sale at all the stores ?—A. Naturally.

Q. Then there came a day when you discontinued the sale of Coca-Cola

in all your stores and substituted Pepsi-Cola for it?—*A.* We didn't substitute Pepsi-Cola for anything at any time. We discontinued the sale of Coca-Cola, which was our privilege. We could buy and sell anything we felt like. In the
Exchequer
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Canada.

Q. I am not asking for your explanation, Mr. Loft.—*A.* Not Mr. Loft. No. 9(b).
Defendant's
Evidence.

Q. Pardon me, Mr. Guth. I am asking you whether it was a fact that on a certain date you discontinued at all these stores the sale of Coca-Cola and sold Pepsi-Cola or offered Pepsi-Cola for sale?—

HIS LORDSHIP: Or offered Pepsi-Cola for what?

10 Mr. SMART: For sale.

WITNESS: Of course we sold Pepsi-Cola in our stores.

Q. But you took out Coca-Cola and put in Pepsi-Cola as a beverage which was offered to the public in your stores?—*A.* We did, and that was our privilege at all times. Charles
G. Guth,
Cross-
examina-
tion—
continued.

Q. And you said that there was no substitution of Pepsi-Cola for Coca-Cola in your stores, is that so?—*A.* I say that the Chancellor at Wilmington said we didn't. You brought suit, you did everything—I am speaking now of the Coca-Cola Company—everything in the world, as you are doing now, trying to tie this thing up, and we had a case there that lasted ten days and the Chancellor in the State of Delaware gave us a clean Bill of Health, after making us spend about \$60,000 for legal fees.

20 *Q.* But it is true that the Chancellor found as a fact that in your stores there were some 640 instances of substitution of Pepsi-Cola for Coca-Cola?—*A.* I don't admit that at all.

HIS LORDSHIP: What do you mean by "substitution"?

Q. Mr. SMART: People who came in and asked for Coca-Cola in your stores, on 640 separate occasions, received Pepsi-Cola. Was that not found as a fact?—*A.* I do not know the figures at all. But your Lordship, if I may explain. May I?

30 Mr. SMART: No.

WITNESS: I would like to. You are putting me on the spot, and I would like to have his Lordship understand the situation.

HIS LORDSHIP: Never mind using the word "spot."

WITNESS: I beg your pardon.

HIS LORDSHIP: It is hardly fair to ask the witness whether or not it developed in a case that was tried some years ago there was a certain number of substitutions.

Mr. SMART: Only recently, my Lord. And the witness previously stated that there were no substitutions.

40 *Q.* You were at that trial?—*A.* No, I didn't say there were no substitutions. You asked me if we substituted one for the other, and I said we didn't.

HIS LORDSHIP: That is what I understood the witness to say.

Mr. SMART: Then we get down to the fact that there were substitutions by clerks in your stores of Pepsi-Cola for Coca-Cola?

HIS LORDSHIP: Mr. Smart, is there some other way of putting

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Evidence.

Charles
G. Guth,
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examina-
tion—
continued.

that ? That is confusing. It is confusing to me. Is there not some better word than "substitution."

Mr. SMART : I will put the question differently, my Lord.

HIS LORDSHIP : I think I know what you mean, but it is perhaps unfair to the witness and it leaves a wrong impression on the record.

Q. Mr. SMART : Is it not true, Mr. Guth, that on some 640 occasions persons went into these stores and asked for Coca-Cola and received Pepsi-Cola ?—A. I won't admit that. I don't recall the figures. We had 800 soda clerks. We operated 175 soda fountains. We served 50,000 people a day in our stores, and your Company sent forty or fifty young snoopers through there who would go in and say, "Give me Cola," and in the rush, trying to serve hundreds of people, our boys in a number of instances— and the Chancellor of Wilmington held that we were not responsible for that. 10

Q. Then it gets down to the point that it is only the figures you are quarreling with ?—A. Well, the case went against you anyway.

Q. But it did happen on a number of occasions ?—A. I won't admit it happened. Your Court records speak for themselves. I can get the Chancellor's decision for you, and it will tell you. You know all about it ; you have studied it. 20

Q. Then you have no quarrel with the Chancellor's decision as to the facts expressed in his opinion ?—A. None at all.

Q. Here are a few statements of facts which are summarized by the Chancellor.—A. You will have to read them all to make any sense out of it.

HIS LORDSHIP : It was a judgment rendered by the Court, was it not ?

Mr. SMART : Yes, my Lord.

HIS LORDSHIP : On what date ?

Mr. SMART : 1933. 30

HIS LORDSHIP : Why not put that in ?

Mr. SMART : I intended to refer to it. It is reported at 23 Trade Mark Reporter, 468 ; and 167 Atlantic Reporter.

HIS LORDSHIP : I prefer to construe the judgment myself than have a layman do it for me.

Hon. Mr. HERRIDGE : Was the Pepsi-Cola Company a party to that judgment ?

WITNESS : No.

Mr. SMART : No. But your Lordship will see that the opinion does not prove the facts. But this witness is in a position to assent to the facts as found by the Chancellor. 40

HIS LORDSHIP : We do not want to try the case again if it was tried in New York. Of course, this witness' view would be that all the evidence given in New York was not true so far as this Company was concerned, that there was no legal inference of infringement.

Hon. Mr. HERRIDGE : The parent Company was not even a party to that suit.

HIS LORDSHIP : The only question in my mind, Mr. Smart, is whether it would clarify the situation by examining this witness on that. I know the inference you seek to make from that, and it only means that witnesses were sent around to these several stores and asked for Coca-Cola and got Pepsi-Cola. That is what they swore to.

Mr. SMART : Yes.

HIS LORDSHIP : That will appear from the Judgment, will it not ?

Mr. SMART : Yes, that appears from the Judgment.

HIS LORDSHIP : Well, that is the better evidence.

10 WITNESS : But that was not in bottles, your Lordship. It was at a soda fountain, and because of that confusion we instantly stopped selling at soda fountains, so there could not be any confusion and put Pepsi-Cola only in that bottle with that distinctive label and crown.

Mr. SMART : When did you do that ?—A. 1934.

Q. What time in 1934 ?—A. About the beginning of the year or the end of 1933. I don't just recall the date.

Q. That was because of the confusion which had arisen by persons inquiring for Coca-Cola and being served with Pepsi-Cola from the fountains ?—A. That is not true at all.

20 Q. Which part of it is not true ?—A. The only confusion that ever existed was what the Coca-Cola brought themselves through their own employees going in during rush hours and in a number of cases causing this confusion, and the Chancellor held us absolutely clean and honourable all the way through ; because we certainly put right on our fountains a poster, knowing the unscrupulous methods that the Coca-Cola Company used toward their competition—we simply stated that Loft does not sell Coca-Cola. If we wanted to palm off something—

HIS LORDSHIP : Try to wash as little dirty clothing as we can. There is bound to be a little come out.

30 Q. You never sold any Coca-Cola in your store since that ?—A. I should say not. As a matter of fact, our customers would not accept Coca-Cola after drinking Pepsi-Cola.

Q. Now, going back to what you said about your first acquaintance, in 1904, with Pepsi-Cola, where was that ?—A. Dr. Bradham—

Q. Where was that ?—A. In Newburn, North Carolina.

Q. Were you in Newburn, North Carolina ?—A. Indeed I was.

Q. Often ?—A. I have been there half-a-dozen times, but I made one particular trip down to see Dr. Bradham.

40 Q. That was in 1904 ?—A. Yes, Dr. Bradham at that time operated a drug store—

Q. When did you make your next trip ?—A. Oh, I do not know, probably a year or two later.

Q. And then again ?—A. I have not been down there now for ten years. There is no particular interest there for me now.

Q. Then you made how many trips in all, would you say ?—A. Oh, several. You see, I did business all over the United States and I made a great many trips.

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Court of
Canada.

No. 9(b).
Defendant's
Evidence.

Charles
G. Guth,
Cross-
examina-
tion—
continued.

In the
Exchequer
Court of
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No. 9(b).
Defendant's
Evidence.

Charles
G. Guth,
Cross-
examina-
tion—
continued.

Q. What business did you do all over the United States?—A. Our chocolate business. We made fine package chocolates.

HIS LORDSHIP: Who was this Doctor in the south?

Mr. SMART: Dr. Bradham, the druggist. That is where the witness said he first came across Pepsi-Cola.

Q. How often did you go down to the south during the period from 1904 on?—A. Are you speaking now of Newburn, or the South?

Q. North Carolina?—A. Oh, I probably was through there once a year or once in eighteen months.

Q. And how often did you speak to Dr. Bradham—on what occasions? 10

—A. Well, the first time I went down there on account of the Doctor owing our Company a considerable amount of money.

Q. You do not need to explain it.—A. You asked me, and I want to tell you.

Q. I want you to answer my questions: On how many occasions?—A. I have answered that several times. I missed my train and stayed up at his house all night, as there was no other place to go; and he gave me a statement of Pepsi-Cola at that time, which sold me on the proposition.

Q. So that, in speaking about Pepsi-Cola, you are just repeating what you heard from Dr. Bradham as to before 1904?—A. Well, I could not 20 hear it from anyone better than the originator, could I?

Q. In fact, it is not your own knowledge, but it is what Dr. Bradham told you?—A. Why, I was in his plant and saw him making it.

Q. That was in 1904, but as to any facts prior to 1904, you have not any personal knowledge yourself?—A. Oh, yes, I have.

Q. Then let us go into what personal knowledge you had yourself, not what you heard from Dr. Bradham, prior to 1904?—A. To my personal knowledge, it was on the market seven or eight years before that time.

Q. Seven or eight years?—A. Yes.

Q. On what occasion did you see it and where?—A. In various parts 30 of the country, at soda fountains.

Q. Where?—A. I could not be certain now, but I knew it existed as I know now Coca-Cola exists.

Q. Would you be surprised to learn that it was only on sale in one or two States at that time?—A. Oh, I do not know.

Q. From your knowledge, you would not be prepared to contradict that it was only on sale in one or two States, in North Carolina—?—A. It would not make any difference to me whether it was sold in one State or 40 States, I know it was sold from 1906 or 1907.

Q. From your own knowledge?—A. Yes. I mean 1896. 40

Q. How do you know it was sold in 1896? I am instructed that it was not in fact sold in 1896, that it was not considered in any way at that time?—A. Yes, I do know that it was sold. Dr. Bradham told me so, and I was in his plant.

Q. Just a moment. You are giving evidence of your own knowledge?—A. Certainly I am.

Q. And you understand the rule about hearsay evidence, that when

you state a fact to be so it must be a fact of your own knowledge and not what someone else has told you. Do you understand that?—*A.* Yes, but I am trying to tell you, first of all—

Q. Wait until I ask you a question. This 1896 date which you gave—?—*A.* That is a long time ago.

Q. If you will wait until I finish my question, I will give you every opportunity to answer a question as long as you are answering the question, and your Counsel, if there is anything in addition to the answer to the question, may suggest what you should go into, apart from that. Now, 10 when you make any reference to the date 1896, you are not speaking of your own knowledge but of something which you heard somewhere, is that not so?—*A.* No, it is not so. I got a lot of advertising—

Q. Wait—

HIS LORDSHIP: If he wants to make an explanation, he is entitled to do it.

WITNESS: I saw a lot of advertising at that time, a lot of it carrying from 1896. There is some advertising there with the Counsel that I think you would like to see here. There you are.

Q. I am trying to get at the basis—

20 Hon. Mr. HERRIDGE: We are trying to help you.

Mr. SMART: I am trying to get at the basis of your statement that you know that Pepsi-Cola was sold in 1896, and I gather from what you have just told me, that the basis is that you have seen that fact stated in an advertisement of the Pepsi-Cola Company which you saw in 1904 or later—is that right?—*A.* Yes, and because the owner told me so, and I believed the owner who was a very high grade, honourable man.

Q. And that is the basis of your statement?—*A.* Yes, Sir.

Q. Now, you told my learned friend about the words Pepsin and Cola being the basis of the word "Pepsi-Cola." Am I to take it from that that 30 you regard the word Pepsi-Cola as merely descriptive of this drink?—*A.* I certainly do not. I regard it as the trade mark of that Company which has been in existence for 41 years.

Q. So that the word "Pepsi-Cola" when written together in that way is not in your opinion descriptive?—*A.* I think it is suggestive.

HIS LORDSHIP: If that question arises, I suppose that is a question for the Court. Mr. Herridge rather put that question in a way to leave that impression; and the witness, while he is experienced, is not able to meet you on the legal points. That question is a question of law, anyway. He said the title or name was derived from the ingredients Pepsin and 40 Cola—that was the origin of it.

Mr. SMART: That is what he said, and I am not pressing him further on that point.

Q. Now, when you spoke of the sales of Pepsi-Cola in Cuba, Bermuda and England, you were referring to sales for 1934 when you started this?—*A.* That is correct.

Q. And when you spoke of the 48 States of the Union, you were speaking of that time?—*A.* That is correct.

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No. 9(b).
Defendant's
Evidence.

Charles
G. Gath,
Cross-
examina-
tion—
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No. 9(b).
Defendant's
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Charles
G. Guth,
Cross-
examina-
tion—
continued.

HIS LORDSHIP : Is your trade mark registered in England ?—*A.* We are operating under our trade mark there ; I think it is being registered now.

Q. Mr. SMART : Is it actually registered ?—*A.* I would say Lord Marks is attending to our legal affairs there.

Q. He does not happen to be a lawyer, does he ?—*A.* Doesn't he ? You ought to meet him.

Mr. SMART : I have met him on many occasions.

WITNESS : Marks and Clerk.

Q. I suppose since 1934 on you have indulged in substantial advertising ?—*A.* Well, we have put our advertising on the quality of our drink, and that is the reason it sells so well, instead of in the newspapers, billboards, and so on. 10

Q. There is litigation now pending between the Loft Company and yourself and between Mr. McGargle or his estate and yourself ?—*A.* There is no litigation between Mr. McGargle and ourselves at all ; and whatever happened between Loft and myself strictly has nothing to do whatever with this matter.

Q. There is nothing between Mr. McGargle and you ?—*A.* Absolutely not.

HIS LORDSHIP : Be careful, Mr. Smart, if it has nothing to do with this litigation. 20

Q. Which Pepsi-Cola Company was it that you dealt with when you made this purchase, when you organized the present Pepsi-Cola Company of Delaware ?—*A.* I stated to you that Mr. McGargle handled the situation. That is who we dealt with and organized the Pepsi-Cola Company of Delaware.

Q. You bought from Mr. McGargle. Do you know what Pepsi-Cola Company Mr. McGargle bought from ?—*A.* He dealt with the Federal Court at Richmond, the Receiver in Bankruptcy.

Q. The bankruptcy of the National Pepsi-Cola Company ?—*A.* I guess that is right. 30

Q. The National Pepsi-Cola Company at Richmond ?—*A.* That is right.

Q. What actually did you take over from Mr. McGargle when you made that purchase ?—*A.* The trade mark in America and a great many parts of the country, and the secret formula, and the goodwill, whatever they had of it. That is what we took over.

Q. The trade mark—you mean you got a certificate of the trade mark registration ?—*A.* The same as yours, the same kind.

Q. You got a certificate of the trade mark registration ?—*A.* Of course we did. 40

Q. Then you got a written formula, is that so ?—*A.* That is correct.

Q. Then did you take over any physical assets ?—*A.* No, we did not want them. We took over the goodwill, the only value in the whole thing was the secret formula and the trade mark all over the country.

Q. And that was what you value, and what you got ?—*A.* That is correct.

Q. And nothing more ?—*A.* I did not want anything else.

Q. You, since 1904; those visits with Dr. Bradham, had no direct contact with the Pepsi-Cola Company?—A. I do not quite understand your question.

Mr. SMART: Will the reporter read the question?

(The Reporter read the last question, which appears at lines 30 and 31 on page 70 hereof.)

10 Q. You, since 1904, those visits with Dr. Bradham, had no direct contact with the Pepsi-Cola Company?—A. The first one, my evening spent at that home was taken up with Dr. Bradham telling me about Pepsi-Cola, and telling me all about it. I never had any idea at that time that I would ever become a part of it.

Q. And when was the next occasion?—A. You have asked me that, Mr. Smart, and I have told you I was down there once or twice, but never was down there on any Pepsi-Cola business at all, and never had any interest in it until 1934.

Mr. SMART: That is all.

Hon. Mr. HERRIDGE: No questions.

I file a copy, my Lord—

Just a moment.

20 Q. You have said that you had no connection with Pepsi-Cola until 1934?—A. Until 1931 I meant to say, Sir.

Hon. Mr. HERRIDGE: I file a copy, my Lord, of the Certificate of the Canadian registration of the Coca-Cola Company's registration of their bottle. Apparently the Coca-Cola Company not only had the two registrations of the words "Coca-Cola" but in 1928 they also registered a trade mark of their peculiar type of bottle.

EXHIBIT "C." Filed by the Hon. Mr. Herridge. Copy of Certificate of Canadian registration of the Coca-Cola bottle.

30 Hon. Mr. HERRIDGE: Then I wish to file, my Lord, certified copies of Canadian registrations of various Cola trade marks.

Mr. SMART: I object, my Lord; they cannot affect our rights unless they are prior to our registration. That was decided in the *Aspirin* case.

The fact that other people registered trade marks after 1905 cannot possibly be relevant. The Registrar may have made a mistake in registering and we may have had good grounds for attacking them. At any rate, they are the registrations of other parties, not of this Defendant.

HIS LORDSHIP: Are you insisting upon it, Mr. Herridge?

Hon. Mr. HERRIDGE: Yes, my Lord.

40 HIS LORDSHIP: On what ground?

Hon. Mr. HERRIDGE: I insist upon it on this ground, my Lord, that they assist in countering my friend's suggestion that Coca-Cola was a dominant name in the business.

My point in filing the certified copy, which of course I am entitled to do as a matter of law, under the practice of the Court.

HIS LORDSHIP: I do not know that you are.

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C. Guth,
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examina-
tion—
continued.

Hon. Mr. HERRIDGE : I am entitled to file, I submit, with great respect, any certified copy of any Canadian trade mark anticipatory which in my submission reaches to the issues involved in the suit. I do not think that my friend will take the position that I am not so entitled.

HIS LORDSHIP : You cannot file anything that is irrelevant. The fact that it comes from a trades mark office would not help it any. I would say that Mr. Smart's objection, probably, in law, is sound, because a registration subsequent to the registration of the trade mark in question can have nothing to do with it ; but you may want to base another argument upon it altogether, and I see just how you might possibly do so, and I do not want to take the risk of refusing admission of the evidence ; but you understand, of course, that it is subject to objections. 10

Hon. Mr. HERRIDGE : Yes, I understand that, my Lord.

HIS LORDSHIP : How many have you ?

Hon. Mr. HERRIDGE : I have about 30, my Lord.

HIS LORDSHIP : And they all had " Cola " as part of the word ?

Hon. Mr. HERRIDGE : They all have " Cola " and some of them as a matter of fact bear a date antecedent.

If my friend cares to have a copy of it, I have a list of these things which I might append. 20

HIS LORDSHIP : They were referred to in your prior evidence, were they ?

Hon. Mr. HERRIDGE : Some of them were.

HIS LORDSHIP : Attach the list and the patents together and refer to them.

Hon. Mr. HERRIDGE : Very well, my Lord. They will be Exhibit " D."

HIS LORDSHIP : You might have the Registrar mark them D.1 and on down to D.30.

Hon. Mr. HERRIDGE : I would like to file the list with it. 30

Mr. SMART : We will assume that this goes in with it.

HIS LORDSHIP : As long as it is on the file.

EXHIBITS D.1 to D.30. Filed by the Hon. Mr. Herridge. Certified copies of Canadian registrations of various " Cola " trade marks with list.

Hon. Mr. HERRIDGE : Then I shall file the evidence taken on Examination for Discovery of Claude Duncan, the Treasurer and Officer of the Plaintiff Company. I shall read only a part of it.

HIS LORDSHIP : Do you want to take it as read ?

Hon. Mr. HERRIDGE : Whatever your Lordship desires. I might refer to it on argument. 40

HIS LORDSHIP : I am satisfied that it shall be taken as read on the file.

No. 10.

The Examination for Discovery of Claude Duncan, an Officer of the Plaintiff, on behalf of the Defendant, before Ralph M. Spankie, Deputy Registrar of the Exchequer Court of Canada, at Ottawa, Ontario, on October 15th, 1936.

In the
Exchequer
Court of
Canada.

No. 10.
Defendant's
Evidence.

CLAUDE DUNCAN, sworn.

Examined by the Hon. Mr. HERRIDGE.

Examina-
tion for
Discovery
of Claude
Duncan.

1. Q. What is your position in the Plaintiff Company?—A. Secretary and Treasurer.
- 2 Q. How long have you been secretary and treasurer?—A. I have
10 been secretary and treasurer for about one and a half years.
3. Q. Were you with the Company before that time?—A. Yes.
4. Q. In what capacity?—A. Secretary and assistant treasurer.
5. Q. How long were you with the Company in that capacity?—
A. From December, 1923.
6. Were you with the Company before that time?—A. There was no
Plaintiff Company prior to that time.
7. Q. On the 29th day of September, 1923, the Plaintiff Company was
incorporated?—A. Yes.
8. Q. And you have been with the Plaintiff Company since its organiza-
20 tion?—A. Practically.
9. Q. Are you familiar with the business done in Canada by the
Plaintiff's predecessors in title and which was taken over by the Plaintiff
Company at the time of its incorporation?—A. Yes, I am to a certain
extent.
10. Q. Prior to the incorporation, how was the business carried on in
Canada?—A. As a branch of the Coca-Cola Company, a Delaware Corpora-
tion, and prior to that a Georgia Corporation.
11. Q. Prior to the incorporation of the Plaintiff Company, what was
the name of the predecessor in title?—A. The Coca-Cola Company.
- 30 12. Q. Incorporated?—A. Yes, under the laws of the State of
Delaware.
13. Q. But there was no incorporated company in Canada?—A. No,
no company incorporated under the laws of Canada.
14. Q. What was the nature of the Plaintiff Company in Canada?—
A. Do you mean the American Company?
15. Q. Yes?—A. A Stock Company.
16. Q. You told me that prior to the incorporation of the Plaintiff
Company the business in Canada was carried on by a branch of the American
Company?—A. Yes.
- 40 17. Q. What was the character of that branch?—A. A manufacturing
and selling branch.
18. Q. Where was its head office?—A. The head office of the Company
was in Atlanta, Georgia.

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tion for
Discovery
of Claude
Duncan—
continued.

19. Q. But where was the head office of the Canadian branch?—
A. There were a number of branches.

20. Q. Where?—A. Montreal, Ottawa, Toronto, Hamilton, Winnipeg, Regina, Saskatoon, Moose Jaw, Calgary, Edmonton, Lethbridge and Vancouver.

21. Q. Were these branches manufacturing concerns?—A. Four of them manufactured the syrup and the remainder of them bottled the syrup.

22. Q. Which four of them manufactured the syrup?—A. Montreal, Toronto, Winnipeg and Vancouver.

23. Q. Where did they get the syrup?—A. The syrup was made in the 10
four plants.

24. Q. What is the syrup made of?—A. It is made of sugar, flavouring extracts and other ingredients with which I am not familiar.

25. Q. Was the syrup wholly made in Canada?—A. Yes.

26. Q. And the remaining eight plants did the bottling?—A. Yes, and those four plants also bottled.

27. Q. What is the nature of the bottling process?—A. The addition of carbonated water to the syrup.

28. Q. Was it the practice of the predecessor in title to send the syrup from the main branches to the other branches which you mentioned and 20
which, in turn, added the carbonated water and bottled the product?—
A. That is correct.

29. Q. You have not yet explained to me the character of these so-called branches; were they Coca-Cola offices?—A. Yes, Sir.

30. Q. Were they offices which did exclusively the business of the Coca-Cola Company?—A. Yes, Sir.

31. Q. In the four offices which you state manufactured the syrup, were there manufacturing plants attached to these offices?—A. Yes, Sir.

32. Q. Where, for instance, in Toronto was the manufacturing plant?—
A. At that time it was located on Bellwoods Avenue. 30

33. Q. Who managed these four major plants, officers of the American parent company?—A. They were in immediate charge of local managers.

34. Q. Under instructions from the head office in the United States?—
A. That is correct.

35. Q. During this time you refer to, in the years prior to the incorporation of the Plaintiff Company, was this product or any part of this product imported into Canada?—A. Prior to the formation of the Canadian Company, yes.

36. Q. What part of it was imported into Canada?—A. None at the immediate time you speak of but in the earlier years it was imported into 40
Canada in finished syrup form.

37. Q. Was it ever imported into Canada in a completed beverage form?—A. I cannot say for sure whether or not it was, but, to my knowledge, it was not.

38. Q. Who would know? Who, of the parent company, would be able to give that information?—A. Do you mean of the Canadian or American Company?

39. Q. Either?—A. One of the officers of the Coca-Cola Company of Delaware.
40. Q. You do not know who it would be?—A. No, Sir.
41. Q. But after the incorporation of the Canadian Company everything was manufactured in Canada, all the ingredients of the beverage?—A. Yes, Sir.
42. Q. Now as to these bottling plants which you mentioned as operating at that time in connection with the four major syrup making establishments, were these bottling plants owned by the Coca-Cola Company?—A. Yes.
- 10 43. Q. And at that time, that is, prior to the incorporation of the Plaintiff Company, were there any concerns in Canada either making syrup or adding carbonated water to the syrup and bottling the product—which were not owned by the American parent company?—A. Yes, Sir.
44. Q. What were they?—A. They were known as contract bottlers.
45. Q. What are contract bottlers?—A. They are firms or persons whose business is not owned by our Company, firms or persons who bottle Coca-Cola under contract with us.
- 20 46. Q. Prior to the incorporation of the Plaintiff Company, what was your general arrangement with these independent bottlers? What was your procedure in relation to their bottling?—A. They added the carbonated water to the syrup which was manufactured under our supervision and according to our standards and they were represented to the public as bottlers of Coca-Cola under contract with our Company.
47. Q. Your Company having no proprietorship in these independent bottlers?—A. That is correct.
- Mr. SMART: That applied only to the bottling and not to the syrup.
- Hon. Mr. HERRIDGE: That is understood.
- 30 48. Q. Did these independent companies make beverages other than Coca-Cola?—A. Yes, Sir.
49. Q. Such as what?—A. They bottled a general line of what is known as soft drinks, ginger ale, etc.
50. Q. In paragraph 6 of the Plaintiff's Statement of Claim it speaks of the manufacture and sale of soft drink beverages and syrups used in the preparation thereof. Now did the Plaintiff, prior to incorporation, make any drink other than the beverage known as Coca-Cola?—A. Yes.
- 40 51. Q. What other beverages?—A. A general line of soft drinks sold under the trade mark Gold Seal.
52. Q. Were these manufactured or partly manufactured by the four major branches you have spoken of?—A. Yes, Sir.
53. Q. How were the Gold Seal beverages distinguished from the Coca-Cola beverage?—A. They were different in colour. They were in a differently shaped bottle with a crown entirely different to the Coca-Cola crown and this crown bore the trade mark Gold Seal and the bottle bore the trade mark Gold Seal as well.

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continued.

54. Q. What other legend was on the bottle? Was there, for instance, on the bottle or other container, anything to identify it as a product of the Coca-Cola Company?—A. There was on the crown, and I believe on the bottle, something showing it was the property of the Coca-Cola Company.

55. Q. Have you any of those crowns or bottles in your possession?—A. Not with me.

56. Q. Have you any in Toronto?—A. Yes.

Hon. Mr. HERRIDGE: Let us have samples of them.

The WITNESS: Yes.

57. Q. Hon. Mr. HERRIDGE: Speaking popularly, from the point of view of the consumer, what was the point of difference between Gold Seal beverages and the Coca-Cola beverage?—A. Coca-Cola has been sold extensively in Canada for a great many years and is well-known to the community. It has a distinctive colour and it is known both from appearance and taste and is advertised extensively, while Gold Seal Sodas are an entirely different product.

58. Q. You say the Gold Seal product is different in taste and colour to the Coca-Cola product?—A. Yes, Sir.

59. Q. Had Gold Seal products any essence of the Coca bean in them?—A. No, Sir.

60. Q. Nor of the Cola nut?—A. No, Sir.

61. Q. Where was the concentrate of the Gold Seal beverages made?—A. It was purchased from extract manufacturers in Canada and the United States.

62. Q. Who, for instance, was it purchased from in Toronto?—A. We have purchased at different times from W. J. Bush and from Stewart. They are the only ones I recall.

63. Q. Does the Coca-Cola Company still make the Gold Seal products?—A. Yes.

64. Q. And still sells them in Canada?—A. Yes.

65. Q. Have you drunk them both?—A. Yes.

66. Q. And they both may be popularly classed as soft drinks?—A. Yes.

66A. Q. Do you say that the Gold Seal Products have neither the Coca or Cola ingredient?—A. I do.

67. Q. What was the basic ingredient?—A. Extracts. Fruit flavours mostly.

68. Q. Will you describe, as briefly as possible, the general method of manufacture of the Coca-Cola beverage?—A. I do not know just what you mean.

69. Q. I am instructed that first of all a concentrate was made on the basis of some secret formula; is that correct?—A. Do you mean the way we make Coca-Cola syrup here?

70. Q. How do you manufacture Coca-Cola in Canada?—A. We merely mix the ingredients.

71. Q. Where do you make the ingredients?—A. We purchase the ingredients on the market.

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72. Q. In Canada?—A. Yes.
73. Q. I am instructed that these ingredients are made into what is called a concentrate?—A. No, Sir.
74. Q. How do you make it?—A. Concentrate may mean something else.
75. Q. Then an essence?—A. The whole thing is made right here.
76. Q. How do you make your syrup?—A. We merely mix the various ingredients together.
77. Q. What are the ingredients?—A. The various things which
10 we buy.
78. Q. But they are stated things. You do not buy them casually or indifferently. You buy certain things which go into this syrup?—A. Yes.
79. Q. And those things are blended or mixed according to a secret formula?—A. Yes.
80. Q. What do you call the product of this blending according to the secret formula?—A. Coca-Cola.
81. Q. Coca-Cola what?—A. Coca-Cola syrup.
82. Q. Do you take these ingredients, which you buy in Canada, and mix them according to a certain formula and add syrup or sugar, whatever
20 it is, in order to get the product Coca-Cola syrup?—A. We take the ingredients and mix them and add water to them and use Coca-Cola syrup.
83. Q. Do you mean you add water to them and that gives you Coca-Cola syrup?—A. Yes.
84. Q. In how many plants in Canada do you make syrup?—A. Four: Montreal, Toronto, Winnipeg and Vancouver.
85. Q. These four present plants took over from the original pre-incorporation plants?—A. Yes, Sir.
86. Q. As to this secret formula which has been employed, are you able to say whether or not that formula has been the same over a period of
30 time, say since the incorporation of the Company?—A. The formula has been the same.
87. Q. The formula has not changed?—A. Not to my knowledge. I might add that owing to the varying strength of certain materials you have to add more at one time than another, in order to bring it up to our standard.
88. Q. I do not understand that. Explain it?—A. Some of the materials vary in strength at times and you may have to add a larger quantity, a greater tintorial radiation or power.
89. Q. Who does the adding?—A. Our syrup manufacturers.
- 40 90. Q. The four major plants?—A. Yes.
91. Q. So that the syrup manufactured by those four individual plants may not necessarily be the same in each plant?—A. Yes, it is the same. That is the purpose of varying the material according to its strength.
92. Q. Each plant has a formula on which it operates and it applies certain tests to determine the required strength and quality of the syrup product?—A. No. That is furnished to them by our head office. We get samples of the raw materials and instruct them as to what quantities to use,

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as the materials may vary in strength, and they add to it. That comes under the supervision of the chief chemist.

93. Q. Where is the chief chemist located?—A. In Toronto.

94. Q. Does he inspect the syrup manufactured in the four plants?—

A. Yes, Sir.

95. Q. How frequently?—A. He gets samples of every lot that is made.

96. Q. How often would that be?—A. It varies according to the volume of business, but from each lot he gets a sample.

97. Q. How frequently would that be?—A. Several times a day at times and at other times less. 10

98. Q. I understand that when the syrup is made in these four plants it is then distributed to the bottling plants?—A. Yes.

99. Q. I also understand that these bottling plants then complete the manufacture of the beverage by adding carbonated water?—A. Yes.

100. Q. How do these bottling plants determine the proportion of carbonated water to be added to a quantity of syrup?—A. There is a fixed quantity, a fixed relationship of carbonated water to syrup.

101. Q. They are instructed by the chief chemist or the four major bottling plants just what that quantity is?—A. Yes.

102. Q. Does the Coca-Cola Company own its own bottling plants at the present time?—A. Yes, the Coca-Cola Company of Canada, Limited, owns its own bottling plants. 20

103. Q. Is any bottling done in Canada in plants not owned by the Coca-Cola Company?—A. Yes.

104. Q. Are you in a position to say in a general way what these independent plants would be?—A. Approximately 80.

105. Q. Approximately how many bottling plants are owned by the Plaintiff Company?—A. Twenty.

106. Q. Are your instructions to the 20 owned by the Plaintiff Company and the 80 not owned by the Plaintiff Company the same in respect to bottling the syrup which comes from your four major plants?—A. Yes. 30

107. Q. What is the nature of your instructions?—A. They are instructed to add the proper amount of carbonated water.

108. Q. Have you got a copy of those instructions?—A. No, Sir.

109. Q. Are those instructions standard?—A. Yes.

110. Q. Have they varied from year to year?—A. No, Sir.

111. Q. Will you let me have a copy of the instructions?—A. Yes, I will.

112. Q. Do these independent bottling plants bottle Coca-Cola alone or do they bottle other beverages as well?—A. Practically all of them bottle other products as well. 40

113. Q. What would be the nature of those products?—A. A general line of sodas.

114. Q. Would it be fair to describe some of the products as being Cola products?—A. Coca-Cola if that is what you mean.

115. Q. Any other Cola products?—A. But Cola to me means Coca-Cola.

116. Q. To your knowledge do any of these independent bottling plants bottle products which are marketed under names of which the word Cola forms a part or is the whole of the name?—A. No, Sir.

117. Q. None of these independent bottling plants manufacture, as far as you know, any products which are marketed in Canada under trade names of which the word Cola is a part?—A. No, Sir.

118. Q. You are satisfied about that?—A. Yes, Sir.

10 119. Q. So that as far as your knowledge goes these independent bottling plants bottle soft drink beverages which are not known to and not sold to the public under the name Cola or compound of Cola?—A. That is right.

120. Q. Have you had an opportunity to examine a list of companies operating in Canada which the Defendant in its Pleadings has said are companies bottling the Coca-Cola beverage under the trade mark Coca-Cola?—A. I have seen such a list.

Hon. Mr. HERRIDGE: It is marked Exhibit "A" to Reply to Particulars given pursuant to the Plaintiff's Demand for Particulars.

20 121. Q. Now, Mr. Duncan, would you care to add any further names to that list?—A. I cannot do it right now but I will verify it with our records and furnish you with a supplementary list.

122. Q. Have you heard of a company doing business in Canada, the F. P. Hinds Company of Orillia?—A. Yes.

123. Q. Was that company ever associated with the Plaintiff Company?—A. Yes, Sir, they were contract bottlers.

124. Q. During what period?—A. Shortly prior to the formation of the Plaintiff Company and they continued on for several years after the formation of the Plaintiff Company, that is, the Canadian Company.

30 Hon. Mr. HERRIDGE: List of companies operating in Canada bottling Coca-Cola beverages under trade mark Coca-Cola (Exhibit "A" to Reply to Particulars given pursuant to the Plaintiff's Demand for Particulars—identified by witness) I file as Exhibit No. 1 on this Examination.

125. Q. When the Canadian Company was incorporated did it continue on, generally speaking, to employ the bottling plants which were theretofore employed by the predecessor in title of the Canadian Company?—A. Yes, Sir.

126. Q. And I suppose there was added to the original list others as the occasion required?—A. Yes.

40 127. Q. Will you tell me, please, how Coca-Cola is distributed in Canada. In what form is it merchandised and in what way?—A. Are you asking the form of merchandising or the form of the product?

128. Q. The form of the product?—A. It is sold in syrup form to jobbers who, in turn sell it to soda fountain owners and they in turn add carbonated water to it. It is also bottled by our Company. We take the syrup and add carbonated water to it and sell it direct to retailers and

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we also sell the syrup to our contract bottlers who add carbonated water to it and sell it to retail dealers.

129. *Q.* In respect to the soda fountain sales. How is the product ultimately handled by the intermediate jobber?—*A.* It is sold to him in sealed packages which he sells in the same form to the soda fountain Dispenser.

130. *Q.* Distributing one or more sealed packages according to the demand?—*A.* Yes.

131. *Q.* What instructions have the soda fountain dispensers in regard to the carbonated water?—*A.* To add the proper amount of carbon- 10
ated water to the syrup.

132. *Q.* Are these standard instructions?—*A.* Yes.

133. *Q.* Will you furnish me with a copy of them?—*A.* Yes.

134. *Q.* How long has this practice of merchandising, the selling of the syrup to the jobbers and the jobbers in turn selling to the soda fountain dispensers been in effect?—*A.* Prior to the year 1900.

135. *Q.* In Canada?—*A.* Yes.

136. *Q.* And in the United States?—*A.* Yes.

137. *Q.* Has there been any change in the character of that form of merchandising during that period?—*A.* Not to my knowledge, no. 20

138. *Q.* In respect to the product which is sold in bottles, will you describe the bottle used to-day? What is the size of the bottle?—*A.* It is known as a split or 6 oz. bottle.

139. *Q.* Is that the only bottle in which you merchandise Coca-Cola to-day?—*A.* Yes, Sir.

140. *Q.* How long have you been merchandising it in that type of bottle?—*A.* Since the inception of the Company in the bottled product.

141. *Q.* In no other form?—*A.* No, Sir.

142. *Q.* And prior to the incorporation of the Company?—*A.* For a great many years in the same type of container. 30

143. *Q.* The same type of bottle?—*A.* Yes.

144. *Q.* For how many years?—*A.* That was before my time with the Canadian Company and I cannot give you definite information.

145. *Q.* Who would know that?—*A.* An officer of the parent company in Delaware.

146. *Q.* So that, in so far as your experience goes, the product merchandised in bottled form is always merchandised in a 6 oz. bottle?—*A.* It is my understanding that it was in a different type of bottle at one time.

147. *Q.* A different size or different type?—*A.* A different type. 40

148. *Q.* And different size?—*A.* I do not believe so. I believe it has always been merchandised in a split bottle.

149. *Q.* On the bottle presently in use the product is identified by stamping into the bottle the word Coca-Cola?—*A.* Yes.

150. *Q.* Has that form of identification always been in effect?—*A.* To my personal knowledge it has up to the time I have been with the Company in Canada.

151. Q You do not actually know whether or not any other method of marking the bottle was used before that time?—A. I believe there was some other method.

152. Q. Can you tell me what it was?—A. My information is rather indefinite and it is more a matter of opinion than a matter of fact.

153. Q. That information will have to be obtained from an officer of the Delaware Corporation?—A. Yes, Sir.

154. Q. So that since your time, at any rate, the marking has been as you have indicated and you have not used any paper label on the bottle?—

10 A. That is right.

155. Q. What would you say, in a general way, was the ratio of soda fountain sales to bottled sales?—A. Of recent years?

156. Q. Yes?—A. Four times as much in bottles as in syrup form.

157. Q. In the case of Soda Fountains, is it the practice to indicate that those Soda Fountains are selling Coca-Cola by exhibiting a sign to that effect?—A. Yes. We have display advertising on practically every one of them.

158. Q. Have you stock type advertising for that purpose?—A. Yes.

20 159. Q. Will you let me have a copy of it?—A. Of the Soda Fountain type of advertising?

160. Q. Yes?—A. Of course, it changes in form from year to year.

161. Q. Let me have a copy of the present form in use?—A. Correct.

162. Q. As I recall it, these Soda Fountains sell, in addition to Coca-Cola, a good many other soft drink beverages?—A. Yes.

163. Q. That is the common practice?—A. Yes.

30 164. Q. So that when one wants to get a Coca-Cola or some other beverage you go to the attendant at the Soda Fountain and ask for what you want and the attendant thereupon puts the syrup in a glass, pushes the soda water fountain lever and the drink is made?—A. Yes, Sir, that is correct.

165. Q. Are you able to say, from your general knowledge of the history of the Coca-Cola Corporation in Canada and the United States, whether or not the beverage sold now is the same as the beverage sold fifty years ago?—A. I could not say. Fifty years would be before my time. Personally I started drinking it in 1900 and it tastes the same to me to-day.

166. Q. As far as you are aware, in that period of time, there was no essential change in the ingredients?—A. No, Sir, none.

167. Q. Who would be able to say as to the period before that?—A. An officer of the Coca-Cola Corporation of Delaware.

40 168. Q. I suggest to you that the original Coca-Cola was what might be described as a tonic rather than a beverage. Do you know whether or not that is so?—A. I have no knowledge as to that.

169. Q. The Plaintiff in paragraph 3 of its Statement of Claim alleges:

“The Plaintiff and its predecessors in title have for at least fifty years manufactured according to a secret formula a non-alcoholic beverage or soft drink having a characteristic appearance

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and taste and have continuously distributed the same under the said trade mark 'COCA-COLA.' ”

Can you say whether that is correct or not?—*A.* The Company is celebrating its fiftieth anniversary this year.

170. *Q.* So that it looks as though it had been doing business for fifty years?—*A.* Yes, Sir.

171. *Q.* And of that fifty years, how many years, to your knowledge, has it been doing business in Canada?—*A.* To my personal knowledge?

172. *Q.* Yes?—*A.* My connection with the parent Company began in 1920 and I have personal knowledge since then. Before that time I would have to depend on what has been told to me by other officers of the Company. 10

173. *Q.* As a matter of history then, how long has the Plaintiff's predecessor in title been doing business in Canada?—*A.* Prior to 1900.

174. *Q.* But not, as far as you know, for fifty years?—*A.* No, Sir.

175. *Q.* For how many years, according to your best knowledge?—*A.* It would be something more than 36 years.

176. *Q.* Who could speak definitely as to the date when the American Company first began to do business in Canada through the agencies which you have described?—*A.* An officer of the Coca-Cola Company in Delaware. 20

177. *Q.* You are, of course, familiar with the registered trade mark of the Plaintiff Company?—*A.* Yes.

178. *Q.* In paragraph 2 of the Plaintiff's Statement of Claim it refers to the registration of the trade mark in this language:

“the said trade mark having been registered in the Canadian Patent Office on the 11th day of November 1905, Registration No. 43/10433, and renewed on the 15th day of April, 1930; and again registered on the 29th day of September 1932, Registration No. 257/55268.” 30

Will you look at this document which purports to be a certified copy of the first trade mark to which I referred, No. 43/10433, registered on 11th November, 1905, and at this document which also purports to be a certified copy of the second trade mark No. 257/55268, registered on the 29th day of September, 1932, and say if you can identify them?—*A.* They appear to me to be as represented.

Hon. Mr. HERRIDGE: Trade Mark 43/10433 (1) I file as Exhibit No. 2.

Trade Mark 257/55268 (2) I file as Exhibit No. 3.

179. *Q.* Are you in a position to tell me why the Company applied for and obtained the second registration of the word Coca-Cola as a trade mark?—*A.* No, Sir, I am not. It was done on the recommendation of our solicitor. We accepted his recommendation. 40

180. *Q.* Who would be the member of the Plaintiff Company who decided upon that application?—*A.* It was considered by the General Council of the Parent Company and he accepted the recommendation of the General Canadian Council.

181. Q. Do you make any distinction in point of use between these two registered trade marks?—A. No, Sir.

182. Q. Do you know whether or not there is any distinction made in the use of these two trade marks?—A. Not to my knowledge, no.

183. Q. You use them indifferently for the same purpose?—A. Yes.

184. Q. Do you use the trade mark Coca-Cola in any form but the script form?—A. Yes.

185. Q. In what other form do you use it?—A. It is typed out and may be in block letters.

10 186. Q. How do you use it in relation to the product in a form other than the script form?—A. We generally use it in script form in our advertising.

187. Q. But sometimes you use it in block letter form?—A. Not in our advertising. In our advertising it is used in script form.

188. Q. Then how is it used in block letter form?—A. In the typing of a letter for instance.

189. Q. Is that all? A. It may appear in block letters in, for instance, a newspaper. Anyone writing the word Coca-Cola in a newspaper article might do that.

20 190. Q. But apart from the user of it in block letters where it is not convenient to use it in script, you do not use it in any other way?—A. That is not exactly correct.

191. Q. Will you state just how you do use it?—A. In a pamphlet, for instance, where you are using a certain form of type, particularly where the lettering is small, it is difficult to make the Coca-Cola trade mark small in distinctive script.

192. Q. In other words, where it is not convenient or easy to use the script?—A. No, where appearance enters into it. In a pamphlet where we are using one type of script we might not put it in distinctive script.

30 193. Q. But you do not use the word Coca-Cola in any form but script form when applied to the goods?—A. When it appears on the container?

194. Q. Yes?—A. To my knowledge we only use it in script form on containers, but I cannot say for sure.

195. Q. Will you make the necessary inquiry and inform me through your Counsel, whether you use it on containers in any form other than script form?—A. I will.

40 196. Q. In the Plaintiff's Statement of Claim, paragraph 5, it refers to the sale of the beverage in containers. What do you understand the word "containers" to mean?—A. It is used indiscriminately to cover all packages in which Coca-Cola is ordinarily placed, meaning: bottles, the crates in which the bottles are placed and the barrels, kegs and jugs in which the syrup is placed, and the boxes in which the syrup jugs are placed.

197. Q. Is the beverage, Coca-Cola, referred to by the public by any name other than that of Coca-Cola?—A. Yes.

198. Q. What names?—A. A lot of names.

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—
No. 10.
Defendant's
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Examina-
tion for
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199. Q. What names?—A. It is called Coke and Dope.

200. Q. Any others?—A. I cannot answer for everything it is called by.

201. Q. Was there a period of time, prior to the incorporation of the Plaintiff Company when you were both manufacturing in Canada and importing a syrup or concentrate or any part of the beverage from the United States?—A. I cannot answer that. An officer of the Parent Company could answer that. Since I have been with the Company it has been entirely manufactured in Canada.

202. Q. Not as far as you know from the time you first became identified with the pre-Plaintiff organization?—A. I cannot say that for the reason that the first few years I was with the Company I was not in direct contact with the Canadian business.

203. Q. So that your answer has relation only to how many years before the incorporation of the Company?—A. Two years.

204. Q. You do not know other than that?—A. No, Sir, and I have not been told.

(Examination concluded.)

Hon. Mr. HERRIDGE: That is the Defendant's case, my Lord. 20

Mr. SMART: I do not know whether your Lordship would allow me a few moments to look at this mass of trade marks registrations, to see whether any reply evidence is necessary?

HIS LORDSHIP: Yes, you may do that.

Mr. SMART: Might we have half-an-hour, my Lord? You see, there are thirty of them.

HIS LORDSHIP: Very well, we will give you twenty-five minutes, about a minute for each.

(At 3 p.m. Court stood adjourned for twenty-five minutes.)

Mr. SMART: I do not find it necessary to offer any reply evidence, 30 my Lord.

HIS LORDSHIP: Well, can we finish? Are you ready to go on arguing the case and close?

Mr. SMART: I suppose we would run into to-morrow, but I am prepared to go on, my Lord.

HIS LORDSHIP: As I view the case at the moment, there is no evidence as to infringement except the evidence to be inferred from that of Hawkes, is it?

Mr. SMART: Yes, my Lord.

HIS LORDSHIP: That is, that sales are proven of a beverage with 40 the words "Pepsi-Cola" on it?

Mr. SMART: Yes, in the special form.

HIS LORDSHIP: And, therefore, the only evidence of infringement is to be inferred practically from the mark itself.

Mr. SMART: Yes, my Lord.

HIS LORDSHIP: Now that is a pretty close sort of a case, and I will require very careful argument on that point.

Mr. SMART : Yes, my Lord, I am prepared.

HIS LORDSHIP : Because, if there are any authorities on the matter at all which would assist me I would like to have them. I think probably it might be to the advantage of everybody if we adjourned until to-morrow.

Hon. Mr. HERRIDGE : I am indifferent, my Lord. Whatever suits your lordship. I am ready to go on now.

HIS LORDSHIP : I suppose we could not finish ?

Mr. SMART : We could not finish.

HIS LORDSHIP : The point is an important one.

10 Hon. Mr. HERRIDGE : It would probably be fairer to Mr. Smart to put it over until to-morrow, but I am indifferent.

HIS LORDSHIP : Then we will adjourn until 10.30.

Hon. Mr. HERRIDGE : We can finish to-morrow without a doubt ?

Mr. SMART : Undoubtedly, I should imagine.

Hon. Mr. HERRIDGE : And we can send away our witnesses ?

Mr. SMART : Yes, we can send away the witnesses.

At 3.30 p.m. the Court adjourned. Argument proceeded with on Thursday, April 1st and Friday, April 2nd, 1937.

(Judgment reserved.)

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No. 21.
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continued.

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No. 11.

Reasons for Judgment of Maclean, J.

No. 11.
Reasons
Judgment
of
Maclean,

Rendered July 15th, 1938.

This is an action for infringement of a specific trade mark owned by and registered in the name of the Plaintiff, a company incorporated under the laws of the Dominion of Canada in 1923, and which mark consists of the compound word "Coca-Cola," in the particular form represented by the pattern accompanying the application for registration. This mark, "to be applied to the sale of beverages, and syrups for the manufacture of such beverages," was registered in Canada on November 11th, 1905, by The
30 Coca-Cola Company, a corporation domiciled in the State of Georgia, U.S.A., and by that corporation assigned in January, 1922, to Coca-Cola Company, a corporation of the State of Delaware, U.S.A., and by the latter corporation assigned in writing to the Plaintiff Company, in February, 1930 ; it appears that the Plaintiff Company, following its incorporation in 1923, acquired the goodwill of the Canadian business of the Delaware Corporation, which corporation, I understand, is the owner of the whole, or a majority, of the capital stock of the Plaintiff Company. The registra-
40 tion of the mark "Coca-Cola," in Canada, was renewed by the Plaintiff in November, 1930, for a further period of 25 years. In 1932, the Plaintiff also registered the mark "Coca-Cola," for the same use, "in any and every form or kind or representation," but that registration may

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here be disregarded. Reproduced below is a facsimile of the Plaintiff's mark which is here in question.



The alleged infringing mark consists of the hyphenated word "Pepsi-Cola," and in the form or pattern accompanying the application for registration. This mark, to be applied to the sale of "beverages, and particularly to a non-alcoholic beverage," was registered in Canada on November 30th, 1906, by The Pepsi-Cola Company, a corporation then domiciled in the State of North Carolina, U.S.A., and it was renewed in the name of the same corporation, in November, 1931, for a further period of 25 years. This mark, it is said, was acquired from the North Carolina Corporation by Pepsi-Cola Company, a corporation existing under the laws of the State of Delaware, U.S.A., and by the latter corporation assigned to Pepsi-Cola Company of Canada, Limited, the Defendant, in May, 1936. There does not appear to be any evidence of a formal assignment of this mark from the North Carolina Corporation to the Delaware Corporation. The Defendant commenced doing business in Canada about the middle of 1934; it was not the successor of any other company that had been engaged, in Canada, in the business of selling beverages under the trade mark of "Pepsi-Cola." Below there is reproduced a facsimile of the Defendant's registered trade mark.



This case is of some general importance because it appears that many trade marks, applied to non-alcoholic beverages, partially similar to the Plaintiff's mark, or variants of it, have at one time or another been registered, or used, in Canada. It is within my own experience that such trade marks have, in quite recent years, been in use in certain areas in Canada, and that such use was in more than one case restrained, in actions brought by the Plaintiff, and it is possible that some of such trade marks are still in use in Canada, particularly in certain localities.

It is shown by the evidence that a beverage has been sold in Canada under the trade name of Coca-Cola by the Plaintiff, or its predecessor in business, at least, since April, 1906, that is, over 30 years, and there is

fairly satisfactory evidence that such sales commenced some time prior to 1900; the trade mark Coca-Cola has been in use uninterruptedly, in connection with the sale of a beverage, in the United States, by the Parent Company of the Plaintiff, for over 50 years. It is quite clear that for a long number of years the sale of a beverage, under the name of Coca-Cola, has been carried on extensively in Canada, and that this beverage has there been extensively advertised, under that name.

In the United States there is a corporation known as Pepsi-Cola Company, which owns all the capital stock of the Defendant Company, and the mark used by that Company is precisely that used by the Defendant Company, in the sale of its beverage in Canada. In 1931, the Pepsi-Cola Company acquired in the United States, it is claimed, the goodwill of the business of a bankrupt concern of the same name, and which had been producing and selling a beverage in some parts of the United States under the name of Pepsi-Cola; this latter concern apparently had acquired earlier the goodwill of another bankrupt concern which had carried on a similar business, and had used in that connection the same trade mark, Pepsi-Cola. It would seem that a beverage was marketed under the name of Pepsi-Cola, in 1904, in the State of North Carolina, U.S.A., by the company which registered "Pepsi-Cola" in Canada in 1906, and there was the suggestion, but without any definite proof, that this beverage was sold in that State, and perhaps elsewhere, earlier than in 1904. The evidence as to the extent or period of time in which this North Carolina Company sold its beverage in the United States was not established, but at any rate there is no evidence that it ever carried on business in Canada, or that it ever sold its product in Canada under the name of Pepsi-Cola, and in fact there is no evidence that a beverage was ever sold in Canada under the name of Pepsi-Cola, until so sold by the Defendant, and which sales began in 1934. On the whole, the evidence adduced on behalf of the Defendant might be summed up by saying that since 1934 it has manufactured and sold in certain localities in Canada a beverage under the name of "Pepsi-Cola," in bottles larger and different in shape from those in which the Plaintiff's beverages is vended, and not from soda fountains or such dispensaries.

It might be convenient at this stage to refer to certain registered trade marks put in evidence by the Defendant, and which go to show that either the word "Coca" or "Cola," or variants of such words, usually with a word prefix or suffix, have been registered in Canada in considerable numbers, in most cases to be applied to beverages such as we are here concerned with. There was put in evidence by the Defendant some 30 certified copies of such registrations, among which we find such marks as Kuna-Kola, Mint-Kola, Cola-Claret, Tona-Cola, Kola Bromo, Kali-Kola, La-Kola, Celery Kola, Mexi-Cola, Kola-Fiz, Fruta-Kola, Loyal Kola, Ketra-Kola, Fruita-Kola, Kola-Cardinette, Klair-Kola, Laxakola, Noxie-Kola, Orange Kola, Vita-Kola, Kolade, and Rose-Cola. All of these marks were registered subsequent to the registration of Coca-Cola, most of them in recent years, and four of them were registered for use

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in connection with medicinal preparations. No evidence, so far as I recall, was given as to whether any of these registered marks ever went into use in Canada. In the Defendant's Particulars there is furnished a lengthy list of alleged user in Canada of the word mark "Kola" and "Cola," usually associated with some other word, some of which are included among the registered marks just referred to. These Particulars purport to show when, where and by whom, in Canada, such trade marks were used, with three or four exceptions all subsequent in point of time to the registration of the Plaintiff's mark, but no evidence was furnished in proof of the use of such marks and therefore the same is not of any importance here. 10
What inference is to be drawn from such registrations, and such alleged user, will be referred to later.

It might be desirable before proceeding further to refer, without comment, to those provisions of the Unfair Competition Act which may have relation to some of the various issues which arise in this case.

Sub-secs. (3), (k), (l), and (m) of s. 2 of the Act define "Similar" in the following terms :

"(e) 'Owner' in relation to a trade mark, means either the
" person who has an exclusive right to use the mark in association
" with his wares in such a way as to indicate to dealers in and/or 20
" users of the wares that they have been manufactured, sold, leased
" or hired by him. . . .

"(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 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,
" for the conditions under which or the class of persons by whom 30
" they were produced, or for their place of origin ;

"(l) 'Similar' in relation to wares, describes categories of
" wares which, by reason of their common characteristics or of the
" correspondence of the classes of persons by whom they are
" ordinarily dealt in or used, or of the manner or circumstances
" of their use, would, if in the same area they contemporaneously
" bore the trade mark or presented the distinguishing guise in
" question, be likely to be so associated with each other by dealers
" in and/or users of them as to cause such dealers and/or users to
" infer that the same person assumed responsibility for their character 40
" or quality, for the conditions under which or the class of persons
" by whom they were produced, or for their place of origin ;

"(m) 'Trade mark' means a symbol which has become
" adapted to distinguish particular wares falling within a general
" category from other wares falling within the same category, and
" is used by any person in association with wares entering into trade
" or commerce for the purpose of indicating to dealers in, and/or

“users of such wares that they have been manufactured, sold,
“leased or hired by him. . . .”

Sec. 3 (c) enacts that :

“No person shall knowingly adopt for use in Canada in
“connection with any wares any trade mark or any distinguishing
“guise which. . . .”

“(c) is similar to any trade mark or distinguishing guise in
“use, or in use and known as aforesaid.”

Sec. 4 s.s. (1) is as follows :

10

“4. (1) The person who, in association with wares, first uses
“or makes known in Canada, as provided in the last preceding
“section, a trade mark or a distinguishing guise capable of con-
“stituting a trade mark, shall be entitled to the exclusive use in
“Canada of such trade mark or distinguishing guise in association
“with such wares, provided that such trade mark is recorded in
“the register existing under the Trade Mark and Design Act at
“the date of the coming into force of this Act. . . .”

Sec. 11 reads as follows :

20

“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.”

Sec. 18 defines the effect of a certified copy of the record of the registra-
30 tion of a trade mark in the following words :

“18. (1) In any action for the infringement of any trade
“mark, the production of a certified copy of the record of the
“registration of such trade mark made pursuant to the provisions
“of this Act shall be prima facie evidence of the facts set out in
“such record and that the person named therein is the registered
“owner of such mark for the purposes and within the territorial
“area therein defined.

40

“(2) Such a certified copy shall also, subject only to proof of
“clerical error therein, be conclusive evidence that, at the date
“of the registration, the trade mark therein mentioned was in
“use in Canada or in the territorial area therein defined for the
“purpose therein set out, in such manner that no person could
“thereafter adopt the same or similar trade mark for the same
“or similar goods in ignorance of the use of the registered mark
“by the owner thereof for the said purposes in Canada or in the
“defined territorial area within Canada.”

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Sec. 26 (1) (c) and (d) is to the following effect :

“ 26. (1) Subject as otherwise provided in this Act, a word
“ mark shall be registrable if it

“ (c) is not, to an English or French speaking person,
“ clearly descriptive or misdescriptive of the character or
“ quality of the wares in connection with which it is proposed to
“ be used, . . .

“ (d) would not if sounded be so descriptive or misdescrip-
“ tive to an English or French speaking person.”

At the trial the Plaintiff established by certain discovery evidence, 10
the sale in Canada by the Defendant of a beverage, falling within the same
category as that of the Plaintiff's, under the name of Pepsi-Cola. On that
evidence, and on proof of the registration of its mark, the Plaintiff rested.
Thereupon the Defendant moved for the dismissal of the Plaintiff's action,
but this application I refused. The Plaintiff, I think, established a prima
facie case, and I do not think it was required to do more at that stage, in an
action for infringement of a registered trade mark, though more might be
required in a passing-off action. The Plaintiff, having established that it,
or its predecessor in business, was the first to make known and use, and
register, its mark in Canada, and having shown user of the Defendant's 20
mark, and there obviously being some similarity between the two marks,
I think the Plaintiff, in these circumstances, was justified in resting its case.
I do not think that the Plaintiff was bound to show specific instances of
confusion, or that any person was actually deceived by reason of the con-
temporaneous use of both marks. Sec. 18 of the Unfair Competition Act
provides that the production of a certified copy of the record of the
registration of a trade mark shall be prima facie evidence of the facts set
out in such record and that the person named therein is the registered
“ owner ” of such mark for the purposes and within the territorial area
therein named, and by S. 2 (2) of that Act, “ owner,” in relation to a trade 30
mark, means the person who has an exclusive right to use the mark in
association with his wares so as to indicate to dealers and users thereof that
they have been manufactured or sold by him. Possibly the Court might
have been assisted by evidence upon some points, by both parties, but
except for one witness called by the Defendant, and certain discovery
evidence introduced by the Defendant, no further evidence was given at
the trial.

The major question for determination here is whether the Plaintiff's
mark is infringed by the use of the Defendant's mark. Whether two
marks, having some definite similarity, are calculated to lead to confusion 40
is usually one of considerable difficulty, and particularly is this true of cases
where the marks in conflict consist of a compound word, one part of which is
precisely the same, or, where they are coined words possessing some common
characteristic and each perhaps suggestive of the character or quality of
the articles to which they are applied, and which fall within the same
general category. And such cases are rendered more difficult when there
is no evidence as to specific instances of confusion arising from the use
of the trade marks said to be in conflict, or where there is no evidence

that dealers in such articles have experienced instances of confusion. I propose to refer to certain English and American decisions, in trade mark cases, and I propose to quote at some length certain passages therefrom. Portions of some such passages may refer to points other than the question of infringement, and if I include the same it is because they touch upon some other issue arising here. As has been frequently stated, probability of deception is, of course, a question of fact, and except so far as the decided cases lay down any general principle of comparison, they afford no assistance in the determination of new questions of fact raised upon other materials, but in some instances decided cases may contribute some assistance and I venture therefore to refer to some. I shall first refer to certain English authorities.

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In the English case of *Bale and Church Ltd. v. Sutton, Parsons & Sutton* (1), the registered mark was "Kleenoff" and the infringing mark was "Kleenup," both used in respect of cleaners for cooking stoves and the like. The trial Judge, Clauson, J., found there was infringement. On appeal, reported in the same volume, Lord Hanworth, M.R., said:—

20 "When one comes to consider what has been done by the Defendants, I desire to read the observation which I made in the *Ustikon* case, reported in 44 Reports of Patent Cases, 412, where I said this at page 422: 'I agree with the argument that was presented to us by Sir Duncan Kerly that, when the registration of a mark under Part B is challenged, it may be challenged in other ways than by leading evidence. In fact it may be challenged by a scrutiny and criticism of the word and consideration of the relevant authorities.' Those observations to my mind, apply to the present case, and we are entitled to scrutinize and criticize the word which is now being put forward. It is suggested, first, that there is no similarity in the two words 30 'Kleenoff' and 'Kleenup,' which seems to me to be an almost impossible contention; and, secondly, it is said that distinctiveness is only in the termination, because, as may be seen from an examination of the telephone book, the word 'Kleen' is used in various collocations for the purpose of indicating various firms. I do not attach much importance to that.

40 "I think the passage to which Mr. Swan called our attention in a Judgment of Lord Justice Sargant is useful upon such a point, but those cases in which 'Kleen' is used are in respect of commodities which are not closely competitive, as is the case between the commodities of the Plaintiffs and the Defendants. In the case of 'Klinoff,' that is a disinfectant cleanser; in the case of 'Simoniz Kleener,' that is a cleaner of furniture and woodwork. But in the present case we get two commodities by these names 'Kleenoff' and 'Kleenup,' which are intended for precisely the same purpose, 'Kleenup' having been now discovered to be useful in the same sphere as 'Kleenoff' has been proved to be for

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“some twenty years by the sales that have been made by the Plaintiffs. Mr. Shelley propounded two propositions. He said :

“ There are two questions : have the Plaintiffs satisfied the Court that the Defendants have infringed the word ‘ Kleenoff ’ ?
“ The learned Judge, after hearing the evidence, has definitely held that they have, and I confess I should have accepted the evidence as the learned judge has done and held that it had been established that the Defendants had infringed ; and for this reason : They have applied a word, ‘ Kleenup ’ which is in no sense really distinctive with reference to the word ‘ Kleenoff ’
“ to the very same sort of commodity to which it had been previously applied, and no valid distinction or differentiation can be made by reason of the mere termination, treating the body of the word as available for all persons. But Mr. Shelley took a second point namely : have the Defendants established that the user, such as it is, by the Defendants is one which is not calculated to deceive or to lead to the belief that the goods the subject of such user were manufactured by the proprietors of the trade mark ? Mr. Shelley says there is no evidence of actual deception. Applying the standard, or canon, which I have suggested from the *Ustikon* case, it appears
“ to me that, quite apart from affirmative evidence which may be difficult to get and possibly somewhat difficult to accept, an examination of the two words clearly indicates such a similarity that, if an order was given by telephone or an order even in writing it might well create a confusion in the mind of persons who received the one commodity when they were asking for the other. Under those circumstances, it does not appear to me that the Defendants have established that the user of which the Plaintiffs complain is not such as to lead to the belief that the goods the subject of the user were not goods manufactured and selected by the proprietor of the trade mark.

“ It must be remembered that the trade mark is registered as a word and for a word, and not for any get-up. It lies upon the Defendants to establish that there could not be deception or confusion, and in the present case they have an extremely difficult task where they are dealing with a commodity produced for precisely the same purpose as that of the Plaintiffs and where there cannot be a wholly or practically different user, such as was suggested in the case where you have an article, although in the same class, yet used for a completely different purpose, as would be this ‘ Kleenoff ’ and candles which are found in the same class of goods.”

In the same case Romer, L.J., made the following observations which I think have some application here. He said :

“ It is not disputed that the test to be applied in considering whether one trade mark does or does not infringe another registered trade mark is correctly stated on page 445 of Sir Duncan

“ Kerly’s book. He there states as follows : ‘ Infringement is the
 “ ‘ use by the Defendant for trade purposes upon or in connection
 “ ‘ with goods of the kind for which the Plaintiff’s right to exclusive
 “ ‘ use exists, 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.’ ”

10 “ Now it is necessary to bear in mind in this case that the
 “ registered mark of the Plaintiffs does not consist of the two English
 “ words ‘ clean off ’ ; it consists of something that is not an English
 “ word, spelled ‘ K-l-e-e-n-o-f-f.’ That, of course, when pronounced
 “ sounds like the two English words ‘ clean off.’ ”

“ The Defendants’ mark complained of by the Plaintiffs in
 “ this action and used by them upon goods substantially identical
 “ with the goods of the Plaintiffs’ consists again, not of two English
 “ words, but of one word which is not an English word at all, namely,
 “ the word ‘ kleenup ’—again a word which sounds like the two
 “ English words ‘ clean up.’ ”

20 “ I think the case perhaps is somewhat near the line, but on the
 “ whole I have come clearly to the conclusion that the use by the
 “ Defendants of this mark ‘ Kleenup ’ so nearly resembles the
 “ Plaintiffs’ registered mark ‘ Kleenoff ’ as to be calculated to cause
 “ goods sold under the mark ‘ Kleenup ’ to be taken by ordinary
 “ purchasers for the goods of the Plaintiffs. It must, I think, be
 “ borne in mind in this, as in other similar cases, that the ordinary
 “ purchaser has only the ordinary memory and that a man who has
 “ been accustomed to buy the Plaintiffs’ material ‘ Kleenoff ’ is
 “ quite likely to have forgotten the precise name which the Plaintiffs
 30 “ have attached to their material ; that is to say, the precise
 “ registered trade mark of the Plaintiffs. But the one thing I
 “ should have thought he would remember is that it begins with the
 “ somewhat ridiculous word ‘ Kleen.’ What he might very well
 “ fail to remember is whether it ended with the word ‘ off ’ or with
 “ the word ‘ up.’ So that, if a man who was ordering the goods
 “ himself wanted to give a repeat order for ‘ Kleenoff ’ he might
 “ very well make a mistake, especially if he saw the word ‘ Kleenup ’
 “ in the shop where he was giving the order and order that stuff
 “ believing it to be the Plaintiffs’ ‘ Kleenoff.’ But, apart altogether
 40 “ from the man who himself has given the order, and may have and
 “ probably has an imperfect memory, the fact has also to be borne
 “ in mind that goods are frequently ordered on the telephone, and are
 “ frequently ordered on behalf of the purchaser by a domestic
 “ servant. In both those cases, even though the names had been
 “ correctly given and was intended to be correctly given on the
 “ telephone the receiver at the other end of the telephone might
 “ very well mistake ‘ Kleenoff ’ for ‘ Kleenup.’ The domestic

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“servant might very likely, too, make a mistake, and instead of
“ordering ‘Kleenoff’ order ‘Kleenup.’”

It may be said that the marks in question in the “Kleenoff” case more clearly suggest the probability of confusion than the marks in the case presently before me for decision, but it seems to me that persons might very easily and readily be confused or mistaken in receiving an order for the beverage of either the Plaintiff or Defendant, if hurriedly or carelessly given or pronounced, particularly over the telephone; and confusion might easily occur if the emphasis happened to be placed on the last part of the hyphenated word mark, and, in this particular case, I think there would be a tendency so to do. And further, there would, I think, be a probability of confusion resulting from the probable tendency on the part of many persons to abbreviate one or other of the marks, or both marks, into “Cola,” which would render it easily possible for a person to be given a beverage he really had not in mind. 10

In the matter of an application by Magdalena Securities, Ltd. (1), for registration of the word “Ucolite” as a trade mark for partially coked coal the mark “Coalite” being earlier registered and in use, Maugham, J., on appeal from the Registrar who had allowed the registration, said: 20

“I would add this, that people who have heard of ‘Coalite’
“as a fuel and who have been recommended to ‘Coalite,’ may
“well think on another occasion when they are offered ‘Ucolite’
“that the substance ‘Ucolite’ is the substance of which they
“have heard a good account. It is actually in evidence before
“me that ‘Coalite’ is constantly spelled without the ‘a,’ and
“that ‘Coalite’ is often ordered with a ‘k,’ beginning the first
“syllable with ‘Ko.’ I have referred to foreigners and girls—
“girls who come from the elementary schools—who are employed
“when fuel runs out to go to the telephone, or to go round to a coal
“office, and order goods, and I am not satisfied that if they have
“been told to order ‘Coalite,’ if the coal merchant were to say, 30
“‘What you want is “Ucolite,”’ they would not gladly accept that
“view. And, on the telephone, the case is even stronger, because
“anybody who knows how difficult it sometimes is either to hear
“or to make oneself heard on the telephone, in certain conditions
“which constantly arise, will know that you cannot pronounce
“words quite in the way in which they are pronounced in ordinary
“speech to a person who is standing beside you. I venture to think
“that nobody wanting to order ‘Ucolite’ on the telephone would 40
“say ‘I want a ton of “Ucolite,”’ with the accent on the ‘U’;
“He would have to pronounce the syllables quite separately; and
“then some trouble comes in by reason of the fact, or the possible
“fact, that the man at the other side had caught the syllables
“‘Co-lite’ very distinctly and had not caught the vowel ‘u.’
“As a matter of fact, the vowel ‘u’ is a very difficult vowel to
“make plain on the telephone and it seems to me not at all

(1) 48 R.P.C. 477.

“improbable—and the evidence before me tends to show that
 “it would be very probable in actual use—that the person ordering
 “on the telephone ‘Coalite’ would be asked if he meant ‘Ucolite’
 “and would consent, he not having heard the ‘U,’ or vice versa
 “In my opinion, therefore, it is not improbable that orders given
 “over the telephone, even by moderately intelligent people, will
 “result in confusion if both the articles are in common use, and I
 “think with regard to verbal orders given by people without a
 “high standard of education, or without the educated man’s habit
 “of pronouncing the first syllable of a three-syllabled word as being
 “the principal syllable on which to lay emphasis, they also will lead
 “to confusion.”

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In *Davis v. The Sussex Rubber Co., Ltd.* (1), the trade mark “Ustikon” was registered and in use by the Plaintiff since 1919, in respect of rubber soles for boots and shoes, and the infringing mark, also registered, was “Justickon,” used also in connection with rubber soles. In this case the trial judge, Russell, J., found that the word “Justickon” was liable to be confused with the word “Ustikon,” and that therefore there was infringement. I wish to refer particularly to a small portion of the remarks of
 20 Lawrence, J., on appeal, at page 429 of the reported case. He said :

“The Appellants’ mark contains the whole of the Respondent’s
 “mark with the sole additions of the two letters ‘J’ and ‘c.’ The
 “Appellants contended that, so far as the last two syllables of both
 “marks were concerned, they were common to the trade and that
 “the addition of the initial letter ‘J’ sufficiently differentiates
 “their mark from the Respondent’s so as to prevent it being an
 “infringement or calculated to deceive. In my judgment, this
 “contention is ill-founded. In the first place, I think that for the
 “purpose of judging whether there has been an infringement or
 “whether there is likelihood of deception the whole mark should be
 “looked at and that it would not be right to ignore altogether that
 “part of the mark which, if standing alone, would be incapable
 “of distinguishing the goods. And, in the next place, even if it
 “were right to ignore the last two syllables of both marks, the
 “distinction between the letter ‘U’ and the letters ‘Ju’ is, in my
 “opinion, not sufficient either when written or when spoken to
 “prevent the latter from being an infringement and from being
 “calculated to mislead.

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“In arriving at a conclusion as to what resemblance is sufficient
 “to justify an injunction against infringement and passing-off,
 “the Court must have regard (inter alia) to the other marks used
 “in the trade, the probable purchases and the places where the
 “goods are likely to be sold. Taking all these matters into con-
 “sideration, I agree with the learned Judge that the Appellants’
 “mark ‘Justickon’ is an infringement of the Respondant’s mark
 “‘Ustikon,’ and that there is a likelihood of deception owing to the
 “close resemblance of the two words.”

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(1) 44, R.P.C. 412.

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In the matter of applications by *Wheatley Akeroyd & Co. Ltd.* (1), the Court had to consider whether the marks “Vyno” and “Vino” should be registered in respect of toffee, the trade mark “Harvino” being already registered in respect of confectionery and used for toffee. On appeal from the Registrar, allowing the applications, it was held that neither of the marks applied for should be registered because they so closely resembled the trade mark “Harvino” as to be calculated to lead to confusion. In that case Sargant, J., said:—

“The law on the subject has been concisely summed up in
“the judgment of the late Lord Parker, when a Judge of first instance 10
“*In the matter of An Application by the Pianotist Company, Ltd.*,
“reported in 23 Reports of Patent Cases, at page 774. He says
“this: ‘You must take the two words. You must judge of
“‘them both by their looks and by their sound. You must consider
“‘the goods to which they are to be applied. You must consider
“‘the nature and kind of 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 20
“‘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 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.’ Here the word ‘Harvino’ is a word from which
“the first letter, as the word would be pronounced by a large number
“of those who buy the toffee would be conspicuous by its absence.
“I think it is also clear that in the pronounciation of the word the 30
“second syllable would be the syllable on which the accent
“is laid. And the first syllable, especially when the first letter
“is omitted, has a slurring sound about it, not a sound at all
“calculated to arrest attention. Under those circumstances, when
“children go and ask for small quantities of toffee, I think it would
“be extremely likely that the word ‘Vino’ would be confused
“with the word ‘Harvino.’ Mr. Gray has argued that, if I refuse the
“registration, I shall be giving to the proprietor of the word ‘Har-
“vino’ a monopoly of the two syllable word ‘Vino.’ I do not think
“that that will be the result of my decision. I expressly disclaim 40
“any result of that kind. I think it is quite possible that the two
“syllables ‘Vino’ may be used in conjunction with some other
“syllable, either preceding or following those two syllables, so that
“there would be no probability of confusion between the ultimate
“result and the already registered word ‘Harvino.’ But, as between
“the word ‘Harvino’ and the word ‘Vino’ I do think that there

(1) 37 R.P.C. 137.

“ would be a considerable probability of deception among the class
 “ of persons who would be asking for the toffee. Accordingly,
 “ I allow the Appeal.”

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I now turn to certain American cases which are apposite here because
 in each case the owner of the registered trade mark “ Coca-Cola,” the
 Plaintiff’s parent company, sought to establish infringement, or passing-
 off, of its mark, and which mark is precisely the same as that of the Plaintiff’s
 in this case. In the United States there apparently developed, as later in
 Canada, a rather wide-spread tendency to imitate the mark “ Coca-Cola,”
 10 in connection with beverages of the same character, and there we find
 that there was registration and use, or use simply, as trade marks, of the
 word “ Coca,” or “ Cola,” or variants of the same, and usually one or
 other of such words would be hyphenated with another word. In one case
 the trade mark “ Pepsi-Cola ” was the offending mark, and in another
 even the exact mark “ Coca-Cola.” The case of *Coca-Cola Company v. The*
Koke Company of America (1) will first be mentioned. The Defendant’s
 trade mark in that case was the word “ Koke,” and action was brought by
 the Plaintiff to restrain infringement of its mark by the use of the word-
 mark “ Koke,” with the result that the action was sustained by the Court
 20 of first instance and the Defendant was restrained from further use of its
 mark. It was held that the word “ Koke ” was selected for the purpose
 of reaping the benefit of the reputation and advertising of the Plaintiff,
 and because it would permit the Defendants to better dispose of their
 product as and for Coca-Cola. This decision was reversed by a Circuit
 Court of Appeals (2), but only on the ground that the Plaintiff was held
 chargeable with certain deceptive and fraudulent conduct in the advertising
 and sale of its product which, it was held, precluded a court of equity
 from granting any relief to the Plaintiff in the protection of its trade mark
 or business. On appeal to the Supreme Court of the United States (3),
 30 the decision of the Court of first instance was restored. There were thus
 three courts which held that, on the merits of the case, the mark “ Koke ”
 infringed that of “ Coca-Cola.” The judgment of the Supreme Court of the
 United States was delivered by Mr. Justice Holmes. He said :

“ It appears that after the Plaintiff’s predecessors in title
 “ had used the mark for some years it was registered under the
 “ Act of Congress of March 3, 1881, c. 138, 21 Stat., 502, and again
 “ under the Act of Feb. 20, 1905, c. 592, 33 Stat., 724. Both the
 “ Courts below agree that subject to the one question to be con-
 “ sidered the Plaintiff has a right to equitable relief. Whatever
 40 “ may have been its original weakness, the mark for years has
 “ acquired a secondary significance and has indicated the Plaintiff’s
 “ product alone. It is found that the Defendant’s mixture is
 “ made and sold in imitation of the Plaintiff’s and that the word
 “ Koke was chosen for the purpose of reaping the benefit of the
 “ advertising done by the Plaintiff and of selling the imitation
 “ as and for the Plaintiff’s goods. The only obstacle found by the

(1) 235 Fed. Rep. 408.

(2) 255 Fed. R. 894.

(3) 254 U.S.A.R. 143.

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“ Circuit Court of Appeals in the way of continuing the injunction
“ granted below was its opinion that the trade mark in itself and the
“ advertisements accompanying it made such fraudulent repre-
“ sentations to the public that the Plaintiff had lost its claim to
“ any help from the Courts. That is the question upon which
“ the writ certiorari was granted and the main one that we shall
“ discuss.”

Mr. Justice Holmes, after discussing the grounds of the judgment
of the Circuit Court of Appeals, proceeded to say :

“ . . . We are dealing here with a popular drink not with 10
“ a medicine, and although what has been said might suggest that
“ its attraction lay in producing the expectation of a toxic effect
“ the facts point to a different conclusion. Since 1900 the sales have
“ increased at a very great rate corresponding to a like increase in
“ advertising. The name now characterizes a beverage to be had
“ at almost any soda fountain. It means a single thing coming
“ from a single source, and well known to the community. It
“ hardly would be too much to say that the drink characterizes the
“ name as much as the name the drink. In other words Coca-Cola
“ probably means to most persons the Plaintiff’s familiar product 20
“ to be had everywhere rather than a compound of particular
“ substances. . . . It appears to us that it would be going too far
“ to deny the Plaintiff relief against a palpable fraud because possibly
“ here and there an ignorant person might call for the drink with the
“ hope for incipient cocaine intoxication. The Plaintiff’s position
“ must be judged by the facts as they were when the suit was
“ begun, not by the facts of a different condition and earlier time.”

In *Coca-Cola Co. v. Chero-Cola Co.* (1), it was held by the Court of Appeals
for the District of Columbia, on appeal from the Commissioner of Patents,
that the mark “ Chero-Cola ” was so similar to that of “ Coca-Cola,” as to 30
be likely to cause confusion in the public mind or to deceive purchasers,
and that the application for registration of “ Chero-Cola ” should be
refused. In that case Smyth, C.J., in the course of his judgment, made the
following observations :

“ Opposer has been using its mark since 1886, while applicant
“ did not adopt its mark until 1911. It is conceded that the goods
“ of the parties have the same descriptive properties, and therefore
“ there is but one matter for our decision, namely, whether or not
“ the marks are so similar as to be likely to cause confusion in the
“ public mind or to deceive purchasers. 40

“ Nearly 3,000 pages of testimony were taken and elaborate
“ briefs have been filed. Many decisions by Courts in this country
“ and in England are cited, and besides, we are invited to listen
“ to the teaching of psychology on the subject. None the less the
“ question in dispute is a simple one, and the principles by which
“ its solution may be reached have been often declared and applied
“ by this Court.

(1) 1921, 273 F.R. 755.

“ It is true that, if we analyze the two marks, differences will be found. They do not sound quite alike, and the number of letters in each is not the same ; but these are only arguable differences, which are not enough to defeat the opposition. ”

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“ Each of the marks embraces two hyphenated words. “ C ” is the first letter in each mark, and “ Cola ” the last word in each. The image which one mark paints upon the mind is not clearly different from that made by the other mark. To require that the line which separates marks should be well defined is not to ask too much, since the field from which a person may select a mark is almost limitless. If he is not content with a word to be found in a dictionary, he may coin one. ”

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“ Of course, if the two marks were placed together, or if a person’s attention was in some other way directed to them, there would be no difficulty in apprehending the difference between them. This, however, is not the way to make the test. Ordinarily the prospective purchaser does not carry more than a faint impression of the mark he is looking for. If the article offered to him bears a mark having any resemblance to the one he is thinking of, he is likely to accept it. He acts quickly. He is governed by a general glance. The law does not require more of him. *Patton Paint Co. v. Orr’s Zinc White*, 48 App. D.C. 221. ”

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“ Opposer, as we have seen, adopted its mark in 1886, and has been using it ever since, so that, ‘ the mark for years has acquired a secondary significance, and has indicated the plaintiff’s (opposer’s) product alone.’ *Coca-Cola Co v. Koke Co. of America*, 254 U.S. 143, 41 Sup. Ct. 113, 65 L. Ed.— ; Millions have been spent by it for advertising its goods under the mark. During the time that it has used the mark it has been doing business in Atlanta, Ga. Applicant’s place of business is a nearby town— Columbus, Ga. It, as we have said, did not commence to use its mark until 1911, twenty-five years after opposer had put into use its mark. Why was this mark selected by it, since it had so many others from which to choose ? Is not its action open to the inference that the purpose was to appropriate some of opposers’ business, by producing confusion in the mind of the purchasing public ? Whatever the purpose may have been, it is quite undeniable that mistakes have resulted from the use of applicant’s mark. ”

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In *Coca-Cola Company v. Old Dominion Beverage Corporation* ⁽¹⁾, the trade mark “ Taka-Kola ” was held by the Circuit Court of Appeals, Fourth Districts, to infringe the mark Coca-Cola. It would appear from the report of the Judgment of that Court that the Defendant Corporation was promoted by persons who had earlier been involved with the Plaintiff,

(¹) 271 Fed. R. 600.

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in a contest in the United States Patent Office, over the right to use the word "Tenn-Cola," and in which the Defendant was unsuccessful. From the Judgment of the Circuit Court of Appeals I quote the following :

" In this case it is true that the evidence does not show that
" the Defendant ever asked any one to sell its product as Coca-
" Cola. It appears that in Richmond, at least, most purchasers
" know that Taka-Kola is in a way different from Coca-Cola. On
" the other hand the similarity of names seems to have suggested
" to unscrupulous retailers that they could mix Defendant's product
" with that of Plaintiff and sell the compound as Coca-Cola ; the 10
" marked likeness in taste and colour making such a partial substitu-
" tion safe and easy. At one time, when in Richmond the supply
" of Coca-Cola ran short, this fraud appears to have been practiced
" to an appreciable extent.

" The strength of Defendant's position, if it has any, must
" lie in the soundness of the contention which it sets up, implicitly,
" if not explicitly, that as Coca-Cola is not patented it has the
" right to make it if it will and can, or may make something as
" near like it as its skill and knowledge will permit ; that, having
" produced a beverage which in all substantial respects is almost 20
" if not quite the same thing, there is no reason why it may not
" tell the public it has done so ; and that it makes no legal differ-
" ence whether to give this information it uses many sentences, or
" but one or only two short words. It says that, while the phrase
" ' Taka-Kola ' informs possible purchasers that the beverage
" it makes is very much like Coca-Cola, it also gives him to under-
" stand that it is the product of another concern.

" The argument is ingenious. It is, of course, true that, because
" Plaintiff's drink is not patented, any one who knows how can make
" it without leave or license from Plaintiff ; but also, because it 30
" never has been patented, the name which constitutes Plaintiff's
" trade mark for it may not, without Plaintiff's consent, be either
" used or imitated by another.

" May Defendant employ, for the sole purpose of bringing
" its wares speedily and cheaply into notice, a variant of Plaintiff's
" trade mark so close as to suggest the latter to every one thereby
" turning to its own profit the reputation which the Plaintiff has
" built up through many years of skill and effort, and at the cost of
" millions expended in advertising its goods under its mark ? It
" may tell the thirsty that its drink is not only as good as Coca-Cola, 40
" but that it believes it to be in fact the same thing ; but can it
" do so by using Plaintiff's trade mark to Plaintiff's hurt ? Even
" if there is no attempt by Defendant to palm off its goods as those
" of Plaintiff, does it necessarily follow that Defendant is not unfairly
" competing ? The right to equitable relief is not confined to cases
" in which one man is selling his goods as those of another. *Inter-*
" *national News Service v. Associated Press*, 248 U.S. 215, 241,

“ 39 Sup. Ct. 68, 63 L. Ed. 211, 2 A.L.R. 293. What in that case, upon a different state of facts was said of the Respondent, is applicable to Defendant’s conduct here, for it, too, ‘ amounts to an unauthorized interference with the normal operation of Complainant’s legitimate business precisely at the point when the profit is to be reaped in order to divert a material portion of the profit from those who have earned it to those who have not.’ ”

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10 “ By using the words ‘ Taka-Cola,’ and by imitating the ornamentation of the crowns of Plaintiff’s bottles Defendant has unfairly competed and is still doing so ; but has it not also infringed upon Plaintiff’s exclusive right to the use of its federally registered trade mark ? A trade mark is property of a limited and qualified kind, it is true. It cannot exist apart from the business with which it is connected, nor in jurisdictions into which that business has not gone, leaving on one side the possible effect of a state or federal registration. But it is property still within the somewhat restricted limits thus imposed upon its owner’s rights. It would seem to follow, as we think it does, that it is entitled to protection against the attempt of a competitor
20 “ to use it to push his wares to the possible and probable damage of the owner. Plaintiff’s rights are limited at the most to two words. All the rest of infinity is open to the Defendant. It will be safe if it puts behind it the temptation to use in any fashion that which belongs to the Plaintiff. It has not done so voluntarily, and compulsion must be applied.”

The next case to which I would refer is that of *Coca-Cola Co. v. Duberstein et al* ⁽¹⁾, an unfair competition case, in which the trade mark “ Coca-Cola ” was held to be infringed by the mark “ Coca and Cola.” During the pendency of the case the Defendants changed their mark
30 to “ El-Cola ” by covering the infringing mark blown in the bottle by a paper label, which was likely to become detached. It was held that even if the paper label were permanent, it afforded no protection, and was a mere evasion and an infringement of the Plaintiff’s mark Coca-Cola, and in the circumstances amounted to a contempt of Court. The trial Judge made the following remarks in the course of his Judgment :—

“ This is illustrative of a strange lack of perception on the part of the Defendant Duberstein, and by many as the decisions show, in cases of infringement of trade mark and unfair competition, that the Courts deal with matters of substance rather than of form,
40 “ and that the odour of fraud is difficult to remove. This case reeks with it. Why does the Defendant use the word ‘ Cola ’ at all ? And why colour its product as it does ? And why adopt the same size of bottles ? The only purpose is to appropriate a part of the value of Complainant’s trade mark and goodwill.”

The use of the mark “ Coca ” and “ Cola ” was, of course, utterly indefensible and a palpable fraud, and I refer to this case only to emphasize

(1) 249 F.R. 763.

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the utter lack of bona fides in some of the attempts to use trade marks having a similarity to the mark "Coca-Cola," in connection with the sale of beverages.

I shall refer next to the case of *Steinreich v. Coca-Cola* ⁽¹⁾. There, the word mark "Vera Coca" used to designate a soft drink, was held to be so similar to the registered mark "Coca-Cola," applied to a similar drink, as to cause confusion, and registration was refused by the Commissioner of Patents. On appeal to the Court of Customs and Patent Appeals, a Court consisting of five judges, who I assume are experienced in this very class of litigation, the finding of the Commissioner of Patents was sustained. The Judgment of the Court of Customs and Patent Appeals was delivered by Lenroot, J., who said :

"The Commissioner of Patents held that the goods to which the respective marks are applied, are substantially identical in class and descriptive properties, and that Appellee had used its mark for forty years before Appellant entered the field, had expended large sums in advertising its goods under its mark, and had sold such goods in very great quantities throughout the United States. In view of these facts, which are undisputed in the record, the Commissioner further held that the question to be determined was confined to a comparison of the marks. Upon this question the Commissioner said :

"Both marks include the word "Coca"; the Applicant places the notation "Vera" before the word, and the opposer places the word "Cola" after the common word, and both parties separate their words by a hyphen. It is at least reasonable to suppose that customers in ordering goods of this kind might abbreviate the entire name or notation and if this were done the goods of the opposer and those of the Applicant might well be called for by the word "Coca." At any rate the goods are of the character to be ordered carelessly without much thought or consideration and it is deemed at least probable there would be some confusion of goods as well as of origin. Those familiar with the opposer's trade mark and goods might be led to think even if the difference in the trade marks were noted, that the Applicant's goods had their origin with the opposer; and that the latter was putting out a new kind of beverage. It is considered the Applicant has approached too nearly opposer's trade mark and should have, from the practically unlimited field before him, selected a mark as to which there could be no question of confusion."

"The decision of the examiner of trade mark interferences sustaining the opposition and adjudging the Applicant not entitled to the registration for which he has applied is affirmed.

"We are in entire agreement with the foregoing conclusion of the Commissioner. Appellant challenges the statement of

(1) 67 Fed. Rep. 498. (2nd series.)

“ the Commissioner that the goods upon which the marks are applied are of the character to be ordered carelessly without much thought or consideration.

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“ The goods to which the marks of both parties are applied includes syrups which are sold to proprietors of soda fountains and like dispensaries, and the drink of which such syrup is an ingredient is sold to the public. While it is no doubt true that dealers would not carelessly order the goods, the purchaser of such drinks at the soda fountain would not be apt to exercise care and precision in giving his order. As was said by the Circuit Court of Appeals, Sixth Circuit, in the case of *Federal Trade Commissioner v. Good-Grape Co.* 45 F. (2d) 70, 72, with respect to a soft drink of a different character. . . . ‘ The average purchaser makes for himself only a casual, if any, examination of the real character of this five-cent drink. . . . ’

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“ We are also in agreement with the Commissioner that customers, on ordering goods of the kind here involved, might abbreviate the entire name or notation, and that, if this were done, the goods of Appellant and Appellee might well be called for by the word ‘ Coca.’ Testimony introduced by Appellant is to the effect that customers at soda fountains often order Appellee’s product ‘ Coca-Cola ’ by ordering a ‘ small coke ’ or a ‘ large coke ’.”

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In the same Judgment reference is made to the case of *Coca-Cola Co. v. Carlisle Bottling Works* ⁽¹⁾, an action for infringement and unfair competition wherein it was held by the District Court for the Eastern District of Kentucky, affirmed by the Circuit Court of Appeals, Sixth Circuit, that the trade mark “ Roxa Cola ” did not infringe the mark “ Coca-Cola.” Concerning this case Lenroot, J., said :

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“ We have examined the opinions in that case and do not find it necessary to express either approval or disapproval of the conclusion there reached. It is sufficient to say that under the facts in the case at bar, which differ in material respects from the facts in the case last cited, we are satisfied that there was no error in sustaining the opposition of Appellee and denying Appellant’s application for registration.”

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From this it may at least be inferred that if the Court of Customs and Patent Appeals were considering an application to register as a trade mark the words “ Roxa Cola,” it would refuse the name. The Judgment of the Circuit Court of Appeals in the *Roxa Cola* case, on the question of infringement, seems to me to proceed upon the basis that the trade mark “ Coca-Cola,” quoting from the Judgment of the trial Judge, “ has been burned into the consciousness of the people generally. Instinctively one recalls in memory its appearances and sound,” and that the dissimilarity in the two marks would instinctively be observed, and that deception would be impossible ; with respect I would be inclined to think

(1) 43 F. (2nd) 101 and 119.

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that, in the circumstances, this would have afforded some support for the Plaintiff's contention in that case. It was also held by the Circuit Court of Appeals that the Plaintiff had acquiesced in the Defendant's use of the trade mark "Roxa Cola"; that there was no evidence that any casual purchaser was ever deceived by the manner of use of the Defendant's trade mark; and that there was no substantial evidence of any actual intent by the Defendant through its officers or agents to deceive by the use of its trade mark. These findings of fact appear to me more relevant in an action for unfair competition, or passing-off as we usually call it, than to one for infringement. The facts in the *Roxa Cola* case may have 10 justified the finding that the charge of passing-off was not established.

Finally, and in the same connection, I shall refer to the cases of *Coca-Cola Company v. Loft Inc.*, and *Coca-Cola Company v. Happiness Candy Stores Inc.* ⁽¹⁾, passing-off actions, heard together, and decided in June, 1933. Both parties here seem to draw comfort from the result in those cases. Mr. Guth, who gave evidence at the trial here for the Defendant Pepsi-Cola Company, was interested in the business of both Defendants and he is presently general manager of the American Pepsi-Cola Company, which in turn controls the Defendant Company. Loft Inc., and Happiness 20 Candy Stores Inc., owned or controlled a great number of shops in New York City, and perhaps elsewhere, in which the beverage "Pepsi-Cola" was sold, from soda fountains only; a result of the trial and judgment of those two cases, the Defendants, and the American Pepsi-Cola Company turned to the use of bottles exclusively, at least I so understand. At the instance of agents or investigators of the Plaintiff Coca-Cola Company some six hundred and twenty different orders for Coca-Cola were given in the shops of the Defendants, and they were in all cases served with Pepsi-Cola and not Coca-Cola. The report of the cases sets forth the following facts:

"Prior to September 26, 1931, Coca-Cola was sold in all these 30
"stores. On that date its sale was discontinued and the Loft
"management introduced in all the stores managed by it a drink,
"new to New York and vicinity, called Pepsi-Cola, a drink made in a
"manner similar to that of Coca-Cola and resembling the latter in
"colour. After September 26, 1931, no Coca-Cola was sold in any
"of the stores under the Loft management. The president and
"some of the other officers of Loft Inc., have acquired a substantial
"interest in the Company that manufactures Pepsi-Cola—enough
"of an interest to give them a working control of that Company.
"The son-in-law of Mr. Guth, President of Loft Inc., is in charge 40
"of the management of the Pepsi-Cola Company.

"Coca-Cola is a well known beverage upon the promotion and
"exploitation of which the complainant has spent in advertising
"alone since 1886 more than sixty million dollars. Coca-Cola
"is familiarly and very extensively known. It is called for by the
"public both under the name of Coca-Cola and Coke.

(1) 167 Atlantic Rep. 900.

“ The complainant charges the Defendants with substituting
 “ and passing-off, without explanation or comment, in response
 “ to calls for Coca-Cola, a product not the product of the Com-
 “ plainant and not containing Complainant’s Coca-Cola syrup,
 “ but closely imitating Complainant’s product in colour, appearance
 “ and taste, in fraud of the purchasing public and in violation of
 “ Complainant’s rights. The substitute so charged as having been
 “ passed off is Pepsi-Cola.”

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10 The action was dismissed on the ground which will presently appear
 from excerpts from the Judgment of the Chancellor of the Court of Chancery
 of Delaware. He said :

“ There is practically no dispute in these cases upon material
 “ matters of fact. The uncontradicted evidence shows that substitu-
 “ tions were made by employees of the Defendants of a product
 “ other than Coca-Cola for that beverage when calls for the same
 “ were made at the Loft and Happiness, as well as at their Mirror
 “ stores. . . .

20 “ Where, as here, the facts specified to by the Complainant’s
 “ investigators are in no wise challenged either by direct evidence
 “ or by any circumstance other than the mere fact that the witnesses
 “ were employed by the Complainant to investigate the Defendant’s
 “ behaviour, there can be no possible justification for the Court’s
 “ refusal to lend credit to the witness-investigators.”

He then proceeds to state that there were six hundred and twenty
 substitutions made in forty-four stores by forty-one soda dispensers at
 fountains, and fifty-nine waitresses at tables. The Chancellor then
 proceeds :

30 “ The proposition is, of course, a general one that a principal
 “ is responsible for the acts of his agent done in the course of his
 “ employment. As I read the cases, however, the law refuses to
 “ apply that general principle so far as to hold that a fraudulent
 “ intent to injure another in his trade will be conclusively presumed
 “ against an employer from the acts of a clerk. The principle may
 “ be deduced from the cases, I think, that if it is shown that clerks
 “ or salesmen engaged in acts which constitute unfairness in trade
 “ towards another, a prima facie case for an injunction is made out
 “ against the employer. The burden is thrown upon the Defendant
 “ employer to rebut the presumption thus raised against him, and
 “ if he can exculpate himself by showing that he was entirely
 40 “ innocent of any participation in the wrong or connivance in its
 “ perpetration, injunctive relief against him will be refused.

“ This view I am aware is contrary to the authority of the
 “ English case of *Grierson-Oldham & Co., Ltd. v. Birmingham Hotel
 “ & Restaurant Co., Ltd.*, 18 R.P.C., 158, where it was held that as a
 “ corporation acts through agents and as the waiters of a Defendant
 “ were its agents acting for it in its restaurants, the acts of the
 “ waiters in substituting a wine not made by the Complainant

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“ on calls from customers for Complainant’s wine, were attributable
“ to the Defendant with all their inculpatory intent, and that the
“ bona fide attempt of the Defendant, by appropriate orders in that
“ behalf, to prevent its employees from resorting to any such trickery
“ constituted no excuse, and that an injunction should issue against
“ the employer—Defendant.

“ The Scottish case of *Montgomerie & Co., Ltd. v. Young*
“ *Brothers*, 21 R.P.C., 285, overruling 20 R.P.C., 781, is an authority
“ directly opposed to the English case just referred to. In the case
“ against Young Brothers, Lord Justice Clerk observed with respect 10
“ to a case simply of a servant violating accidentally or other-
“ wise the instructions of the master by substituting one product
“ for another in violation of the Complainant’s rights—‘ in a case
“ of that kind to say that the remedy is to interdict (or as we
“ would say to enjoin) the master and punish him for breach of
“ interdict, that is to say, for his contempt of the Court which has
“ granted it, if his servant or any servant in any of his shops should
“ ever violate his instructions again—to maintain such a proposition
“ is certainly not in my opinion to be accepted. The maintenance
“ of such a proposition is not to be sustained.’ 20

“ The cases in this country in principle support the same view.
“ They are to the effect that substitutions made by salesmen,
“ though deliberate, will not be received as fixing an intent on
“ the part of the employer where the circumstances are such as
“ to justify the belief that the offending acts were done without
“ the assent or in violation of the honest instructions of the
“ employer.”

The Chancellor held that upon the evidence he was unable to attribute to the Defendants any intention to substitute Pepsi-Cola for Coca-Cola, and that there was a strong indication of bona fides on the part of the 30 Defendants to prevent the happening of the acts complained of. The actions were therefore dismissed.

It must be remembered that in each of the cases just above referred to the action was for passing-off, and not for infringement, and that the ground on which they failed was upon the point of law that the principal was not responsible for the acts of its agents, but the Chancellor held that it was manifestly clear that the Plaintiff’s investigators, calling for the Plaintiff’s beverage Coca-Cola, were served from soda fountains with the Defendant’s beverage, Pepsi-Cola. Whether the method pursued by the Plaintiff’s investigators in giving their trap orders was fair and proper 40 I cannot say from the report of the cases, but in any event it was found that in six hundred and twenty instances, Pepsi-Cola was sold as Coca-Cola. It may fairly be presumed that at least a fair proportion of the orders for Coca-Cola were given in a distinct and careful manner and were perfectly understood by the employees executing the orders. The Chancellor does not appear to criticize the manner in which the investigators ordered the purchases at the stores of the Defendants. The facts show how extensively

fraud was practised, and while Pepsi-Cola is sold by the Defendant only in bottles in Canada that would not necessarily be an obstacle in the way of serving unsuspecting customers with Pepsi-Cola instead of Coca-Cola, and with comparative immunity, by dishonest retailers or their servants, if so inclined. So while in those two cases the Court felt unable to impeach the rectitude of the principals in the matter, that does not furnish an answer to the contention here that on account of the similarity of the marks, and other circumstances, there is the probability of confusion arising, and the possibility of deception being practised. It is not to be
 10 inferred from the Judgment of the Chancellor that had he been dealing with an action for infringement he would not have found, on the facts before him, that there was infringement. On the whole these cases seem to me to render very formidable support to the Plaintiff's contention that if the marks Coca-Cola and Pepsi-Cola are contemporaneously used, for the same class of beverage, and having the same general appearance, there is a likelihood of confusion resulting from one or more causes, particularly in the retail sale of such beverages directly to the consumer.

I might add here that in actions for either infringement or unfair competition, brought by the owner of the trade mark Coca-Cola in the
 20 Courts of the United States, use of the following marks have been restrained : " Koke," " Epso-Kola," " Takola," " A Genuine Coca And Cola Flavor," " Crescent Coca-Cola," " Extract of Coca and Kola," " My Coca," " Co-Cola," " Cola," " Fletcher's Coca-Cola," " Cura Cola," and " Kent's Coca-Cola " ; and the cases show that the following marks, upon the opposition of the American Coca-Cola Company, have been refused registration in the United States ; " Sola-Cola," " Taka-Cola," " Kel-Kola," " Ko-Colem-A," " Carbo-Cola," " Penn-Cola," " Tenn-Cola," " Citra-Cola," " Coca-Cola " applied to " Spearmint Pepsin Gum," " Kaw Cola," " Celro-Kola,"
 30 " Sherry-Coke," " Mitch-O-Cola," " King-Cola," " Silver-Cola," " Qua-Cola," and " Prince Cola." And in default judgments, or judgments by consent of the parties, in actions brought by the owners of the mark Coca-Cola, use of the following marks were restrained by the United States Courts : " Toca-Coca," " Star-Coke," " Coke," " Cola," " Ko-Kola," " Hanne's Coca & Kola," " Coke-Ola," " Kos-Kola," " Cofa Kola," " Koka-Nova," and " Koke." All of the marks above mentioned—which probably does not exhaust the list—were used in respect of so-called soft drinks, or registration was sought for that purpose. The point which I particularly wish to emphasize in connection with the many marks just referred to, and the many marks referred to in the Defendant's Particulars, is the
 40 very extensive use or registration in the United States and Canada, of trade marks bearing some conspicuous resemblances to that of the Plaintiff, and to the conclusion to be drawn therefrom I shall later refer.

It will have been observed that I quoted liberally from Judgments rendered in the English and American cases referred to, and the reasoning and general result of the opinions there expressed, in the American cases particularly because there the trade mark " Coca-Cola " was in issue, pretty accurately express my own views upon the question of infringement

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in the case under discussion. The question of infringement cannot fairly or properly be disposed of by taking the two marks in question, placing them side by side, and critically comparing them ; if that is done the marks may exhibit various differences, yet the main idea left in the mind by both may be the same. A person acquainted with the mark first registered, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed by the second mark, into a belief that he was dealing with the goods which bore the mark with which he was acquainted. In such a case the dissimilarities are not put before or explained to the consumer ; he can only contrast the mark upon the goods offered to him with his recollection of the mark upon the goods he is seeking to buy, and allowance must be made for this in estimating the probability of deception or confusion. It would be too much to expect that persons dealing with trade marked goods and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing. The proper course is to look at the marks as a whole, and not to disregard the parts which are common. Any other rule would be of no practical use. Then regard must be had to, the nature of the goods to which the marks are applied, the similarities in the goods regardless of their dress, the nature of the market, the class of people likely to become purchasers, the appeal to the ear as well as the eye, the probability of deceiving the unwary or uncritical purchaser, the opportunity afforded retailers and their employees to practice deception upon the unsuspecting customer, the liability to error and confusion in transmitting and receiving orders for the goods by telephone, the effect of the tendency to abbreviate trade marks which readily lend themselves to that practice, the fact that the first registered mark has been long and widely known, and any other special features associated with trade marks in conflict, illustrated in this case by the conspicuous scroll effect, or flourishes, in the formation of each mark.

It is quite apparent that a great deal of litigation has already arisen in the United States, and possibly more is pending, involving a much similar state of facts to that which we have here ; and considerable litigation of the same nature has arisen in Canada, though, so far as I know, none, excepting this case, have so far reached the trial stage. In some of the United States cases to which I have referred the Courts have attributed the adoption and use of the infringing mark to the hope of obtaining some business advantage or advertising from the established position of Coca-Cola in the market, at the expense of the producer of Coca-Cola. It put a great strain upon one's credulity to believe that the registration and use of so many of the marks mentioned, in the United States and Canada, in respect of low priced beverages which so often look much alike, was not intended for that purpose. All this could hardly be accidental. I can hardly believe that the many persons adopting as a trade mark, for beverages of the character in question, a compound word, or any two words, comprising either the word "Coca," or the word "Cola," or variants of such words, did not do so with the expectation of reaping some advantage

from the wide acquaintance of consumers with Coca-Cola ; and variants of registered marks are not usually looked upon with favour by the Courts. If one person can do this with immunity, then a thousand may do it, surely an undesirable situation from the public standpoint alone, and one which, in my opinion, only accentuates the inherent weakness of the contention here advanced on behalf of the Defendant in respect of the charge of infringement.

Mr. Herridge stated that in the City of Montreal and contiguous areas, the " Cola drinks," as he put it, that is beverages sold under some such name, were extremely popular and that the demand therefor was abnormal. The phrase " Cola drinks " has frequently been employed by Defendants in actions for infringement brought by the owners of the mark Coca-Cola, and the purpose is to suggest the idea that " Cola " is descriptive of a well-known type of beverage, and hence that no one is entitled to the exclusive use of such a word as or in a trade mark. I shall have occasion to refer to this later. I know from my own experience, in applications for interlocutory restraining orders in infringement actions brought in recent years by the Plaintiff, that in the City of Montreal area several beverages have been produced and put on the market under trade mark names employing one or other of the words " Cola " and " Kola," generally in combination with another word, and it is possible that such beverages are referred to as " Cola drinks " ; I might observe that this would go to show a tendency to abbreviate marks, such as those of the Plaintiff and Defendant here and this I have already referred to. I have no doubt that this has occurred in other areas. If " Cola drinks " are well known or in unusual demand in the Montreal area, or elsewhere, I am inclined to think that it might more safely be said that this was due to the fact that a considerable section of the consuming public have come to associate " Cola drinks " with the Plaintiff's beverage. Any unusual demand for beverages of this character usually begins with a taste or preference developed therefor among consumers, by a first producer who has popularized and made known the same. When I look over all the marks registered or used in Canada, and in the United States, for beverages of the character in question, I am not inclined to think that the registrants or users were really so much distressed over making it certain and clear that their potential patrons would be satisfied that their beverage was made from the exotic " Cola " or " Kola " nut, or flavoured therewith, or that they would get a " Cola drink," as they were to select a name for their beverage that might quickly and cheaply be popularized and made known ; and in that state of mind, I think, the selections were made as close to that of the Plaintiff's as they respectfully could go. If registrants and users of such marks desired the public to clearly understand that their beverage was meritorious and of their own manufacture, why would they not adopt a wholly new and distinctive trade mark, one that was so entirely free from resemblance to the Plaintiff's mark that no one would ever harbour the idea of infringement ? Why should all these trade marked beverages follow in the wake of the entry of the Plaintiff's beverage on the market, and expand in numbers

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with the years? To me, all this has a cumulative effect adverse to the Defendant's contention, and lends weight to the contention that Pepsi-Cola, and other of such marks, were registered and put into use in Canada for the purpose of obtaining some commercial advantage from the long acquaintance of the public with the Plaintiff's beverage. My conclusion is that there is infringement here, and that barring other points of defence the Plaintiff is entitled to succeed.

The Defendant contends that on other grounds the Plaintiff cannot succeed in its action for infringement, and these must be considered. It was contended that the Plaintiff has so permitted others to use its trade mark that it is now without distinctiveness, and is *publici juris*, and in support of this allegation the Defendant's Statement of Defence is accompanied by an exhibit giving names of over seventy persons, or concerns, bottlers they are called, who were authorized by the Plaintiff, it is said, to use its mark. The Plaintiff produces a syrup, also called Coca-Cola, to which is added carbonated water in the making of the Coca-Cola beverage, and this is retailed in bottles, or by the glass from soda fountains or like dispensaries. The Plaintiff, in some of its plants, manufactures the Coca-Cola beverage which itself sells to dealers, in bottles. And it sells to a large number of independent persons, or bottlers, the Coca-Cola syrup from which such persons make the beverage Coca-Cola by adding carbonated water, according to a formula furnished by the Plaintiff, and this such persons bottle for sale; such persons, or bottlers, are, I understand, under a contractual obligation to sell the same, the bottles being furnished by the Plaintiff, only under the name of "Coca-Cola." This, I assume, would also apply to those who similarly make the same beverage, and dispense it from soda fountains, but of this I am not sure. I do not think that in that state of facts the law supports the contention of the Defendants that this practice voids the Plaintiff's mark. Such beverages, so bottled, indicate to the public that the Plaintiff has assumed responsibility for their character or quality, and they are known to the public as the Plaintiff's beverage. This arrangement in the production of an article of this kind is virtually a production by the Plaintiff itself, and I do not think that this contention of the Defendant is one of substance.

Then, it was urged on behalf of the Defendant that the Plaintiff's mark is descriptive, and if not descriptive then misdescriptive and therefore void. Sec. 2 (m) of the Unfair Competition Act enacts that:

" 'Trade mark' means a symbol which has become adapted
" to distinguish particular wares falling within a general category
" from other wares falling within the same category, and is used
" by any person in association with wares entering into trade or
" commerce for the purpose of indicating to dealers in, and/or
" users of such wares that they have been manufactured, sold,
" leased or hired by him. . . ."

Section 26 (1) (c) reads:

" Subject as otherwise provided in this Act, a word mark
" shall be registrable if it (c) is not, to an English or French speaking

“ person, clearly descriptive or misdescriptive of the character
 “ or quality of the wares in connection with which it is proposed
 “ to be used. . . .”

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It is established I think, that the Plaintiff is entitled to the exclusive use of the mark “Coca-Cola,” in Canada, and I think it may now be presumed that the Plaintiff’s mark has become adapted, in Canada, by its long and extensive use by the Plaintiff, and its predecessor in business, to distinguish the goods of the Plaintiff, and this presumption has not in any way been rebutted, in fact, I do not think it has been even put in
 10 question. Further, I do not think that the Plaintiff’s mark is descriptive or misdescriptive. I do not see how it can be said that the compound word “Coca-Cola” is descriptive of the Plaintiff’s beverage, largely composed of carbonated water, even if it contains a flavouring of coca leaves or the kola nut, which indeed has not even been properly established here if it were a vital point. The Plaintiff’s syrup, “Coca-Cola,” is made according to some secret formula, and which was not disclosed. As used, the mark indicates, and has come to mean, merely the name of the beverage manufactured by the Plaintiff. It has no other name. As used, I think it is but a coined word mark, and is not “clearly descriptive” of the
 20 character of the beverage. I should think that the words comprising the Plaintiff’s mark were unknown in this country, at least, as the name of a beverage, before the Plaintiff’s predecessor in business came to use the same for that purpose, and I doubt if it would occur to any one that the beverage was made from coca leaves and the kola nut, both of which products would be unknown to most people in Canada at the date of the adoption of the mark as the name of a beverage. It seems to me that “Coca-Cola” is but a word mark adapted to distinguish a beverage made by the Plaintiff, and in the eyes of the general public is meaningless except to distinguish that beverage and its origin, and it is not “clearly descriptive”
 30 of the character of the beverage.

This ground of attack against the mark Coca-Cola has frequently been advanced in the Courts in the United States, but, so far as I know, without success. I might refer to the case of *Nashville Syrup Company v. Coca-Cola Company* (1), an infringement action brought by the American Coca-Cola Company, the infringing mark being “Fletcher’s Coca-Cola,” applied to a syrup from which a beverage was made. In that case it was urged, on appeal from the Court of first instance sustaining the charge of infringement, that the mark “Coca-Cola” as applied to a syrup entering
 40 into the making of a beverage, was descriptive or misdescriptive, which contention conceivably might be applied with greater force in the case of the application of the mark to the syrup than when applied to the beverage itself. I venture to quote at some length from the Judgment of the Appellate Court in that case, sustaining the finding of infringement in the Court below, because I think what was there said may be found of some interest upon the point presently under discussion. The report of this case first states the following facts :

(1) 213 Fed. R. 527.

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“Coca is a South American shrub, from the leaves of which
“cocaine, among other substances, is obtained; the cola tree grows
“in Africa, and from its nuts caffeine may be extracted. The use
“of these leaves and these nuts by the natives in their respective
“countries and for the supposed stimulating qualities, had long been
“known in this country, and before 1887 extracts respectively
“from coca leaves and from cola nuts had found a place in the
“pharmacopœia. There was little popular knowledge concerning
“them. The extracts were used only by druggists in compounding
“medicine. In 1887, Pemberton, an Atlanta druggist, registered 10
“in the Patent Office a ^{label} ~~label~~ for what he called ‘Coca-Cola Syrup
“and Extract.’ The Plaintiff below, the Coca-Cola Company,
“was organized as a corporation in 1892, and acquired Pemberton’s
“formula and label. Since that time, it has continuously manu-
“factured and sold a syrup under the name, ‘Coca-Cola,’ and used
“as a basis for carbonated drinks, the syrup, under this name,
“has had a large sale in all parts of the country. In 1893 the
“Coca-Cola Company (herein called Plaintiff) registered the name
“‘Coca-Cola’ as a trade mark, and again in October of 1905, and
“pursuant to the Act of February 20, 1905, the name was registered 20
“by Plaintiff as a trade mark under the 10-year proviso of that act.
“Plaintiff enjoyed the exclusive use of the name from 1892 until
“1910. In that year, J. D. Fletcher, now the active manager of the
“Nashville Syrup Company (herein called Defendant), became
“interested with others in the manufacture of a somewhat similar
“syrup being sold under the name ‘Murfe’s Cola.’ Later in that
“year they changed the name of their product to ‘Murfe’s Coca-
“‘Cola’ and shortly afterwards, Mr. Fletcher became sole owner
“of the business, and the product was named ‘Fletcher’s Coca-
“‘Cola,’ and has been sold by him and his successor, the Nashville 30
“Syrup Company, under that name. . . .”

The Judgment of the Court in part states :

“The words here involved were, if fairly ‘descriptive’ at
“all, not purely descriptive, and by 10 years’ exclusive use they
“had become the distinctive appellation of Plaintiff’s product.
“To permit Defendant to use them in connection with his own
“name is not to avoid or mitigate the wrong, but is rather an
“aggravation, because of the false implication that Plaintiff has
“parted with the exclusive right. *Jacob v. Beecham*, 221 U.S., 263,
“272, 31 Sup. Ct. 555, 55 L Ed., 729. 40

“There remains the question whether the mark is deceptive.
“Defendant does not expressly make this point, but it is so bound
“up with the questions of how merely descriptive the words are,
“and whether the same words as used by the Defendant are only
“the rightful name of its product, that it must be decided. . . .

10 “ The argument is that the use of the name, ‘Coca-Cola,’ implies to the public that the syrup is composed mainly or in essential part of the coca leaves and the kola nut; and that this is not true. The fact is that one of the elements in the composition of the syrup is itself a compound made from coca leaves and kola nuts. This element becomes a flavour for the complete syrup, and is said to impart to it aroma and taste characteristic of both. This flavouring element is not in large quantity (less than 2 per cent.), but it is impossible to say that it does not have appreciable effect upon the compound. The question then is whether the use of the words is a representation to the public that the syrup contains any more of coca or of cola than it really does contain.

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20 “ We think it clear that whether the claimed trade mark is so descriptive of something else as to be deceptive must be decided at the time of adoption. It cannot be that rights once lawfully acquired by exclusive appropriation can be defeated by subsequent progress of public knowledge regarding some other substance of similar name. It is undisputed that during the period shortly after 1892, while this name was coming into public knowledge in connection with Plaintiff’s product, little or nothing was popularly known about either coca leaves or cola nuts, although existing technical or cyclopædic publications gave information. It is not important whether Pemberton’s original form ‘Coca-Cola Syrup and Extract,’ was so descriptive as to be deceptive if applied to a compound not composed mainly of these ingredients. The name in which trade mark rights have been acquired, is the compound name ‘Coca-Cola,’ and this name may not, for all purposes, be the same as if it was ‘Extract of Coca and Cola.’ ”

30

40 “ Neither of these words alone had any absolute complete meaning, but when the words were put together to make a compound term, the ambiguity of meaning was intensified. If ‘coca’ was spoken of, the reference might be to the leaves, or to a decoction or to an extract; ‘cola,’ might refer to the nuts or to a powder or to a paste or a fluid; and so, when the public first saw the name ‘Coca-Cola,’ it could not know, as we said in the accompanying case, whether the substance was medicine, food, or drink, or whether it was intended to swallow, smoke, or chew. One who had all the existing available information could only infer that the new substance, whatever it was, had some connection with these two foreign things. The case would be somewhat different if each of the two named elements was itself definite and certain, but neither is. To illustrate by more common substances: Sage is a shrub, used in various ways; the almond is a nut, eaten raw or prepared in numerous

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“ methods. The compound name “ Sage-Almond,” as a label
“ would convey a very indefinite idea, if any, as to what would be
“ found when the package was opened ; and, if we assume that
“ ‘ Sage-Almond ’ turned out to be a drink in connection with which
“ sage leaves and almonds had been used, we have, in this illustration,
“ a close analogy to Coca-Cola ; yet this name, applied to a soda
“ fountain beverage, would not deceive the public into supposing
“ that it contained all the virtues of sage tea and all of the nourish-
“ ment of the almond nut meats. Such an article could honestly
“ enough carry the supposed name ‘ Sage-Almond,’ and after 10
“ 20 years’ exclusive use of the name it would not still be common
“ property. A newcomer might rightfully sell (*e.g.*) ‘ Sage Tea ’
“ with ‘ Almond Flavour ’ ; he might not take the peculiar, precise,
“ and really arbitrary compound name.

“ Plaintiff’s Counsel say, and so far as we can see accurately say :

“ ‘ The use of a compound name does not necessarily indicate
“ ‘ that the article to which the name is applied contains the sub-
“ ‘ stances whose names make up the compound. Thus, soda water
“ ‘ contains no soda ; the butternut contains no butter ; cream of
“ ‘ tartar contains no cream ; nor milk of lime any milk. Grape 20
“ ‘ fruit is not the fruit of the grape ; nor is bread fruit the fruit of
“ ‘ bread ; the pineapple is foreign to both the pine and the apple ;
“ ‘ and the manufactured food known as Grape Nuts contains
“ ‘ neither grapes nor nuts.’ ”

The Court then proceeds to refer to certain authorities referable to the issue there under discussion.

The Defendant’s Pepsi-Cola is sold in Canada in bottles only, which bottles are considerably larger than those in which the Plaintiff’s Coca-Cola is sold, and they are of a much different shape, and for those reasons it was contended that the Defendant’s Pepsi-Cola was not liable to be confused 30 by the public with the Plaintiff’s Coca-Cola. The issue here relates to a word mark, and the Plaintiff’s mark was registered as a word mark. The get-up or dress of the bottles or containers in which Coca-Cola or Pepsi-Cola is sold has, I think, nothing whatever to do with the case, and the same is not of importance, I think, in this action. In a passing-off action facts of that character might be of relevance and importance but they cannot be, I think, in an action for infringement of a word mark.

Then the Defendant has raised a question regarding the assignment of the registered trade mark “ Coca-Cola,” from the registered owner to the Plaintiff. The Unfair Competition Act states that “ no person shall 40
“ institute proceedings in any Court to prevent the infringement of any
“ trade mark unless such trade mark is recorded in the register maintained
“ pursuant to this Act.” Registration of an assignment does not, as registration of the mark itself, appear to be a condition precedent to any action for infringement by the assignee. But the want of registration will

cast upon the Plaintiff in any action the necessity of proving that he was the owner of the mark. The Plaintiff Company was incorporated in 1923, and it seems to be conceded that the Plaintiff shortly thereafter acquired and took over the business and goodwill of the Canadian business of the parent Company. That business has since been carried on by the Plaintiff, using always, as did its predecessor, the trade mark "Coca-Cola," in connection with the ~~manu-~~^{manu-}facture and sale of a beverage. It appears, however, that it was not till 1930 that an assignment in writing of the mark from the parent Company was registered by the Plaintiff. As I understand it, 10 the point sought to be made is that the written assignment of the mark not being contemporaneous with the transfer of the goodwill of the business, and that, at the date of the assignment in writing, seven years later, the Plaintiff's predecessor having earlier parted with its goodwill in the business, the registered trade mark had therefore terminated, and was incapable of valid assignment. The Defendant admits in its Statement of Defence that the Plaintiff was registered as the proprietor of the mark but denies that it was "now in full force and effect." It is difficult to say if this was intended to mean that the registration was void because of the allegations which I have just mentioned, or because of other reasons. I do not think 20 I need pause to discuss the construction of this plea. The Unfair Competition Act, s. 44 (2), states that: "a registered trade mark shall not be assigned or transmitted except in connection and concurrently with an assignment or transmission of the goodwill of the business carried on in Canada in association with the wares for which such has been registered, and in any case such mark shall be terminated with such goodwill; " . . . " The language of this provision perhaps fails to express with absolute clarity what I think was no doubt intended. I think this provision of the statute means only to express what always was the law, namely, that a trade mark is assignable only with the goodwill of a business, and not otherwise. The word "concurrently," which, I think, is surplusage, 30 merely means that an assignment of a trade mark to be valid must accompany, or be "concurrent" with, the sale, transfer or assignment, of the goodwill of a business, and that it cannot be made before or after as something apart from, and independent of, the goodwill of a business. The statute does not say that the assignment must be evidenced by registration of an instrument in writing, although an assignment in writing would, of course, be desirable in establishing title to a mark. The statute can hardly be construed to mean that where a business is sold and transferred to another, and the sale expressly or impliedly includes any trade marks 40 registered and used in association therewith, that an assignment of the mark in writing must be made precisely contemporaneous with the sale and transfer of the business itself, and must be contemporaneously registered. I do not think s. 44 (2) means that.

4 It has been held in England, as stated in Kerly on Trade Marks, 6th Edition, at page 408, that it was not essential that the assignment of a trade mark and the transfer of the goodwill should be exactly contemporaneous, or that there should be any legal conveyance of the latter if

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Reasons for
Judgment
of
Maclean, J.
—continued.

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Exchequer
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No. 11 .
Reasons for
Judgment
of
Maclean, J.
—continued.

the assignee is equitably entitled to it ; it is also stated by the author that where a company sold its trade marks and the goodwill of its business but was dissolved without its making any assignment to the purchaser, the equitable owner was registered as the proprietor of the trade marks ; and authorities are referred to in support of such propositions. The section of the English Trade Marks Act in force at the date of such authorities was to the effect that a trade mark when registered shall be assigned and transmitted only in connection with the goodwill of the business concerned, in the particular goods for which it has been registered, and shall be determinable with that goodwill. In the case of *In Re Welcome's Trade Mark* (1), Chitty, J., held that it would be too narrow a construction of that section to read it as if the assignment of the trade marks must be contemporaneous with the assignment of the goodwill ; he said : " That seems to me to " be far too narrow a construction to adopt. But the point remains whether " there must not have been some assignment of the goodwill, and an assign- " ment of the goodwill from the person who is the registered proprietor " of the trade mark." There was no suggestion that the assignment had to be registered. I think the meaning and sense of the Canadian Statute is the same as that of the English Statute of 1886, notwithstanding the use of the word " concurrent " in the former. 10

Upon the facts here disclosed, I think, the assignment in writing of the trade mark in question, made and recorded in 1930, long prior to the bringing of this action, is to be treated as a valid assignment made in connection with the assignment of the goodwill of the business, and as of that date, I can have no doubt but that the Plaintiff acquired along with the goodwill of the business the equitable title to the mark in question, and it has used that mark ever since 1923, in connection with the manufacture and sale of a beverage, known only by that mark. I would entertain no doubt but that the Plaintiff would succeed in any proceeding brought by it to have the mark registered in its name, if for any cause, an assignment in writing had not been procurable, from its predecessor in business. All equities would be open to it, and might be enforced in like manner as in respect of any other personal property. I am of the opinion therefore that the Defendant must fail in respect of this point. 30

I think I have now discussed all the important points raised by the defence. My conclusion is that the Plaintiff's mark is infringed by that of the Defendant, and that the Plaintiff is entitled to the relief claimed and that the Defendant's counterclaim should be dismissed. There will be the usual consequence as to costs.

(1) (1886) 32 Chy.Div. 213.

No. 12.

In the
Exchequer
Court of
Canada.**Formal Judgment of the Exchequer Court of Canada.**

Friday, the 15th day of July, A.D. 1938.

Present—the Honourable the President.

No. 12.
Formal
Judgment,
15th July,
1938.

Between

THE COCA-COLA COMPANY OF CANADA, LIMITED *Plaintiff*
and
PEPSI-COLA COMPANY OF CANADA, LIMITED *Defendant.*

10 This action having come on to be heard before this Court at the City
of Ottawa on the 31st day of March and the 1st and 2nd days of April, 1937,
in the presence of Counsel for both parties, upon hearing read the Pleadings,
and upon hearing the evidence adduced at the trial and what was alleged
by Counsel aforesaid, this Court was pleased to direct that this action should
stand over for Judgment and the same coming on this day for Judgment.

20 THIS COURT DOTH ORDER AND ADJUDGE that the Defendant,
its servants, agents and workmen, be and they are hereby perpetually
restrained from selling or distributing any beverage not of the Plaintiff's
manufacture in association with the compound word "Pepsi-Cola" or any
other word or words so similar to the Plaintiff's trade mark "Coca-Cola"
as to be calculated to cause confusion between the Defendant's beverage
and that of the Plaintiff.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE
that the Defendant be and it is hereby perpetually restrained from using
the compound word "Pepsi-Cola" in or as part of its corporate name, or
any word or words therein so similar to the Plaintiff's trade mark "Coca-
Cola" as to be calculated to cause confusion between the Plaintiff and the
Defendant.

30 AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE
that the Defendant, its servants, agents and workmen, be and they are
hereby perpetually restrained from distributing any beverage not of the
Plaintiff's manufacture in association with any word or words in script
form of a kind calculated to cause confusion between the Defendant's
beverage and that of the Plaintiff.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE
that the Defendant do, within ten days from the date of service of this

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continued.

Judgment, deliver up to the Plaintiff upon oath all labels, advertising matter, price lists, advertisement blocks and other material in the possession or under the control of the Defendant which bear the compound word "Pepsi-Cola" or otherwise offend against the injunction granted herein.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the Defendant do pay to the Plaintiff such damages as it may have suffered by reason of the infringement complained of in the Statement of Claim or alternatively an account of profits as the Plaintiff may elect, the amount of such damages or profits to be ascertained on a reference to the Registrar of this Court at such time and place as he may appoint. 10

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the Counterclaim of the Defendant for an Order that the trade mark "Coca-Cola" was not registrable and for cancellation of the registrations of the Plaintiff numbered 43/10433 and 257/55268 be and the same is hereby dismissed.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the Defendant do pay to the Plaintiff its costs of this action forthwith after taxation thereof, the costs of the reference to be reserved.

BY THE COURT.

(Sgd.) RALPH M. SPANKIE,
Deputy Registrar.

20

In the
Supreme
Court of
Canada.

No. 13.
Notice of
Appeal,
29th July,
1938.

No. 13.

Notice of Appeal.

TAKE NOTICE that the Defendant intends to appeal and does hereby appeal from the Judgment of this Court rendered in this cause on the 15th day of July, A.D. 1938.

Dated at Ottawa, Canada, this 29th day of July, A.D. 1938.

HENDERSON, HERRIDGE, GOWLING & MacTAVISH,

Solicitors for the Defendant. 30

To

Messrs. SMART & BIGGAR,
Solicitors for the Plaintiff.

No. 14.**Statement of Case.**In the
Supreme
Court of
Canada.

This is an Appeal from the Judgment of the Honourable The President of the Exchequer Court of Canada, rendered the 15th day of July, A.D. 1938, in favour of the Plaintiff (Respondent), restraining the Defendant (Appellant) from selling and distributing its wares under the word Pepsi-Cola and using the word Pepsi-Cola as part of its corporate name and ordering the delivery up of material bearing the word Pepsi-Cola and ordering the payment of damages or an account of profits and dismissing the Counterclaim of the Defendant (Appellant) for cancellation of the Plaintiff's (Respondent's) trade marks, numbers 43/10433 and 257/55268.

No. 14.
Statement
of Case, 6th
October,
1938.

Dated at Ottawa, this 6th day of October, 1938.

HENDERSON, HERRIDGE, GOWLING & MacTAVISH,
Solicitors for the Appellant.

No. 15.

Notice of Giving Security, 29th July, 1938.

(Not printed.)

No. 15.
Notice of
Giving
Security,
29th July,
1938.**No. 16.**

Factum of the Defendant.

PART I.

STATEMENT OF THE CASE

This is an Appeal by the Defendant from a Judgment of the President of the Exchequer Court of Canada dated July 15, 1938, adjudging that, notwithstanding the Defences and Counterclaim of the Defendant, the compound word "Coca-Cola" is a validly registered trade mark and is infringed by the Defendant's use of the words "Pepsi-Cola." The Judgment restrains the Defendant from (1) using the mark "Pepsi-Cola" in the sale or manufacture of any beverage not of the Plaintiff's manufacture, (2) using the words "Pepsi-Cola" in or as part of its corporate name, (3) printing its mark in "script form of a kind calculated to cause confusion," and (4) directs the Defendant to deliver up all material bearing the infringing mark and

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—continued.

(5) orders it to pay damages or to account for its profits at the Plaintiff's election. The Counterclaim, in which the Defendant sought the cancellation of the registrations of the Plaintiff's alleged marks, was dismissed.

The compound word "Coca-Cola" was registered as a trade mark by the Coca-Cola Company of Georgia in 1905 (p. 218). The Plaintiff, the Coca-Cola Company of Canada, Limited, renewed this registration in 1930 (p. 219). The words "Coca-Cola" were again registered by the Plaintiff in 1932 (p. 221). The learned trial Judge "disregarded" the registration made in 1932 (p. 67).

The Defendant's mark, "Pepsi-Cola," was registered as a trade mark 10 by its predecessor in title in 1906 (p. 224), and the registration was renewed in 1931 (p. 222).

At the trial the Plaintiff filed certified copies of the 1905 and 1932 registrations of the trade mark "Coca-Cola," introduced certain extracts from the evidence on discovery of the Defendant's general manager, Hawkes, and then, in the language of the learned trial Judge, "rested its case."

The first registration number 43/10433 (p. 218), covers the compound word "Coca-Cola." The facsimile of the mark as used by the Applicant shows the words to be printed in the form of script. The application for 20 registration was filed by the Coca-Cola Company of Georgia. A notation attached to the certified copy of the registration states that the mark was assigned by the Coca-Cola Company of Georgia to the Coca-Cola Company of Delaware in 1922 (p. 218). Also attached to the registration is another notation that "a document purporting to be an assignment" between the Coca-Cola Company of Delaware and the Coca-Cola Company of Canada, Limited, has been registered. The Plaintiff did not introduce in evidence either the original instruments of assignment or certified copies of such assignments.

Also attached to the first registration is a certificate of renewal, dated 30 April 15, 1930, in the name of the Coca-Cola Company of Canada, Limited, the Plaintiff herein (p. 219).

The second registration number 257/55268, was secured by the Plaintiff in 1932 and covers the same compound word, "Coca-Cola," "in any and every form or kind of representation" (p. 220).

The evidence concerning the alleged infringing use by the Defendant consisted of questions and answers in which Hawkes, the Defendant's manager, identified a sample bottle of the Pepsi-Cola beverage bearing the Pepsi-Cola label and trade mark, some photographs of the cases in which the Defendant's product is packed, and also stated that the Pepsi-Cola 40 product is sold by the Defendant in Canada (pp. 23).

No evidence was offered of any actual deception or of any confusion.

No evidence apart from the marks themselves was adduced to show that there is any likelihood of confusion.

No evidence was presented that the words "Coca-Cola" had acquired any secondary meaning.

The Plaintiff rested its suit wholly upon its registered trade mark and did not proceed on the basis of any common law rights.

Paragraphs 3, 4, 5 and 6 of the Plaintiff's Statement of Claim were denied by paragraph 3 of the Statement of Defence (p. 4).

The first three of these paragraphs relate to the use of the mark "Coca-Cola" and in effect allege the acquisition of a secondary meaning. No evidence was presented at the trial in support of any of these allegations.

Paragraph 6 alleges the incorporation of the Plaintiff Company in 1923 and its organization and operation thereafter, as well as the contemporaneous acquisition of the business and goodwill in connection with which the mark "Coca-Cola" had been used by the Plaintiff's alleged predecessors in title. No evidence was offered at the trial in support of the allegations in this paragraph.

The Statement of Defence thus specifically denied the Plaintiff's title in and to the mark "Coca-Cola" and put the Plaintiff to the strict proof of such title.

In view of the Plaintiff's failure to offer any evidence in support of any of the allegations in these four paragraphs, the Defendant moved for non-suit on the following grounds :

- 20 (a) That the Plaintiff had failed to prove the assignment to it of the goodwill of its alleged predecessors in title, as alleged in paragraph 6 of the Statement of Claim and denied in paragraph 3 of the Statement of Defence ; and that therefore it must be held to have no valid title to the trade mark "Coca-Cola" (p. 25).
- (b) That the Plaintiff had failed to prove its organization or that it had commenced business as alleged in paragraph 6 of the Statement of Claim and denied in paragraph 3 of the Statement of Defence ; and that therefore it must be held to be without corporate status and unable to maintain an action, having regard to the provisions of Section 28 of The Companies Act (24-25 Geo. V, chap. 33, as amended) (p. 25).
- 30

The learned trial Judge denied the motion at that time, stating it was "a matter for argument at the end" (p. 34).

After discussion, the Defendant stated that it would offer no evidence in respect to paragraphs 3, 4, 5 and 6 of the Statement of Claim, provided that the Plaintiff would not be permitted to offer evidence in respect to such paragraphs.

The Defendant, acting upon this understanding, then entered upon the Defence and Counterclaim.

- 40 The witness Guth, the general manager of the American Pepsi-Cola Company, of which the Defendant is a subsidiary, testified that he first became identified with the Pepsi-Cola business in 1931, when the business, together with its goodwill, secret formula and trade mark, was acquired by the parent Company (p. 42) ; that Pepsi-Cola has been sold continuously in the United States from the year 1904 to the present time and that the product was on the market as early as 1896 ; that the Pepsi-Cola Company has never been out of business during this period ; that the parent Company

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is actively engaged in the business of manufacturing and selling the Pepsi-Cola beverage in the United States; that the term "cola" in the Defendant's mark describes one of its outstanding ingredients, "the "marvellous flavour of the cola-nut, which is grown in the British Jamaica "Isles and Africa" (p. 42); and that the cola flavour is present in both the American and Canadian product of the Pepsi-Cola Company. He stated that the present Pepsi-Cola mark in use in Canada and the United States is identical with the original mark used over this long period of years; that the Pepsi-Cola Company does business in England, Bermuda, Canada, Cuba and the United States; that Pepsi-Cola is sold in Canada only in a twelve ounce bottle, which is distinctively labelled and crowned (p. 43); and that Pepsi-Cola is not sold as a fountain beverage in Canada (p. 44). 10

The Defendant also introduced in evidence the Certificate of Registration of the trade mark "Pepsi-Cola," dated 1906 (p. 222), the renewal of said trade mark (p. 222), the assignment of the trade mark to the Defendant (p. 225.), numerous registrations of trade marks embodying the word "cola," and finally the deposition of Duncan, an officer of the Plaintiff Company.

The Plaintiff offered no evidence in reply or in defence to the Counter-claim. 20

A summary of the "Cola" trade mark registrations in Canada may be tabulated as follows :

<i>Date of Registration.</i>	<i>Trade Mark.</i>	<i>Product.</i>	<i>Page Number in Record.</i>	
June 11, 1896	Bromo-Kola	Medicine	266	
April 7, 1898	Clarke's Kola Compound for Asthma	Medicine	243	
Mar. 11, 1901	Laxakola	Tonic Beverage	244	30
Nov. 22, 1902	Kola Tonic Wine	Tonic Beverage	247	
*Nov. 11, 1905	Coca-Cola	Beverage	217	
June 28, 1906	Noxie-Kola	Tonic Beverage	241	
Oct. 3, 1906	Tona-Cola	Tonic Beverage	268	
Nov. 30, 1906	Pepsi-Cola	Beverage	222	
Apr. 9, 1907	La-Kola	Beverage	271	
Apr. 25, 1907	Cola-Claret	Beverage	272	
Feb. 17, 1910	Kola-Cardinette	Medicine	239	
Oct. 18, 1915	Mint-Kola	Beverage	277	
Oct. 29, 1915	Kel-Ola	Beverage	278	40
Apr. 20, 1918	Kelo	Tonic Beverage	238	
Nov. 21, 1919	Kuna Kola	Beverage	280	
July 11, 1921	Kola Astier	Medicine	284	
July 23, 1921	Cocktail Kola	Tonic Beverage	274	

Secrestat

* The mark claimed by the Plaintiff.

	<i>Date of Registration.</i>	<i>Trade Mark.</i>	<i>Product.</i>	<i>Page Number in Record.</i>	<i>In the Supreme Court of Canada.</i>
	Sept. 1, 1922	Rose-Cola	Beverage	230	
	Nov. 2, 1922	Orange Kola	Beverage	233	
	Nov. 17, 1922	O'Keefe's Cola	Beverage	235	No. 16.
	Aug. 31, 1925	Smith's O'Kola	Beverage	229	Factum
	Feb. 19, 1926	Fruta-Kola	Beverage	253	of the
	Mar. 9, 1926	Kola-Fiz	Beverage	256	Defendant
	June 17, 1927	Ketra-Kola	Beverage	257	—continued.
10	Oct. 15, 1927	Royal Cola	Beverage	251	
	June 25, 1928	Kali Kola	Beverage	258	
	July 3, 1930	Celery-Kola	Beverage	261	
	Aug. 27, 1930	Mexicola	Beverage	262	
	Oct. 27, 1930	Klair-Kola	Beverage	249	
	Nov. 20, 1930	Oxola	Beverage	264	
	July 7, 1934	Kolade	Medicine	236	
	Oct. 15, 1936	Vita-Kola	Beverage	282	

PART II

POINTS FOR DECISION

- 20 A. The registration of the Plaintiff's trade mark does not preclude the use of the descriptive word " Cola " as part of the Defendant's trade mark.
- B. The Defendant's trade mark does not constitute an infringement of the Plaintiff's trade mark.
- C. The Plaintiff's trade mark, being descriptive, was improperly registered.
- D. The Plaintiff failed to prove its title to the Coca-Cola mark and its competence to maintain the present action and should have been non-suited.
- 30 E. The Plaintiff is barred by its laches and acquiescence from maintaining the present action.
- F. The Plaintiff has forfeited its trade mark rights by licensing independent bottlers to use its trade mark.
- G. The Defendant ought not to be required to account to the Plaintiff for its profits.

PART III

ARGUMENT

- 40 This case involves the right of the Defendant to use the compound word " Pepsi-Cola " as a trade mark for a beverage which it manufactures and sells, and which has as one of its essential ingredients an extract derived from the cola nut.

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The Plaintiff's beverage which is sold under the name "Coca-Cola" is not a patented product. Anyone is free to manufacture and sell the same or a similar drink and to proclaim the presence of its basic ingredient.

"Cola" is an ordinary word of the English language in common use in Canada and the rest of the world. It aptly describes the cola ingredient in cola beverages and denotes a class of soft drinks commonly referred to as "cola beverages."

The principal issue in this case is whether the Defendant by the use of its mark "Pepsi-Cola" has infringed upon rights acquired by the Plaintiff through the prior registration of its mark "Coca-Cola." 10

The Defendant's basic submission is that the mark "Pepsi-Cola" does not infringe the mark "Coca-Cola," and that it is entitled to use the word "Cola" as part of its mark to describe one of the essential ingredients of its product, provided its use of the word "Cola" is adequately qualified so as to obviate the danger of confusion arising from the fact that the word is common to both marks.

The Defendant further submits that the Plaintiff's trade mark registrations are invalid; that the Plaintiff failed to prove its title and its competence to sue and should be non-suited; that the Plaintiff is barred by its laches and acquiescence; and that the Plaintiff has forfeited its trade mark rights by licensing independent bottlers to use its trade mark. 20

A.

THE REGISTRATION OF THE PLAINTIFF'S TRADE MARK DOES NOT PRECLUDE THE USE OF THE DESCRIPTIVE WORD "COLA" AS PART OF THE DEFENDANT'S TRADE MARK

1. "Cola" is an apt word to describe a beverage containing extract of cola as a flavouring ingredient and has been so used by the Plaintiff, the Defendant, and other manufacturers of soft drinks.

The word "cola" is common to the compound word marks of both the Plaintiff and the Defendant. This word is part of the English language and 30 is found in most dictionaries and encyclopediæ.

Murray's English Dictionary, Vol. II, pp. 606-7, defines it as follows :

"Cola (kou-la). Also kola. (Kola, Kolla, Goora, in Negro langs. of W. Africa). A genus of trees, N. O. Sterculiaceae, natives of western tropical Africa; esp. *C. acuminata*, which has been introduced into the West Indies and Brazil; its seed called colanut or cola-seed, about the size of a chestnut, brownish and bitter, is largely used for chewing as a condiment and digestive.

"1795. Acc. Sierra Leone 240 Cola is a famous fruit, highly esteemed by the natives, to which they attribute the same virtues 40
"as to Peruvian bark. 1830. Lindley Nat. Syst. Bot. 39. The Kola spoken of by African travellers, which, when chewed, or sucked,

“ renders the flavour of water, even if half putrid, agreeable. 1866.
 “ Treas. Bot. s.v. The practice of eating Cola extending as far as
 “ Fezzan and Tripoli. 1882. J. Smith Economic Plants 127. The fruit
 “ is a follicle containing several nut-like seeds, which are called Cola
 “ or Goora Nuts. 1883-4. Medical Ann. 16/1 Cola nuts. . . are a
 “ perfect antidote to alcohol.”

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—continued.

Similar definitions are to be found elsewhere.

10

“ Kola Nut—(see Cola). The brown bitter nut of an African
 “ sterculiaceous tree (*Cola acuminata*) cultivated in the West Indies
 “ and Brazil. It is nearly the size of a chestnut, and contains a large
 “ proportion of caffeine and some theo-bromine. The nut is chewed
 “ as a condiment and stimulant, and the extract is used as a *tonic*
 “ *drink.*” (Italics ours.)

Webster's New International Dictionary—1927.

20

“ Cola, a genus of trees of the family Sterculiaceae, consisting
 “ of about 40 species, natives of tropical Africa. One species is
 “ extensively grown in the tropics for the cola-nuts, which are
 “ said to sustain the natives in feats of endurance. They are imported
 “ into the United States for use in medical preparations *and in sum-*
 “ *mer drinks.*” (Italics ours.)

Encyclopedia Americana—1922⁽¹⁾.

30

There is extensive literature dealing with the properties of the cola nut and the commercial uses to which the extract of the cola nut has been and may be put. This literature shows that the word “ cola ” was well known and in the widest use to describe beverages containing cola extract long before the registration in 1905 of the mark “ Coca-Cola,” and indeed long before its use in Canada or the United States as a trade mark. The above quotation from *Murray's English Dictionary* contains a few of the references in English literature to this word. For other illustrations, see the items listed in the footnote⁽²⁾.

Judicial notice may be taken of the meaning of words and to that end the Court may properly consult dictionaries and encyclopædiæ, public documents and other standard or reliable sources of information.

Phipson, Evidence, VII. Ed. p. 25 and p. 368. See also,

Werk v. Parker, 249 U.S. 130, 132-133, where, in a Patent Case, the

40

⁽¹⁾ Further definitions are found in : *New International Encyclopedia* (1914), p. 566. *Century Dictionary and Encyclopedia* (1911), p. 1095. *The New Century Dictionary* (1927), p. 281. *Columbia Encyclopedia* (1935), pp. 390, 981. *Stanford Dictionary of Anglicized Words and Phrases* (1892), pp. 507, 527. *Practical Standard Dictionary of the English Language* (1926), p. 239. *Weekley, An Etymological Dictionary of Modern English* (1921), p. 328. *Latham's Johnson's Dictionary of the English Language* 1876, p. 777.

⁽²⁾ E. Stanford “ *Economic Plants* ” (1934), pp. 407, 527. Henry Barth “ *Travels and Discoveries in Northern and Central Africa* ” (1849-1855), Vol. 1, p. 514. James Neish “ *Institute of Jamaica* ” (Fourth Series) [1887], pp. 3, 9, 11, 13, 17. G. H. DuBelle “ *The 'Non Plus Ultra' Soda Fountain Requisites of Modern Times* ” (1893), pp. 21, 38, 39, 44, 92, 140. The “ *American Druggist* ” (August, 1886), p. 155. “ *American Druggist and Pharmaceutical Record* ” Vol. 25 (1894), p. 1. “ *American Druggist and Pharmaceutical Record*,” Vol. 25 (1894), p. 357. “ *American Druggist and Pharmaceutical Record*,” Vol. 29 (1896), p. 11. “ *American Druggist and Pharmaceutical Record*,” Vol. 29 (1896), p. 109. “ *American Druggist and Pharmaceutical Record*,” Vol. 29 (1896), p. 112. Hiss “ *The Standard Manual of Soda and Other Beverages* ” (1897), pp. 46, 76, 106, 120, 131, 144, 185,

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Supreme Court of the United States took judicial notice of a vast number of publications.

As is said in *Powell on Evidence* (10th Ed., by Odgers & Odgers, p. 131) :

“ Dictionaries are constantly referred to in Court for the meaning of words, especially in trade mark cases.”

In the following cases dictionaries were consulted to prove the descriptive meaning of the marks in dispute :

Burberrys v. J. C. Cording and Co., Ltd., 25 T.L.R. 576, 26 R.P.C. 693.

Aerators Limited v. Tollit, 71 L.J. Chan. 727, 86 L.T. 651. 10

In the Matter of the Farbenfabriken Vormals Fried Bayer and Co.'s Application for a Trade Mark [1894], 1 Chan. 645, 11 R.P.C. 84.

In the Matter of an Application by Leopold Cassella & Co. to Register a Trade Mark, 79 L.J. Chan. 529, 27 R.P.C. 453, 456.

In Bayer Co. Ltd. v. American Druggists' Syndicate Ltd. (the Aspirin case) (1924), S.C.R. 558, the Court quoted from the *British Pharmacopœia*.

As used by the Defendant, “ cola ” describes an essential constituent of its product and informs the purchasing public that Pepsi-Cola is a member of a well-known class of cola beverages. 20

The witness Guth testified that Pepsi-Cola derives its name from the fact that cola is one of its outstanding ingredients and that its “ marvellous “ flavour ” is imparted by the “ cola-nut, which is grown in the British Jamaica Isles and Africa ” (p. 42, ll. 25-28).

This evidence was not contradicted. 27

Other manufacturers have also used the word to describe an ingredient of their beverages (pp. ~~85-115~~ 24, 287).

The word “ cola ” also aptly describes the product of the American and Canadian Coca-Cola Companies.

Thus, in *Nashville Syrup Company v. Coca-Cola Company*, 215 Federal Reports 527, quoted by the learned Judge below (p. 94), it is said : 30

“ Coca is a South American shrub, from the leaves of which “ cocaine, among other substances, is obtained ; the cola tree grows “ in Africa, and from its nuts caffeine may be extracted. The use “ of these leaves and these nuts by the natives in their respective “ countries and for the supposed stimulating qualities, had long “ been known in this country, and before 1887 extracts respectively “ from coca leaves and from cola nuts had found a place in the “ pharmacopœia. There was little popular knowledge concerning “ them. The extracts were used only by druggists in compounding 40 “ medicine. In 1887 Pemberton, an Atlanta druggist, registered “ in the Patent Office a label for what he called ‘ Coca-Cola Syrup “ and Extract.’ The Plaintiff below, the Coca-Cola Company,

“ was organized as a corporation in 1892, and acquired Pemberton’s
“ formula and label.”

In *United States v. Coca-Cola Company*, 241 U.S. 265, the Food and Drug authorities of the United States filed a libel against the Coca-Cola Company, charging that its beverage was adulterated and misbranded. The Coca-Cola Company denied the charge of misbranding and averred that its product contained “ certain elements or substances derived from coca leaves and cola nuts.” Mr. Justice Hughes (now the Chief Justice of the United States) in ruling for the Government said :

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10 “ In the present case we are of opinion that it could not be said
“ as matter of law that the name was not primarily descriptive
“ of a compound with coca and cola ingredients, as charged. Nor
“ is there basis for the conclusion that the designation had attained
“ a secondary meaning as the name of a compound from which either
“ coca or cola ingredients were known to be absent ; the claimant
“ has always insisted, and now insists, that its product contains
“ both . . .” (p. 289).

20 “ Nor would it be controlling that at the time of the adoption
“ of the name the coca plant was known only to foreigners and
“ scientists, for if the name had appropriate reference to that plant
“ and to substances derived therefrom, its use would primarily
“ be taken in that sense by those who did know or who took pains
“ to inform themselves of its meaning. *Mere ignorance on the part*
“ *of others as to the nature of the composition would not change the*
“ *descriptive character of the designation.*” (Italics ours) [p. 288].

2. In so far as the Judgment is predicated merely upon the inclusion of the word “ cola ” in the Defendant’s mark, it departs from the basic principles of the law of trade marks in that it denies to the Defendant the right to use as part of its trade mark an English word descriptive of a quality or of the character of its beverage, and gives to the Plaintiff a monopoly in the use of that word as part of its trade mark.

30 It has long been established that the adoption of a trade mark does not impair the right of another to use as part of its trade mark an English word descriptive of the quality or character of the product to which it is applied. The reason for this is fundamental.

“ No one can monopolize the English language nor can anyone
“ have a monopoly in the name of anything.” (Audette, J., in
“ *J. W. Windsor, Ltd. v. Maritime Fish Corporation, Ltd.* (1926)
“ Ex. C.R. 31, 32).

40 “ But it appears to me impossible to say as a general proposition
“ that a company can by registering a single word, whatever its
“ nature, remove that word from the English language. . . . It
“ would obviously lead to the greatest inconvenience if any company
“ could prevent all other companies from using as part of their title
“ the one word of the English language which aptly describes the
“ articles they manufacture or deal in . . .” (Farwell, J., in *Aerators*
“ *Ltd. v. Tollit*, 71 L.J. Chan. 727, 728, 86 L.T. 651, 652).

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“ It is apparent from the history of trade marks in this country
“ that both the Legislature and the Courts have always shown a
“ natural disinclination to allow any person to obtain by registration
“ under the Trade Marks Act a monopoly in what others may
“ legitimately desire to use. For example, names (unless repre-
“ sented in some special manner) and descriptive words have never
“ been recognized as appropriate, for use as trade marks.” (Lord
“ Parker, in *Registrar of Trade Marks v. W. & G. DuCros Ltd.*,
“ 30 R.P.C. 660, 672).

This principle was stated and applied by this Court in *Channell Limited* 10
v. Rombough (1924), S.C.R. 600. There the Plaintiff had registered the mark
“ O’Cedar.” The Defendant used the marks “ Cedar ” and “ Cedarbrite ”
on furniture polish of which the oil of cedar was a component part. The
Court held that the use by the Defendant of the descriptive word “ cedar ”
did not constitute an infringement of the Plaintiff’s registered mark whether
used alone or in combination.

The principle applies with full force where, as here, the Plaintiff’s
mark consists of a compound word distinctive as a whole or a combination
of terms and the only distinctiveness which it may possess is the element
of combination. 20

The registration of a compound work mark confers no exclusive rights
to the individual components or separate constituents of the compound
words. Every one is free to use those constituent parts of the mark which
are descriptive or common to the trade. Were the rule otherwise, anyone
by uniting ordinary words of the language in an unusual or distinctive
combination could preclude others from using such ordinary words in their
ordinary sense, thus impoverishing the language. The principle is well
expressed by Cotton, L.J., in *Native Guano Co. v. Sewage Manure Co.*,
8 R.P.C. 125 (p. 128) :

“ ‘ Native Guano ’ is the descriptive name of an article, and 30
“ although the Plaintiffs have, in respect of that article, registered
“ the trade mark of ‘ Native Guano : A.B.C. Process,’ yet as ‘ Native
“ ‘ Guano ’ is a description of an article, the essential part of the
“ trade mark is not taken by the Defendants, even if they use that
“ as a trade mark on the goods which they send out.”

See also :

Joshua Wigfull & Sons, Ltd. v. John Jackson & Sons, Ltd.,
85 L.J. Ch. 170, 33 R.P.C. 97.

Rugby Portland Cement Company, Ltd. v. The Rugby and Newbold
Portland Cement Company, Ltd., 9 R.P.C. 46. 40

Even where a mark is a coined, invented, or fanciful word, others may
use it to “ tell the truth;” so long as their manner of use is not deceptive.

The rule has been tersely expressed by Mr. Justice Holmes of the
United States Supreme Court in *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 :

“ When the mark is used in a way that does not deceive the

“ public we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo.”

In *Hygienic Fleeced Underwear Co. v. Way*, 137 Fed. 592, the question was whether the arbitrary mark “ Mufflet ” was infringed by the descriptive and generic word “ Muffler.” The Court, in holding that there was no infringement, said (p. 595) :

“ The name ‘ mufflet ’ belongs solely to the Hygienic Company.

“ It is its trade mark. But, in our opinion, the word ‘ mufflet ’ is not, under the trade mark law, preclusive of the word ‘ muffler.’

10 “ That the proprietor of a valid trade mark is entitled to protection against simulation by any colorable, though not exact, imitation of it, is undoubtedly true, and the close similarity of the word “ muffler ’ to the word ‘ mufflet ’ is apparent. Yet it has been well settled that no one can acquire the exclusive right to call any article by a common name which appropriately designates it ; and “ ‘ Muffler—anything used to muffle or wrap up ’ (Cent. Dict.)—is an ordinary English word, which fitly denominates the article here in question. Therefore, the Hygienic Company could not, if it had assumed to appropriate that precise word, have prevented its use by others, and what it could not have directly accomplished it cannot indirectly achieve. Where two persons are engaged in selling like goods, there is no way by which either of them can acquire the exclusive privilege to aptly designate and describe them.”

20

It has been held that a party may use the descriptive term “ Asepticon ” notwithstanding the prior adoption by another of the fanciful mark “ Quin-septicon.” *Parmele Pharmacal Co. v. Weiner*, 5 F. (2d) 750.

Similarly, the Defendant may use the generic term “ Pudding ” notwithstanding the Plaintiff’s adoption of the arbitrary term “ Puddine.”

30 *Clotworthy v. Schepp*, 42 Fed. 62 (p. 63) :

“ Of course, the Complainant cannot by coining a word which resembles ‘ pudding ’ and registering it as a trade mark, prevent other makers of pudding from calling their goods by their well known English name.”

So, too, the arbitrary mark “ Porosknit ” is not preclusive of the descriptive words “ Porous Underwear ” (*Chalmers Knitting Co. v. Columbia Mesh Knitting Co.*, 160 Fed. 1013) ; nor is “ Cascarets ” preclusive of the generic term “ Cascara ” (*Sterling Remedy Co. v. Gorey*, 110 Fed. 372) ; nor is “ Narcissus ” an infringement of “ Le Narcisse Noir ”

40 (*Caron Corp. v. Conde*, 126 N.Y. Misc. 676).

Thus, in the present case, even if the Plaintiffs’ trade mark were valid, which the Defendant denies, the Defendant is nevertheless entitled to use the word “ cola ” to truthfully describe an essential ingredient of its product and to designate the class of beverage it manufactures and sells.

The learned trial Judge rejected the submission of the Defendant regarding the descriptiveness of the word “ cola ” on the ground that this word, though perhaps descriptive, was unknown to be such to most people

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in Canada at the date of the adoption of the Plaintiff's mark (p. 93). This view is completely at variance with the decisions of the Canadian and English Courts holding that descriptiveness is a matter of etymology and usage rather than popular understanding. In a long line of well-reasoned precedents, it has been held that a term which is descriptive is incapable of exclusive appropriation as a trade mark, no matter how recondite and unfamiliar the word may be even to highly literate consumers.

The following unfamiliar terms have been held to be descriptive :

" Diamine "(¹) the name of a chemical substance.

" Kokoko "(²) meaning owl in the unwritten Chippewa Indian 10
tongue.

" Bokol "(³) a Swedish term meaning beer.

" Triticumina "(⁴) derived from the Latin triticum.

" Haemotogen "(⁵) a physiological term.

" Monobrut "(⁶) a Greek prefix and French suffix.

In the *Diamine* case the Court said :

" I do not think the Applicants can derive any benefit from
" the fact that the word is intelligible only to persons possessing
" some knowledge of chemistry." (27 R.P.C. 453, at 458).

In *Davis & Co. v. Stribolt*, 6 R.P.C. 207, Chitty, J., said :

" There are many good English words descriptive of articles
" which are unknown to an average Englishman, taking rather a
" high standard " (p. 212). 20

The learned Court apparently felt that " cola " was not descriptive of the Plaintiff's and the Defendant's beverages because they are composed largely of carbonated water (pp. 92).

Under this view no mark referring to the flavour of a soft drink could be deemed descriptive, since carbonated water is the principal element of most soft drinks. The assumption underlying the Court's ruling is that a word is descriptive only if it refers to the principal constituent of the 30
product in terms of volume.

The contrary, however, was held in *Channell Ltd. v. Rombough* (1924), S.C.R. 600, where the Court ruled that the word " cedar " was descriptive of a furniture polish, 1% of the volume of which consisted of cedar extract.

It will be recalled that the witness Guth testified that cola was an outstanding ingredient of Defendant's drink (p. 42).

3. There is no evidence to indicate that the word " Cola " has acquired a secondary meaning and has thus become distinctive of the Plaintiff's goods.

A descriptive word may, of course, acquire a secondary meaning 40
and come to mean or indicate that goods in connection with which it is used are the goods of a particular manufacturer. But there is no basis

(¹) *In the Matter of an Application by Leopold Cassella & Co.*, 79 L.J. Ch. 529, 27 R.P.C. 453.

(²) *In the matter of the Jackson Co.'s Trade-mark*, 6 R.P.C. 80, 60 L.T. 93.

(³) *Davis & Co., v. Stribolt & Co.*, 6 R.P.C. 207, 59 L.T. 854.

(⁴) *Meaby & Co. v. Triticine, Ltd.*, 15 R.P.C. 1, 14 T.L.R. 42.

(⁵) *Hommel v. Gerbruder Bauer & Co.*, 22 R.P.C. 43, 21 T.L.R. 80.

(⁶) *Matter of Vignier's Trade Mark*, 6 R.P.C. 490.

here for applying the doctrine of secondary meaning. A secondary meaning is not presumed and the burden of proving it is a heavy one, *The Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada, Ltd.*, 55 R.P.C. 125, at page 142.

In the instant case the Plaintiff offered no evidence of secondary meaning.

4. The word "cola" is not associated with the product of any manufacturer but is the common designation in the trade for a class of beverages.

There are numerous manufacturers of cola beverages in Canada, the United States and the rest of the world. The word "cola" today connotes a class of drink rather than the source of any particular beverage. There are in evidence numerous registrations of marks embodying the word "cola" for use on cola beverages. These registrations were not accorded any weight by the Court below on the ground that no evidence of the use of these marks had been adduced. The learned trial Judge failed to apprehend the significance of this evidence. Under the *Trade Mark and Design Act*, a declaration by the applicant that the trade mark has been used is a condition precedent to registration (Section 13). The Commissioner of Patents would therefore not have registered the numerous marks unless satisfied that they had been used by their respective applicants. It is submitted that these registrations, without more, evidence the widespread use of the word "cola" in connection with the manufacture and sale of cola beverages.

There are pending in the Exchequer Court of Canada at the present time proceedings brought by the Plaintiff against the following companies, challenging their right to use the word "cola" in connection with their marketing of cola beverages.

Suit No. 17042 vs. E. Denis, to restrain the use of the mark—"Denis cola."

Suit No. 17057 vs. Eskimo Bottling Works, to restrain the use of the marks—"Eskimo cola," and "Texacola."

Suit No. 17048 vs. Frisco Soda Water Co., Ltd., to restrain the use of the mark—"Sunshine cola."

Suit No. 17036 vs. Girouard, Ltd., to restrain the use of the mark—"Hero-Cola."

Suit No. 17056 vs. Canadian Aerated Waters, Ltd., to restrain the use of the mark—"Soda-Kola."

The learned trial Judge in his Reasons for Judgment recognizes the fact that the word "cola" is used by many manufacturers of beverages and for that reason proclaimed that the present "case is of some general importance" (p. 68).

It is settled law that no exclusive rights will be recognized in a term which is or has become common to the trade or *publici juris*, or which has lost its distinctiveness as a term of origin and has come to connote the product rather than its source. This principle was the foundation of the decision in the leading case of *Ford v. Foster*, L.R. 7, Ch. App. 611 (1872). There the word "Eureka," though originally a valid trade mark, had come to designate shirts of a particular shape. In holding that the loss of

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distinctiveness deprived the Plaintiff of its exclusive rights in the mark, Lord Mellish said :

“ And there is no doubt, I think, that a word which was originally
“ a trade-mark, to the exclusive use of which a particular trader,
“ or his successors in trade, may have been entitled, may subsequently
“ become *publici juris* . . . ” (p. 628).

The Judgments of the Privy Council and of the Supreme Court of the United States in the *Shredded Wheat* cases (*The Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada Ltd.*, 55 R.P.C. 125, and *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111), rest essentially upon the same doctrine. 10
In both Judgments, it was held that “ Shredded Wheat,” whatever its original meaning, at the time of litigation aptly described the product itself and could not be used as a mark of origin or ownership.

The Judgments of the American Courts in the *Aspirin* and the *Cellophane* cases are illustrations of this principle. In the United States, it has been held that the coined words “ Aspirin ” and “ Cellophane,” though originally fanciful and arbitrary, have lost their distinctiveness and are now *publici juris* and may be freely used by anyone manufacturing these products, provided reasonable precautions are taken to avoid confusion. 20

Bayer Co. Inc. v. United Drug Co., 272 F. 505.

DuPont Cellophane Co. v. Waxed Products Co., 85 F. (2d) 75, cert. den. 57 Sup. Ct. 194.

It is submitted that in addition to being initially descriptive, the word “ cola ” has become the generic designation of a class of cola beverages and the apt descriptive term for the cola constituent of such drinks, and every manufacturer of a cola beverage is privileged to use the term fairly and honestly as the generic designation of his soft drink.

In summary, the descriptive and generic nature of the word “ cola ” having been established, the Defendant has clearly shown itself to be entitled 30
to use the word as part of its trade mark. It follows, therefore, that the charge of infringement cannot be sustained by reason of the mere presence of the word “ cola ” in each mark.

B.

THE DEFENDANT'S MARK DOES NOT CONSTITUTE AN INFRINGEMENT OF THE PLAINTIFF'S MARK.

Infringement under the *Unfair Competition Act* is defined as the knowing adoption for use in Canada of any trade mark which is already in use and registered by any other person or which is similar to any trade mark in use as aforesaid by another [*Unfair Competition Act sec. 3 (a)* 40
and (c)].

As the Defendant's mark is not identical with that of the Plaintiff's, the charge of infringement rests entirely upon the claim that the two marks are similar within the meaning of the Act.

Two marks are deemed similar under the Statute when they so resemble 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 confusion to dealers or users. [*Unfair Competition Act*, sec. 2 (k)].

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The statutory test of infringement, therefore, is the same as that obtaining at common law.

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Infringement occurs where the degree of resemblance between two marks is so great that purchasers are likely to be deceived. Whether two marks are confusingly similar depends upon the reaction of the ordinary purchaser of ordinary education who exercises ordinary care in making his purchases.

As was said in *Ogden, Ltd. v. Canadian Expansion Bolt Co.*, 33 O.L.R. 589, at p. 595 :

“ A Court will not interfere when ordinary attention would enable a purchaser to discriminate. It is not enough that a careless, inattentive or illiterate purchaser might be deceived by the resemblance, but the Court would inquire whether a person paying ordinary attention would be likely to be deceived.”

The Courts will not accept a low estimate of the capacity of purchasers to differentiate between two products.

“ One must always bear in mind that these Courts exist for the protection of those members of the public purchasing these goods who articulate with reasonable audibility, and who examine what is given them or exercise reasonable care in satisfying themselves, when they have received a packet of goods, that it is the packet of goods for which they have asked. . . . Although I am not prepared to attribute to people who deal in these commodities an excessive amount of carefulness or good sense, at the same time I am not going to treat them as devoid of sufficient intelligence to distinguish between these two names.” *Eve, J., in Société La Parfumerie Nilde v. Ernalde, Ltd.*, 46 R.P.C. 453, 456, holding that “ Ernalde ” does not infringe “ Nilde.”

See also :

Coombe v. Mendit, Ltd., 30 R.P.C. 709 : 717 ;

Charles Goodall & Son, Ltd. v. John Waddington, Ltd., 41 R.P.C. 465, aff'd. 41 R.P.C. 658.

The onus was on the Plaintiff to show that purchasers of cola beverages have mistaken or are likely to mistake the Defendant's product for that of the Plaintiff.

The Plaintiff presented no evidence of actual confusion. It elected instead to leave the question of confusion resemblance to be determined by the trial Judge from an examination of the two marks as registered.

While it may be conceded that the Plaintiff's failure to offer evidence of actual deception is not conclusive by itself, it nevertheless is a circumstance that goes far to negative the probability of deception, especially

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where, as here, the products bearing the marks in question have been marketed side by side for many years.

As is said by *Kerly*, in his *Treatise on Trade Marks* (6th Ed.) at p. 485 :

“ If in spite of long user by the Defendant of the alleged infringing mark no case of actual deception is proved and the absence of evidence of such deception is not otherwise accounted for it may be difficult for the Court to believe that the Defendant’s mark is calculated to deceive.”

In view of the long concurrent use of these marks by the Plaintiff and the Defendant, and in view of the volume of business done by the Defendant in Canada, the United States, England and elsewhere, there would be no difficulty in adducing evidence of actual confusion if anyone had in fact been confused. The Plaintiff is not in the position of one who seeks an injunction immediately upon the introduction of a new mark where there has been little opportunity for confusion to occur. If, as the learned Counsel for the Plaintiff asserted, evidence of actual confusion is “ almost impossible to obtain,” the reason is not to be found in any lack of opportunity for confusion to have happened. 10

The Defendant submits that under the circumstances of this case the proper inference to be drawn from the failure of the Plaintiff to produce any evidence of actual confusion is that there has been no confusion and that the marks are not confusingly similar. It is of significance that the American Coca-Cola Company, being aware of the long use of the Defendant’s mark in the United States, has never prior to the present litigation brought suit for infringement of its mark against any user of the word “ Pepsi-Cola.” This cannot be accounted for except upon the ground that the American Coca-Cola Company did not consider the Defendant’s mark as one likely to confuse. 20

A comparison of the two trade marks discloses that both are compound words and that both include the word “ cola.” Apart from these similarities the two trade marks are dissimilar. They neither look alike nor sound alike, nor do they, as combinations, suggest the same idea. 30

Without taking into account that the word “ cola ” is a word which is open to the trade and may be used by any manufacturer of a soft drink containing cola extract, it is submitted that the resemblances between the two marks are insufficient to constitute infringement. Taking into account the fact that the word “ cola ” is available to any manufacturer of a cola drink, it is clear that the charge of infringement cannot be sustained.

It is conceded that the Defendant, although entitled to use the word “ cola ” in its mark, was obligated to take reasonable precautions to avoid any confusing similarity between its mark and that of the Plaintiff. The test is whether people who know the distinguishing feature of the Plaintiff’s mark are likely to be confused (*Kerly* (VI Ed.), page 268). This obligation it is submitted, has been fully discharged. The Defendant has combined with “ cola ” the word “ Pepsi.” This word bears no resemblance either in appearance, sound, or idea suggested to the word “ Coca ” which gives 40

distinctiveness to the Plaintiff's combination. "Pepsi," when joined to the common word "Cola," forms a distinctive combination which is utterly unlike "Coca-Cola." The distinctive feature of the Plaintiff's mark is not taken in the distinctive feature of the Defendant's mark. It follows that the ordinary consumer of the Plaintiff's product familiar with the distinguishing feature of the Plaintiff's mark, would discover the dissimilarity between the marks if substitution were attempted: *In the Matter of Applications by Wheatley, Akeroyd & Co., Ltd.*, 37 R.P.C. 137, at page 141, quoted at page 79 of the Reasons for Judgment below.

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10 Where the mark of a Plaintiff consists of a combination of features some of which are open to the public, infringement must be determined by comparing, first, the two ensembles; and second, the uncommon features or components of the marks. As Mr. Justice Audette stated:

"The trade mark does not lie in each of its particular parts, but 'dans son ensemble'" *Western Clock Co. v. Oris Watch Co.* (1931) Ex. C.R. 64, 67.

Thus, in *Western Clock Co. v. Oris Watch Co.*, supra, the question was whether the mark "Bentima" should be expunged from the register as an infringement of the marks "Big Ben," "Baby Ben," "Pocket Ben," 20 "Glo Ben" and "Ben Hur." In refusing to expunge the later mark from the register, the Court determined the issue of infringement by a comparison of the marks in their totality rather than by a comparison of their component elements.

In the following cases, the common features of the marks in suit, consisting of descriptive or generic terms, were eliminated from consideration in determining whether there was infringement:

Native Guano Co. v. Sewage Manure Co., 8 R.P.C. 125;
Rugby Portland Cement Co., Ltd. v. The Rugby and Newbold Portland Cement Co. Ltd., 9 R.P.C. 46;
30 *Joshua Wigfull & Sons, Ltd. v. John Jackson & Son, Ltd.*,
33 R.P.C. 97.

It is evident from a reading of the Reasons for Judgment of the learned trial Judge, that his finding of infringement was essentially based upon the fact that both marks embody the word "cola." This is evidenced by the following passages from his opinion (p. 76):

- (a) "persons might very easily and readily be confused or mistaken in receiving an order for the beverage of either the Plaintiff or Defendant, if hurriedly or carelessly given or pronounced, particularly over the telephone";
- 40 (b) "and confusion might easily occur if the emphasis happened to be placed on the last part of the hyphenated word mark, and, in this particular case, I think there would be a tendency so to do";
- (c) "and further, there would, I think, be a probability of confusion resulting from the probable tendency on the part of many persons to abbreviate one or the other of the marks, or both marks, into

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“ ‘ Cola,’ which would render it easily possible for a person to be
“ given a beverage he really had not in mind.”

It will be observed that the learned trial Judge based his conclusion of infringement upon the idea that “ Pepsi-Cola,” if hurriedly or carelessly pronounced, would sound like “ Coca-Cola,” especially if the word “ Cola ” were emphasized, and upon the additional idea that there would be a probable tendency to abbreviate one or other of the marks, or both marks, to “ Cola.”

The marks “ Coca-Cola ” and “ Pepsi-Cola ” do not sound alike *when pronounced*, no matter how careless or hurried the pronunciation may be. 10
Only by not pronouncing the first word in each mark could the two marks possibly sound alike. It is noteworthy that if the two marks were so hurriedly pronounced as to lead to any confusion, evidence of such confusion could have been offered.

In the absence of any evidence of confusion, it is not to be presumed that confusion might result from mispronunciation of the words. The Plaintiff’s failure to offer evidence of confusion justifies, we submit, a contrary presumption.

The idea that confusion might result from abbreviation of the two marks into the single word “ Cola ” would require, for its support, evidence 20 that persons desiring to buy Coca-Cola would make that abbreviation and that the single word “ Cola ” would be understood in the market as an order for Coca-Cola. There is no such evidence. It is a fair assumption that no such evidence was available. Furthermore, the witness Duncan, the Plaintiff’s Secretary Treasurer, testified that “ Coca-Cola ” when abbreviated is shortened to “ Coke ” or “ Dope ” (see also *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143). Neither he nor any other witness testified that the words “ Coca-Cola ” or “ Pepsi-Cola ” are abbreviated to the word “ Cola.” The Courts will not infer an abbreviation where none has been proved. *In the Matter of London Lubricants Application*, 42 R.P.C. 264, 30 at page 275.

Moreover, it has been held that an abbreviation to be protected must be registered (*Anheuser-Busch, Inc. v. Canada Bud Breweries, Ltd.* 1933, O.R. 75).

By relying on the registered marks, the Plaintiff invited a comparison of the marks as they exist on the register rather than a comparison of the marks as actually used and as known to purchasers. The learned trial Judge determined the question by a mere comparison of the marks themselves without regard to the striking differences.

Thus, he states in his Reasons for Judgment (p. 96) :

“ The issue here relates to a word mark, and the Plaintiff’s
“ mark was registered as a word mark. The get-up or dress of the
“ bottles or containers in which Coca-Cola or Pepsi-Cola is sold
“ has, I think, nothing whatever to do with the case, and the same
“ is not of importance, I think, in this action.”

The established principle that infringement must be determined by a

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comparison of the marks as actually used is expressed by *Kerly* (6th Ed.) at p. 277, as follows :

“ In comparing the marks, therefore, regard must be had not only to their form as they appear on the Register but also to the appearance they would present in actual use when fairly and honestly used ; to the nature of the goods upon which they are to be employed ; to the character and size of the marks themselves and to the probability of their becoming partially blurred or modified as ordinarily stamped or printed or by ordinary wear and tear.”

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10 Purchasers are only familiar with the appearance of the marks in the market. It is only on the basis of such appearance that confusion may be engendered. In the following cases the Courts considered the “ get-up ” of the articles to which the marks were affixed in determining whether there was any probability of deception.

Imperial Tobacco Co. Ltd. v. DePasquali & Co., 35 R.P.C. 185 (aff'd. by Court of Appeal 35 R.P.C. 202) ;

Charles Goodall & Son v. John Waddington, Ltd., 41 R.P.C. 465 (aff'd. 41 R.P.C. 658) ;

20 *Western Clock Company v. Oris Watch Company* 1931, Ex. C.R. 64 ;

Levers Brothers, Ltd. v. Umberto Pizzuti (1932), Ex. C.R. 79 ;
F. W. Hampshire & Co., Ltd. v. General Kaputine Syndicate, Ltd., 47 R.P.C. 437.

A comparison of the two marks against the background of the respective bottled beverages on which they are used can lead to but one conclusion, namely, that confusion of purchasers, far from being probable, is actually impossible. One looking at the two bottled beverages (Ex. 3 and 6) cannot fail to be impressed by their striking differences. They differ with regard to size, weight, configuration and shape of bottles, and in their labelling and crowns.

30 The Defendant submits with great respect that the learned trial Judge approached the issue of infringement with the preconceived view that the Defendant had been guilty of fraud. For example, he says (p. 91, 1/34.) :

“ I am not inclined to think that the registrants or users were really so much distressed over making it certain and clear that their potential patrons would be satisfied that their beverage was made from the exotic ‘ Cola ’ or ‘ Kola ’ nut, or flavoured therewith, or that they would get a ‘ Cola drink,’ as they were to select a name for their beverage that might quickly and cheaply be popularized and made known ; and in that state of mind, I think, the selections were made as close to that of the Plaintiff’s as they respectfully could go.”

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And further (p. 92, l. 1) :

“ To me, all this has a cumulative effect adverse to the Defendant’s contention, and lends weight to the contention that Pepsi-Cola, and other of such marks, were registered and put into use

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“ in Canada for the purpose of obtaining some commercial advantage
“ from the long acquaintance of the public with the Plaintiff’s
“ beverage.”

There is no evidence that the Defendant was motivated by any fraudulent purpose in the adoption of its mark. The uncontradicted evidence is to the contrary. For example, the pains taken by the Defendant to differentiate its product in the matter of dress or get-up is indicative of a good faith effort to secure business on the merits of the product itself. The uncontradicted evidence shows that the Defendant’s use of the mark “Pepsi-Cola” in the United States began at least as early as 1904, long before any goodwill attached to the words “Coca-Cola” in Canada, and that the Defendant’s use of its mark in Canada naturally and inevitably followed its use in the United States, where it was used by the Defendant and its predecessors for more than thirty years. 10

The learned trial Judge relied upon the decision in *Coca-Cola Co. v. Loft*, 167 Atl. 900, in support of his conclusion of infringement (pp. 86-9).

The *Loft* case concerned the liability of the Loft Company for the unauthorized substitution of Pepsi-Cola fountain drink for Coca-Cola by some of its employees.

In the United States, the Pepsi-Cola Company manufactures a soda fountain drink which is sold in a chain of stores operated by the Loft Company and its subsidiaries. Except for the sale of the soda fountain drink in these stores, the business of the Pepsi-Cola Company is confined entirely to the manufacture and sale of a bottled beverage. 20

It appears that the highly trained investigators of the Coca-Cola Company, by trap orders placed during the busy hours of the day, induced some of the waitresses and soda fountain clerks of the Loft Company to serve Pepsi-Cola when Coca-Cola was requested.

The learned Chancellor of Delaware absolved the Loft Company of all responsibility for the unauthorized acts of its employees. He made a specific finding concerning the bona fides of the Defendants. As the substitutions were not authorized, he refused to issue an injunction and gave judgment to the Defendants. The learned Chancellor felt that there was only one view to take of the entire evidence, namely, that 30

“ the Defendants took every reasonable precaution that could
“ be expected of them to guard against any wrongful interference
“ with the complainant’s enjoyment of the goodwill which it had
“ built up around its product of Coca-Cola” (p. 904).

The Loft litigation, far from supporting any inference of fraud, specifically negatives any dishonest purpose on the part of the Loft Company. 40

The learned trial Judge, however, treated the various unauthorized substitutions in the Loft litigation as proof that the use of the Defendant’s mark in Canada is likely to result in confusion, notwithstanding the fact that the Plaintiff itself failed to offer any direct evidence of confusion in Canada.

Manifestly the Delaware Judgment is not admissible evidence on the issue of confusion. The fact that clerks, in defiance of their instructions

when sorely pressed during the busy part of the day, succumbed to trap orders of the Plaintiff's investigators and substituted one soda fountain drink for the other, is no proof that confusion is likely to occur in the sale of the bottled drinks in Canada.

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A dishonest vendor serving beverages in glasses for consumption at tables and soda fountains can substitute drinks bearing marks as wide apart as the poles. The mark itself need play no part in the passing-off. No inference of trade mark infringement, therefore, can be drawn from the unauthorized substitution under the conditions prevailing in the Loft
10 litigation.

It is not to be forgotten that in Canada the Defendant only sells a bottled beverage and that no claim has been made nor any proof offered of any substitution or passing-off in this country.

It is to be observed that in the Loft litigation no charge was made that "Pepsi-Cola" infringes "Coca-Cola." It is fair inference from the failure to raise this issue that the Coca-Cola Company was of the opinion that the two marks were not in conflict.

While recognizing that infringement is necessarily a question of fact, the determination of which depends upon the circumstances of each case,
20 the learned trial Judge nevertheless relied upon various English and American judgments. The English Judgments held "Kleenup" an infringement of "Kleenoff"⁽¹⁾; "Ucolite" an infringement of "Coalite"⁽²⁾; "Justickon" an infringement of "Ustikon"⁽³⁾; "Vyno" an infringement of "Harvino"⁽⁴⁾.

In all of these cases the infringing marks were practically identical with the marks first registered, and this, the learned trial Judge below himself recognized (p. 75). In none of these cases were the marks as widely different as the two involved in the present litigation.

Numerous cases can be cited in which marks possessing much greater resemblances than those in the present case have been held not to be
30 infringements.

Thus it has been held that Pasquali's "The Regiment" does not infringe "Regimental Cigarettes"⁽⁵⁾; that "Mendit" does not infringe "Mendine"⁽⁶⁾; that "Rito" does not infringe "Lito"⁽⁷⁾; that the registration of "Big Ben" does not preclude the later registration of "Bentima"⁽⁸⁾; that the proprietor of the mark "Sunlight" cannot have the mark "Sunrise" expunged⁽⁹⁾; that "Canada Bud" does not infringe "Budweiser"⁽¹⁰⁾; that "Cocosoline" does not infringe "Cottoline"⁽¹¹⁾; that "Hedley's Malted Milk" does not infringe "Horlick's Malted Milk"⁽¹²⁾.

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⁽¹⁾ *Bale and Church, Ltd. v. Sutton, Parsons & Sutton*, 51 R.P.C. 129.

⁽²⁾ *Re Magdalena Securities, Ltd.*, 48 R.P.C. 477.

⁽³⁾ *Davis v. The Sussex Rubber Co., Ltd.*, 44 R.P.C. 412.

⁽⁴⁾ *Re Wheatley Akeroyd & Co., Ltd.*, 37 R.P.C. 137.

⁽⁵⁾ *Imperial Tobacco Co., Ltd. v. De Pasquali & Co.*, 35 R.P.C. 185 (Aff'd. 35 R.P.C. 202).

⁽⁶⁾ *Coombe v. Mendit, Ltd.* 30 R.P.C. 709.

⁽⁷⁾ *Fitchetts, Ltd. v. Loubet & Co., Ltd.*, 36 R.P.C. 296.

⁽⁸⁾ *Western Clock Company v. Oris Watch Company*, 1931 Ex. C.R. 64.

⁽⁹⁾ *Levers Brothers, Ltd., v. Umberto Pizzuti* (1932), Ex. C.R. 79.

⁽¹⁰⁾ *Anheuser-Busch, Inc. v. Canada Bud Breweries, Ltd.*, 1933 O.R. 75.

⁽¹¹⁾ *N. K. Fairbank Co. v. Cocos Butter Mfg. Co.*, 20 T.L.R. 53.

⁽¹²⁾ *Horlicks Malted Milk Co. v. W. Summerskill*, 32 T.L.R. 63 (Aff'd. 32 T.L.R. 311, aff'd. 33 T.L.R. 83).

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Prior precedents as the learned trial Judge asserted (p. 72), afford little guidance in the determination of the issue of infringement, as each case turns on its own facts. Such guidance as is furnished, however, points to a finding that there is no infringement here. No case has been cited in which marks as strikingly different as "Pepsi-Cola" and "Coca-Cola" have been held infringing. There are numerous cases, on the other hand, in which marks more closely resembling each other have been held not to infringe.

The learned trial Judge relied upon the numerous litigations involving the mark "Coca-Cola" in the United States⁽¹⁾. The American cases, however, are clearly distinguishable from the present suit. 10

In some, there was definite proof of deliberate fraud on the part of the Defendants. See, for example, *Coca-Cola Company v. The Koke Company of America*, 254 U.S. 143; *Coca-Cola Company v. Duberstein*, 249 Fed. 763.

Some involved the use of the identical mark of the Plaintiff or its popular abbreviation. *Coca-Cola Company v. The Koke Company of America*, 254 U.S. 143; *Coca-Cola Company v. Duberstein*, 249 Fed. 763

Coca-Cola Company v. Carlisle Bottling Works, 43 F. (2) 119, a decision by the Circuit Court of Appeals for the Sixth Circuit, which the Supreme Court refused to review (282 U.S. 882), holds that "Roxa Kola" does not infringe "Coca-Cola." The learned trial Judge, it is submitted, did not accord this persuasive decision of the Circuit Court of Appeals the weight to which it is entitled. 20

This Carlisle Judgment is on all fours with the present suit. There, as here, there was no evidence of any fraud or dishonesty, any confusion of the public, or any passing-off. The Defendant had used the mark for many years without challenge by the Coca-Cola Company. Furthermore, the Defendant sold only a bottled beverage and had taken reasonable steps to differentiate its product from that of the Plaintiff. 30

The Defendant respectfully submits that, having regard to all the facts and circumstances of the present case, the conclusion is inevitable that its mark does not constitute an infringement of the Plaintiff's mark.

In view of the descriptive nature of the word "cola" as used by both parties, even were the Court to find confusing similarity in the manner of use of the two marks, it would nevertheless be improper unqualifiedly to restrain any use of the word "cola" as part of the Defendant's mark.

The principle is established in cases involving the use of descriptive marks that the sole obligation of the Defendant is to so qualify its use as to obviate the possibility of confusion. If the measures which a Defendant has taken are deemed insufficient, the Court may require it to add further qualifications to its use of the common term, but complete prohibition 40

(1) After referring to various marks covered in the American Coca-Cola litigations, the learned trial Judge states that in one suit Pepsi-Cola was the "offending mark" (p. 79). The learned trial Judge, with all respect, is in error, as no such action was ever instituted, prior to the present litigation.

is never decreed.. On a finding of infringement the Court will only grant a qualified injunction.

Bewlay & Co., Ltd. v. Hughes, 15 R.P.C. 290, 293

McLean's, Ltd. v. J. W. Lightbown & Sons, Ltd., 54 R.P.C. 230, 240.

Reddaway v. Banham (1896) A.C. 199, 215, 222.

Horlicks Malted Milk Co. v. W. Summerskill, 32 T.L.R. 63, 68 (aff'd. 32 T.L.R. 311; aff'd. 33 T.L.R. 83).

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The Defendant respectfully submits that it has more than fully satisfied the requirements of the law in differentiating its mark from that of the Plaintiff and that it has qualified its use of the word "Cola" in such a manner as to render any confusion utterly unlikely.

C.

THE PLAINTIFF'S TRADE MARK, BEING DESCRIPTIVE, WAS IMPROPERLY REGISTERED.

The Plaintiff's mark consists of two descriptive terms "coca" and "cola." We have already demonstrated the descriptive nature of the word "cola." The word "coca" is equally descriptive. Like "cola" it is found in standard dictionaries, encyclopædiæ, and scientific journals.

Murray's English Dictionary, Vol. II, p. 563, defines it as follows :

20 "Coca (Kouoka). (a Sp. *coca*, a Peruvian *cuca*. G. de la Veg
" (transl. by Ricaut) says 'The Indians call (it) *cuca*, and the
" 'Spaniards *coca*' (Comment. of Peru VIII. xv.)). The name
" in Bolivia of *Erythroxylon Coca*, a shrub six or eight feet high ;
" hence, applied to its dried leaves, which have been employed from
" time immemorial, with powdered lime, as a masticatory, appeaser
" of hunger, and stimulant of the nervous system.

30 " 1616 Bullokar, *Coca*, an hearbe of India, the leaves whereof being
" bruised and mixt with the powder of Cockles or Oysters in their shelles
" burnt the Indians use in little balles to carry in their mouthes to preserve
" them from famine and great dryth.

" 1625 Purchas *Pilgrims* ii. 1694. An hearb., Coca which they
" carrie continually in their mouthes.

" 1712 E. Cooke *Voy. S. Sea* 205 The Coca, or Cuca is a small Shrub,
" much about the Bigness of the Vine. 1866 *Treas. Bot.* 469 The use of
" Coca in Pem . . . is said to have originated with the Incas.

" b. *attrib.* and Comb., as *coca-chewer*, *coca plant*, *wine*, etc.

" 1855 J. F. Johnston *Chem. Com. Life* II, 158. The coca leaf
" resembles that of hemp, in the narcotic quality of dilating the pupil.

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“ 1889 *Pall Mall G.* 8 Jan. 7/3. The coca plant . . . Coca wine and
“ various other preparations of coca leaves are now also largely in use.” ’

As we have pointed out above (p. 5), the Plaintiff has asserted that its product contains extracts derived from the coca leaf and the cola nut. But if coca and cola were not constituents of the Plaintiff’s beverages, it would not stand in any better position, since in that case its mark would be misdescriptive and therefore not entitled to any protection.

Sebastian on Trade Marks (5th Ed.), pp. 81 and 226.

Unfair Competition Act of 1932, Section 26 (1) (c).

Coca and cola being constituents of the Plaintiff’s beverage, its mark 10
is clearly descriptive and therefore not registrable.

The Canadian Shredded Wheat Co. Ltd. v. Kellogg Co. of Canada, Ltd., 55 R.P.C. 125, at p. 142.

A statement of the applicable principle is found in the Judgment of the United States Supreme Court in *William R. Warner & Co. v. Eli, Lilly & Co.*, 265 U.S. 526, 528 :

“ A name which is merely descriptive of the ingredients,
“ qualities, or characteristics of an article of trade cannot be
“ appropriated as a trade mark and the exclusive use of it afforded
“ legal protection. The use of a similar name by another to 20
“ truthfully describe his own product does not constitute a legal or
“ moral wrong, *even if its effect be to cause the public to mistake the*
“ *origin or ownership of the product.*” (Italics ours.)

See also :

Rex. v. Cruttenden, 10 O.L.R. 80 (Glyco-thymoline).

Aerators Ltd. v. Tollitt, 71 L.J. Ch. 727, 86 L.T. 651 (Aerators).

Partlo v. Todd & Todd, 17 S.C.R. 196 (Gold Leaf).

J. M. Windsor Ltd. v. Maritime Fish Corp. (1926) Ex. C.R. 31,
1 D.L.R. 687 (Chicken Haddies).

In the Matter of a Trade Mark “ Palmolive,” 49 R.P.C. 269 30
(Palm Olive).

The invalidity of the Plaintiff’s registrations does not preclude the acquisition of rights based upon the use of the word “Coca-Cola” to distinguish the Plaintiff’s product. Such rights, however, are based upon the development of a secondary meaning. The Plaintiff at the trial rested its case entirely upon the validity of its registrations and offered no evidence of secondary meaning. Its case, therefore, must stand or fall upon the validity of its registrations.

(1) *Encyclopædia Britannica* (1932), p. 927.

New International Encyclopedia (1914), p. 525.

New Century Dictionary (1927), p. 275.

New Century Dictionary and Encyclopedia (1927), p. 1073.

Stanford Dictionary of Anglicized Words and Phrases (1892), p. 253.

Skeat, An Etymological Dictionary of the English Language (1910), p. 117.

Lindley’s Natural System of Botany, p. 213.

Smith, Dictionary of the Names of Popular Plants, p. 122.

Johnston, The Chemistry of Common Life—(1855), pp. 116, 135.

Union of American Republics, “Coca” (Commodities of Commerce, No. 20).

Notwithstanding the fact that no proof of secondary meaning was offered the learned trial Judge presumed that the mark was distinctive by reason of its alleged extended use (p. 93). The Court thus, by means of a presumption, made a finding of fact concerning the matter put in issue by the Pleadings and on which the Plaintiff has offered no proof.

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The learned trial Judge relied upon rulings of the American Courts upholding the validity of the Plaintiff's mark as registered under the American Trade Mark Act. These American Judgments, however, are not in point, as they dealt with the registration of the trade mark of the
10 American Coca-Cola Company under a provision of the trade mark law of that country (Act of 1905, c. 592, Sec. 5, 33 Stat. 725) permitting the registration of descriptive words which had been used exclusively for a period of ten years prior to 1905. (See *Coca-Cola Co. v. Deacon Brown Bottling Co.*, 200 Fed. 105, at p. 106, D.C. Ala. 1912). This provision of the American Statute is comparable to registration under the present Canadian Act of descriptive terms, which, at the time of registration, have become distinctive through the acquisition of a secondary meaning. (*Unfair Competition Act*, Sec. 29).

The registrations relied upon in the present litigation are not, however,
20 based upon any secondary meaning at the time of registration.

The Plaintiff's registration of its mark in 1905 is invalid for an additional reason. Four marks embodying the word "cola" were registered before the Plaintiff's registration in 1905 (see Table, pp. ¹⁰⁴4-5, supra). The learned trial Judge was thus in error in stating (p. 69):

"All of these marks were registered subsequent to the registration of the word 'Coca-Cola'."

If the later registrations of "cola" marks constitute an infringement of the Plaintiff's mark, as it insists, then the mark "Coca-Cola," having been anticipated by the earlier registered marks, was improperly registered,
30 having regard to Section 11 (b) in the *Trade Marks and Designs Act*.

The second registration of the Plaintiff's mark in 1932 was without legal effect and the learned trial Judge properly "disregarded" it (pp. 67-8). There is no provision in the Statute for multiple registrations of the same mark. Its registration was improper since it was anticipated by the registration of the various 'cola' marks set forth in the Table on pages ~~4 and 5~~. ¹⁰⁴⁻⁵

It is submitted that the registrations of the Plaintiff's trade mark are invalid.

D.

40 THE PLAINTIFF FAILED TO PROVE ITS TITLE TO THE "COCA-COLA" MARK AND ITS COMPETENCE TO MAINTAIN THE PRESENT ACTION AND SHOULD HAVE BEEN NON-SUITED.

The Defendant in paragraph 3 of its Statement of Defence challenged the validity of the Plaintiff's title to the trade mark "Coca-Cola" and put

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the Plaintiff to the strict proof of its rights to this mark. The Plaintiff was unable at the trial to discharge this onus of proof. It failed to prove its title and therefore should have been non-suited.

An analysis of the record reveals that the proof of title was tendered in the following fashion :

The Plaintiff in paragraph 2 of its Statement of Claim alleged that it is “ the duly recorded owner of the registered trade mark ‘ Coca-Cola ’ ” and set forth the various dates and registration numbers of its certificates of registration and renewal. In paragraph 2 of the Statement of Defence the Defendant admitted that “ the Plaintiff is registered as the proprietor 10
“ of the registered trade mark ‘ Coca-Cola ’ as set out in paragraph 2 of
“ the Statement of Claim ” but denied that the registrations therein referred to are now in full force and effect.

As the Plaintiff is not the original registrant of the trade mark “ Coca-Cola,” it was necessary for it to establish that it was the proprietor of the registered trade mark.

The only allegation in the Statement of Claim concerning the assignment of the mark to the Plaintiff is contained in paragraph 6, which alleges that the Plaintiff was incorporated in 1923, that immediately after such incorporation it was duly organized and commenced the manufacture 20
and sale of soft drink beverages and syrups, that contemporaneously
with its organization it acquired the business and goodwill as well as the trade mark from its so-called “ predecessors in title.”

This was specifically denied by paragraph 3 of the Statement of Defence, which put the Plaintiff to the strict proof of its rights to the mark.

Upon this state of the Pleadings it was incumbent upon the Plaintiff to show that it acquired in 1923 (a) the business, (b) the goodwill and (c) the trade mark “ Coca-Cola ” from the prior owner thereof. The Plaintiff thus had the onus of proving that the mark had been validly assigned 30
to it, and that the assignment was part of a transaction in which the business
and goodwill were acquired and was not an assignment in gross.

“The burden, of course, was upon Appellee to prove a valid
“ assignment of the trade mark if it desired to rely upon it.” (*National Mineral Co. v. Bourjois*, 62 Fed. Rep. (2d) 1, 4 (C. C. A. 7th, 1932)).

It is a fundamental rule of the law of trade marks that an assignment in gross is nugatory and will not vest any title in the assignee. A trade mark may only be assigned in connection with the business and goodwill in association with which it has been used.

Gegg v. Bassett (1902) 3 O.L.R. 263 ;

In re Vulcan Trade Mark (1914) Ex. C.R. 265, affirmed (1915) 40
51 S.C.R. 411 ;

Mello-Creme Products v. Ewan’s Bread, Ltd. et al. (1930) Ex.
C.R. 124 ;

Moyer v. Holland (1933) Ex. C.R. 217.

This basic doctrine was reaffirmed and codified by Section 44 (2) of the *Unfair Competition Act* of 1932, which reads as follows :

“ A registered trade mark shall not be assigned or transmitted
 “ except in connection and concurrently with an assignment or
 “ transmission of the goodwill of the business carried on in Canada
 “ in association with the wares for which such mark has been regis-
 “ tered, and in any case such trade mark shall be terminated with
 “ such goodwill”

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10 The Plaintiff's evidence of title consists of (a) the certificate of registration by the Coca-Cola Company of Georgia dated November 11, 1905. (b) a notation by the Commissioner of Patents on January 31, 1922, of an assignment of the mark by the Coca-Cola Company of Georgia to the Coca-Cola Company of Delaware, and (c) a notation by the Commissioner of Patents on March 7, 1930, of the registration of “ a document purporting “ to be an assignment from the Coca-Cola Company of Delaware to the “ Coca-Cola Company of Canada, Limited.”

Neither the alleged assignment from the Coca-Cola Company of Georgia to the Coca-Cola Company of Delaware nor the alleged assignment of the mark from the Coca-Cola Company of Delaware to the Plaintiff were introduced in evidence. These notations on the register are insufficient evidence of the alleged assignments.

20 No evidence was offered by the Plaintiff in support of the allegations in paragraph 6 of the Statement of Claim regarding its acquisition of the Canadian business and goodwill in 1923.

The Plaintiff's evidence was thus defective in two respects :

- (a) There was no proof of any assignment of the mark, and
- (b) There was no proof of the transfer of the prior business and goodwill.

30 Duncan's deposition, which was introduced in evidence by the Defendant, though referring to the exploitation of the trade mark “ Coca-Cola ” by the Plaintiff and its alleged “ predecessors in title,” contains no evidence concerning the details of an assignment of the mark by the American Company to the Plaintiff nor the transfer to the Plaintiff of the business and goodwill of the prior Company.

It is submitted that the learned trial Judge misapprehended the Defendant's objections to the Plaintiff's evidence of title. In his Reasons for Judgment he states :

“ The Plaintiff Company was incorporated in 1923, and it
 “ seems to be conceded that the Plaintiff shortly thereafter acquired
 “ and took over the business and goodwill of the Canadian business
 “ of the Parent Company ” (p. 97).

40 Far from being conceded, the Plaintiff's acquisition of the business and goodwill was specifically put in issue, by the denials in paragraph 3 of the Statement of Defence. The Defendant's motion for a non-suit was predicated upon the failure of the Plaintiff to prove a transfer of the business and goodwill.

Proceeding upon the assumption that the acquisition of the business and goodwill in 1923 had been conceded, the learned trial Judge treated the Defendant's objection as based upon the disparity in dates between the

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transfer of the business and the execution of the “ document purporting to be an assignment.”

There is a serious doubt regarding the validity of an assignment which is executed seven years after the transfer of the business in association with which the trade mark has been used. In the case of *National Mineral Co. v. Bourjois*, 62 Fed. Rep. (2d) 1, 4 (1932), before the United States Circuit Court of Appeals for the Seventh Circuit, the Court stated :

“ If there was a transfer of the business and its goodwill con-
temporaneously with the assignment of the trade mark, it was a
“ valid assignment ; if otherwise, the assignment was invalid.” 10

The case relied upon by the learned trial Judge, *In re Welcome's Trade Mark* (1886) 32 Ch. D. 213, establishes no general rule to the contrary. In that case an English agent of an American principal registered a trade mark in his own name for the benefit of his principal. Thereafter the mark was assigned by the agent, who had no interest in the goodwill, to the principal. The assignment was held valid, since the goodwill had always been in the assignee and because the registration by the agent had been for the benefit of the assignee. That situation was far different from the case at bar, in which no question of agency exists.

However, that may be, the issue before the Court was more funda- 20
mental than a mere disparity of dates. The true issue was whether the Plaintiff had satisfactorily proved its title and competence to sue by the introduction in evidence of the notation of the Commissioner of Patents in 1930 without any proof whatsoever of its acquisition of the business and goodwill in 1923. The infirmity in the Plaintiff's title consists not so much in the mere disparity in dates as in the failure to show by competent evidence that there was any assignment of the mark or any transfer of the business and goodwill.

The deficiencies in the Plaintiff's evidence are not overcome by either Section 48 of the *Trade Mark and Design Act* or Section 18 of the *Unfair Competition Act*. Section 48 of the former Act was repealed by Section 61 of the 1932 Act. 30

Section 18 (1) reads as follows :

“ In any action for the infringement of any trade mark, the
“ production of a certified copy of the record of the registration of
“ such trade mark made pursuant to the provisions of this Act shall
“ be prima facie evidence of the facts set out in such record and that
“ the person named therein is the registered owner of such mark
“ for the purposes and within the territorial area therein defined.”

This section is inapplicable for several reasons : 40

(a) It relates only to trade marks registered pursuant to the Act of 1932. The Coca-Cola registrations were made under the prior Act.

(b) The section relates only to the certificate of registration and does not assist in proving an assignment or transmission. This is made clear by contrasting this section with Section 40 of the English Statute of 1905 ;

(*Kerly on Trade Marks* (6th Ed.) p. 706), which specifically refers to assignments and transmissions of trade marks.

10 (c) The only effect of Section 18 is to give prima facie effect to the facts set out in the record of registration. Giving full weight to the notation of the Commissioner of Patents, there is still lacking any real proof of an assignment. The only evidence before the Court is that a document purporting to be an assignment was deposited with the Commissioner of Patents. Whether that document constituted an effective assignment is for the Court to determine in light of the denials in the Statement of Defence. If the Plaintiff wished to prove that it was the assignee of title to the trade mark, the alleged assignment itself should have been offered in evidence. It is submitted that Section 18 does not obviate the necessity of introducing the documents upon which the Plaintiff's title is based.

(d) Even were Section 18 applicable, it was still incumbent upon the Plaintiff to show that the assignment of the registered trade mark was not in gross. Section 18 does not dispense with the necessity of proving that the mark was obtained in connection with the acquisition of the business and goodwill where the fact of such acquisition is put in issue by the Pleadings.

20 Nor is it material that the 1905 registration was renewed in the name of the Plaintiff in 1930 (p. 219). Unless the Plaintiff proved its title to the mark originally registered, any renewal by it is obviously nugatory. Without such proof it stands in the position of a stranger to the mark, and it was not entitled to renew the registration. (Section 17 of the *Trade Marks and Designs Act*). Moreover, the certificate of renewal does not overcome the Defence that the alleged acquisition of the mark by the Plaintiff was in gross and invalid.

30 The second registration of the mark in 1932 was invalid for the reasons stated above (page 20). If the Plaintiff's title to the 1905 registration is defective, it was without legal competence to re-register the same mark. The record on its face shows a prior registration in the name of one with whom the Plaintiff has failed to show that it is in privity. Without first showing its title to the 1905 registration, the Plaintiff, in relying upon the 1932 registration, is in the position of claiming rights in a mark previously registered by another. As the statute gives exclusive rights to the first registrant (*Trade Marks and Designs Act*, Section 13) and prohibits the registration of any mark which is "identical with or resembles a trade mark . . . already registered" (Section 11(b)), the 1932 registration is clearly invalid.

40 The Plaintiff also should have been non-suited for the reason that it failed to prove that it was a subsisting corporation, having regard to the provisions of Section 28 of *The Companies Act*.

In paragraph 1 of the Statement of Claim the Plaintiff alleges incorporation. This allegation is admitted in paragraph 1- of the Statement of Defence.

In paragraph 6 of the Statement of Claim the Plaintiff alleges organization and commencement of business. This allegation is denied in

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paragraph 3 of the Statement of Defence and the Plaintiff is put to the strict proof thereof.

The Plaintiff adduced no evidence to establish that it ever organized or commenced business and consequently has failed to discharge the onus imposed upon it by *The Companies Act*. It follows that the Plaintiff must be held to be incompetent to maintain an action for infringement.

Section 28 of *The Companies Act*, 24–25 Geo. V., chapter 33, reads as follows :

- “ 28. (1) If a company does not go into actual bona fide operation
“ within three years after incorporation or for three con- 10
“ secutive years does not use its corporate powers, its charter
“ shall be and become forfeited.
“ (2) In any action or proceeding where such non-user is alleged,
“ proof of user shall lie upon the company.”

In *Dominion Distillery Products Company, Ltd. v. The King* (1937) Ex. C.R. 145 (appealed to the Supreme Court of Canada, but decided upon another point), it was held that the provisions of *The Companies Act* may automatically, and without any preliminary procedure, operate a forfeiture of a charter.

The learned trial Judge gave no weight to the Pleadings upon this 20 point nor to the submissions of the Defendant made upon the motion for non-suit and at the conclusion of the trial.

E.

THE PLAINTIFF IS BARRED BY ITS LACHES AND ACQUIESCENCE FROM MAINTAINING THE PRESENT ACTION.

According to the uncontradicted testimony of the witness Guth, the trade mark “ Pepsi-Cola ” has been continuously used in the United States from at least 1904 and possibly from as early as 1896 (p. 42). At no time prior to the present suit did the Plaintiff challenge in any way the right of 30 the Defendant or its predecessor to use the mark “ Pepsi-Cola ” either in the United States or in Canada. Its failure to do so resulted from no lack of opportunity, as the products of the Defendant’s predecessors were sold for more than three decades in the United States, during which period the products of the American Coca-Cola Company were also being sold in that country.

The mark “ Pepsi-Cola ” was registered in Canada by the Defendant’s predecessors in 1906. From that time until 1936, when the present suit was begun, the Plaintiff never asserted that the mark “ Pepsi-Cola ” constituted an infringement of its mark, although it could have sued to have 40 the Defendant’s mark expunged from the register if it constituted an infringement. (*Trade Mark and Design Act*, Section 45 ; *Unfair Competition Act*, 1932, Section 52).

Both before and after the registration of the Plaintiff’s mark numerous marks embodying the word “ cola ” were registered. The Plaintiff never

made any effort to have these marks expunged from the register. During the years in which the Plaintiff remained silent, a flourishing business in the sale of Pepsi-Cola was developed in the United States. In the national expansion of its business, the Pepsi-Cola Company in 1934 established a plant in Canada and built up a Canadian market for its product. The Plaintiff still remained quiescent until the Canadian market was developed and then, in 1936, commenced this action.

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10 It is thus apparent that for upwards of thirty years the Plaintiff had ample opportunity to contest the validity of the Defendant's mark by direct suit for infringement in the United States or by a suit to expunge the registration in Canada. It did neither.

The Defendant, acting in the firm belief that its mark was valid and having taken every possible precaution to differentiate its beverage from the other cola products, including the Plaintiff's, built up its business both in the United States and in Canada. It is established that a court of equity will not permit the Plaintiff to stand idly by for several decades while large investments are made in a business on the strength of its inaction and acquiescence, and then, when a flourishing market has been successfully developed, step in and appropriate the fruits of another's labours.

20 Under these circumstances, it is clear that the Plaintiff's inaction is a bar to this suit (*McCaw, Stevenson & Orr, Ltd. v. Lee Brothers*, 23 R.P.C. 1; *Cordes v. Addis & Son*, 40 R.P.C. 133; *Sebastian's Law of Trade Marks* (5th Ed.) 221; *Kerly on Trade Marks* (6th Ed.) 481).

The duties of a claimant to a trade mark were lucidly defined by Eve, J., in *Cordes v. Addis & Son*, supra :

30 " He is bound, like everybody else who wishes to stop that
" which he says is an invasion of his rights, to adopt a position
" of aggression at once, and to insist, as soon as the matter is brought
" to his attention, or as soon as, in the opinion of the Court, it
" ought to have come to his attention, to take steps to prevent
" its continuance; it would be an insufferable injustice were the
" Court to allow a man to lie by while his competitors are building
" up an important industry and then to come forward, so soon
" as the importance of the industry has been brought home to his
" mind, and endeavour to take from them that of which they had
" legitimately made use; every day which they used it satisfying
" them more and more that there was no one who either could or
" would complain of their so doing."

40 In determining whether the Plaintiff is barred by its delay, inaction and acquiescence, the facts concerning the use of the Defendant's mark in America may not be disregarded. The only case in which the effect of the American use of the mark under circumstances comparable to those of the present case has been considered by the Canadian Courts is *The Lambert Pharmacal Co. v. J. Palmer & Sons, Ltd.* (1912), 2 D.L.R. 358, 21 Que. K.B. 451. The holding in that case is aptly summarized in *Smart, Law of Trade Marks, Trade Names and Designs in Canada*, at p. 84 :

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Defendant

—continued.

“ The failure of the owner of the trade-mark ‘listerine’ to
“ complain of or proceed against a party using the word ‘listerated’
“ in the United States, for a number of years creates a presumption
“ that he suffered no injury therefrom, and in the absence of proof
“ of special damage he is estopped from taking proceedings sub-
“ sequently in Canada, for infringement.”

So too, here, it is apparent that the Plaintiff is estopped from taking proceedings in Canada after its long delay in the United States. To turn over to the Plaintiff the profits that it deliberately allowed the Defendant to earn preparatory to the institution of this suit, is manifestly unjust 10 and at variance with the authorities.

Beard v. Turner, 13 L.T. 746 ;

F. Reddaway & Co., Ltd. v. Robert Stevenson & Bro., Ltd.,
20 R.P.C. 276.

Apart from all other considerations in this case, the Court should have denied the Plaintiff an injunction and accounting by reason of its unconscionable laches and acquiescence.

F.

THE PLAINTIFF HAS FORFEITED ITS TRADE MARK RIGHTS
BY LICENSING INDEPENDENT BOTTLERS TO USE ITS TRADE
MARK. 20

According to the witness Duncan, the Secretary and Treasurer of the Plaintiff, some eighty independent bottlers are licensed by the Plaintiff to bottle a cola beverage prepared from syrup furnished by the Plaintiff and to sell the same under the trade mark “Coca-Cola” (page 60). The Plaintiff sells the syrup to the bottlers, who add the required proportion of carbonated water, in accordance with instructions furnished by the Plaintiff. Although the Court stated that the Plaintiff supplies the bottles to the bottlers, there is no evidence of this in the record. The independent bottlers sell the bottled product to retailers who in turn sell to the public (page 61). Practically all of these independent concerns bottle other products as well, described by the witness as “a general line of sodas” (page 60). 30

By paragraph 11 of the Statement of Defence as elaborated by Schedule A of the Statement of Particulars, the Defence was interposed that the Plaintiff had improperly licensed its trade mark, thereby destroying its distinctiveness and vitiating the Plaintiff’s proprietorship (pp. 85, 11). Duncan’s testimony showed that eighty independent bottlers were using the mark “Coca-Cola.” There is no claim that the Plaintiff’s goodwill in the bottling business was transferred to any of its licensees.

It is clear from Duncan’s testimony that the bottlers are in no sense agents of the Plaintiff. They are manufacturers of beverages. They 40

combine the syrup obtained from the Plaintiff with carbonated water, the resultant product being essentially different from the syrup ingredient which they receive from the Plaintiff. There is no evidence in the record that the Plaintiff supervises the production of Coca-Cola by its licensees or that it has taken any steps to protect the public against adulteration, substitution of ingredients or modifications of the formula, or that it insists on the maintenance of hygienic conditions of manufacture. Yet it has led the public to believe that all bottled beverages bearing the mark "Coca-Cola" emanate from sources controlled by the Plaintiff.

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10 Whatever may be the law elsewhere, there is no provision in Canadian or in English law for the licensing of a trade mark to be used on the goods of another. (*Kerly on Trade Marks* (6th Ed.) 411; *Oldham v. James* (1863) 14 Ir. Ch. 81). Licensing, like an assignment in gross, results in the deception of the public. In both cases, goods which the public is led to believe come from one source actually emanate from another.

In the case of *In re Powell's Trade Mark* (1893), 2 Ch. 388, 404, Bowen, L.J., stated that the function of a trade mark is

20 "to give an indication to the purchaser or possible purchaser
"as to the manufacture or quality of the goods—to give an
"indication to his eye of the trade sources from which the goods come,
"or the trade hands through which they pass on their way to the
"market."

When the mark is so licensed that the public is misled into buying in the belief that the article is the product of a man whose reputation they know, whereas in fact it is the make of someone else, the licence must be considered as an attempt to assign the trade mark in gross (*Bowden Wire Ltd. v. Bowden Brake Co., Ltd.*, 30 R.P.C. 45, 580; 31 R.P.C. 385).

30 The extensive licensing arrangement indulged in by the Plaintiff has destroyed the efficacy of its trade mark as a means of identifying the source, origin and ownership of its product. One purchasing a bottle of Coca-Cola in Canada in the belief that this product has been manufactured in accordance with the Plaintiff's standards is misled. The bottled product is concocted according to the varying standards of sanitation and quality that prevail in the plants of eighty independent bottlers. The lack of supervision, inspection and control affords opportunity for adulteration. "Coca-Cola" identifies not one but more than eighty different sources. Such use of a trade mark can only be characterized as a gross fraud on the public.

40 Even were it to be assumed *arguendo* that licensing is permissible where the licensor takes every necessary step to insure the purity, quality and uniformity of the product put out by its licensees, on this record, the Plaintiff's licensing arrangements must be held invalid in view of the fact that it has failed to offer any evidence to show that it has endeavoured in any way to protect the public from deception. Under these circumstances, it is submitted that the Plaintiff, by reason of its own misconduct, has lost all rights in and to its trade mark.

THE DEFENDANT OUGHT NOT TO BE REQUIRED TO ACCOUNT
TO THE PLAINTIFF FOR ITS PROFITS.No. 16.
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The Defendant, in its Statement of Claim, specifically claimed an injunction and damages, and the learned trial Judge, in his Reasons for Judgment, granted the relief claimed (p. 98). Notwithstanding, the Formal Judgment orders the Defendant to account to the Plaintiff for its profits (p. 100). It is submitted that the formal Judgment is improper in this respect since it is well settled that a Plaintiff cannot obtain any relief not specifically claimed. It is true that the Statement of Claim includes 10 a claim for such further and other relief “as to the Court may seem just,” but it has been laid down by the Privy Council in *Brickles v. Snell*, 1917, L.J., P.C., 22, at p. 26, that such a claim can only mean such further relief as is ancillary to the main specific relief claimed.

The power of the Court to grant an accounting of profits in a trade mark action is discretionary (*Van Zeller v. Mason*, 25 R.P.C., 37), and it is submitted that this is peculiarly a case in which such relief should be withheld, for the following reasons :

1. There was no proof of fraud, conscious wrongdoing or wilful misfeasance on the part of the Defendant. 20
2. There was no evidence of actual deception.
3. The Plaintiff's long inaction and delay in challenging the validity of the Defendant's mark in the United States as well as its failure to institute proceedings to expunge the Defendant's or other “cola” marks from the Canadian register are a bar to an accounting.

Profits are only awarded in a trade mark case where the Defendant's conduct is fraudulent or otherwise unconscionable. The United States Supreme Court, in *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251, has aptly summarized the principle on which an accounting of profits is awarded : 30

“ The infringer is required in equity to account for and yield up his gains to the true owner, upon a principle analogous to that which charges a trustee with the profits acquired by wrongful use of the property of the *cestui que trust*. . . And profits are then allowed as an equitable measure of compensation, on the theory of a trust *ex malificio*.”

See also :

- Sebastian on Trade Marks* (5th Ed.) 248 ;
Champagne Heidsieck et Cie v. Scotto and Bishop, 43 R.P.C. 101
 (Ch. Div.) ; 40
Ammon & Person v. Narrangansett Dairy Co., 262 Fed. Rep. 880, 884 ;
Champion Spark Plug Co. v. Emener, 16 Fed. Supp. Rep. 816, 826 ;
Gallet v. R. & G. Soap & Supply Co., 254 Fed. Rep. 802.

Where a Defendant deliberately sets out to trade upon the reputation of another, it is only fitting that he be compelled to disgorge any profits derived from his wrongful conduct. There is, however, no basis for an accounting of profits where the Defendant acts innocently or under a mistaken claim of right. In such a case the Plaintiff's recovery is limited to compensation for damages actually suffered. Between the two measures of recovery—reparation for injury actually inflicted and surrender of profits irrespective of any damage or injury—there is, of course, the widest distinction.

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Defendant
—continued.

10 The facts concerning the Plaintiff's delay have been set forth in Section "D," supra, and need not be repeated here. For almost three decades the Plaintiff has never protested against the use and registration of the Defendant's mark, although it had ample opportunity to do so. A Plaintiff cannot by his own idleness make the Defendant his agent and by remaining quiescent constitute the Defendant his salesman. It would be most unfair to award the Plaintiff, after having stood by for many years while the Defendant built up its business in the United States and then in Canada, the fruits of the Defendant's industry and effort.

20 *Kerly on Trade Marks* (6th Ed.) 519.
Sebastian on Trade Marks (5th Ed.) 226, 249.
Beard v. Turner, 13 L.T. 746.
Reddaway v. Stevenson, 20 R.P.C. 276.
McLean v. Fleming, 96 U.S. 245.

Not a single instance of confusion is contained in the record. There is no evidence that the Plaintiff has been injured in any way by the Defendant's use of its mark. An accounting under these circumstances would be punitive in nature. It would constitute a heavy penalty for acts which at worst constitute an innocent and technical infringement.

30 It is submitted that there being no fraud or wilful misfeasance and no deception of the public or diversion of business, and in view of Plaintiff's long delay, an accounting of profits should not be allowed.

J. J. CREELMAN,
W. D. HERRIDGE,
Of Counsel for the Defendant (Appellant).

No. 17.

Factum of the Plaintiff.

PART I.

STATEMENT OF CASE.

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of the
Plaintiff.

1. This is an appeal by the Pepsi-Cola Company of Canada, Limited,
40 from the Judgment of the President of the Exchequer Court dated July 15,
1938, in favour of The Coca-Cola Company of Canada, Limited, in an action

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brought by the latter Company for the infringement of its trade mark "Coca-Cola." The Judgment enjoined the use of "Pepsi-Cola" as an infringement of "Coca-Cola" and granted the usual relief.

2. The trade mark "Coca-Cola" is applied to a soft drink beverage which has been sold extensively for many years and is well known to the community (p.57/12). It is either sold as a syrup to soda fountains who dilute it with carbonated water and hand it to the consumer in a glass or the carbonated water is added in a bottling plant from which it is distributed in bottles to the consumer. The distribution and sale in Canada began prior to 1900 (pp.62/16-64/14) and the fiftieth anniversary of the 10 commencement of the business was celebrated in 1936 (p. 64/4).

3. On September 29, 1923, The Coca-Cola Company of Canada, Limited, the Respondent Company, was incorporated to carry on the Canadian business to which it then succeeded, and since then it has carried on the whole process of the manufacture and distribution of the drink for the Canadian market.

4. The drink has been continuously manufactured according to the same secret formula and sold under the trade mark "Coca-Cola" (p.59/15-28). The Respondent operates twenty bottling plants in Canada and at four of these it manufactures the syrup, which is also sold to some eighty other 20 bottlers and to soda fountain operators throughout Canada by whom it is diluted according to the Respondent's instructions and, in the case of bottlers, under the Respondent's supervision (p.57/22).

5. The mark is moulded in the glass of the bottles in which the drink is sold (p.62/43), and is printed on the bottle cap. It also appears on the cases containing the bottles and on the containers for the syrup (p.65/41). It is prominently displayed at practically all soda fountains in Canada (p.63/14) and is featured in extensive advertising (p.58/15).

6. On November 11, 1905, the United States Coca-Cola Company registered in Canada "Coca-Cola" as a trade mark to be applied to 30 "beverages and syrups for the manufacture of such beverages." The form shown in the application, which is the form in which the mark has been used (Ex. 1, p.218), is reproduced below :



7. By an instrument dated February 5, 1930, this registration was formally assigned to the Respondent (Ex. 1, p.219) and it is admitted in the Pleadings that the Coca-Cola Company of Canada, Limited, has been duly recorded as the registered owner of the mark (pp.2/3, 4/7).

8. The Appellant Company was not incorporated until May 29, 1934, and began then for the first time to manufacture and sell in Canada a soft

drink similar in appearance to Coca-Cola (pp.4/31, 22/15). Two out of three of the general managers of the Appellant since its incorporation were persons who had previously been in the employ of the Respondent, and the third had formerly been employed by one of the Respondent's bottlers (pp. 22/4-23/4 ; 23/26-23/45). The Appellant marked this drink with the word "Pepsi-Cola" in the following form :



9. The word "Pepsi-Cola" had been registered on November 30, 1906, by "The Pepsi-Cola Company" of New Bern, North Carolina, "a corporation of the United States organized in accordance with the laws of the State of North Carolina" as a specific trade mark "to be applied to the sale of beverages and particularly to a non-alcoholic beverage." This registration was renewed on November 30, 1931, by whom it does not appear (Ex. A, pp. 222-224.).

10. Although it is admitted that the Appellant did not succeed to the business of any other company in Canada (p. 23/7) it produced to the Patent Office and caused to be recorded a purported assignment dated May 11th, 1936, made by a United States Company called "Pepsi-Cola Company" and described as "a corporation organized and existing under the laws of the State of Delaware and having its principal place of business at Long Island City in the State of New York (successor to the Pepsi-Cola Company of New Bern, in the State of North Carolina)" (Ex. B, pp. 225, 226). There is no other evidence of any assignment or successorship from the Pepsi-Cola Company of New Bern to the Pepsi-Cola Company of Long Island, or anything to suggest that either of these companies ever had any business in Canada.

11. The Respondent as the registered owner of the trade mark "Coca-Cola" brought this action to restrain the infringement of its trade mark by the Appellant.

12. At the trial the question of infringement or no infringement was left to be determined upon the visual and oral comparison of the two marks in the light of the surrounding circumstances, except that the Appellant introduced (subject to objection (p. 53/29)) a number of certificates of registration of Canadian trade marks containing in one form or another the word "Cola" or "Kola" (without giving any evidence as to the use of these marks) and called one witness who spoke as to the sale of the "Pepsi-Cola" drink in Canada and the United States and admitted that

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there had been some confusion between “Coca-Cola” and “Pepsi-Cola” in the latter country (pp. 47/48).

13. The learned trial Judge held that the Appellant’s use of the mark “Pepsi-Cola” constituted infringement of the Respondent’s rights, and gave Judgment accordingly.

PART II.

QUESTIONS FOR DECISION.

14. The principal question to be determined is whether there is such a resemblance between the mark used by the Appellant and the Respondent’s registered mark as that, in view of all the circumstances, confusion is likely to occur, or, putting it another way, whether the marks are “similar” in the statutory sense. The only other question is whether the Respondent’s trade mark registration is invalid upon the grounds upon which the Appellant has attacked it. 10

PART III.

ARGUMENT.

15. The Respondent’s contentions as to the matters which require to be considered in determining the principal question, and the conclusions to which the facts lead can best be expressed in the words used by the learned trial Judge in his Judgment. 20

16. After referring to the history of the use of the two marks in question and to the marks of the registration of which the Appellant produced certificates (the admissibility of which the Respondent denies), the learned trial Judge sets out the relevant provisions of the Unfair Competition Act, 1932, including the definition in Section 2 (k) of what constitutes similarity between marks, which is as follows (pp. 70/23-30) :

“ ‘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 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, for the conditions under which or the class of persons by whom they were produced, or for their place of origin.” 30

17. The considerations to which regard must be had in applying this provision are defined by the learned trial Judge as follows :

“ The question of infringement cannot fairly or properly be disposed of by taking the two marks in question, placing them

“side by side, and critically comparing them ; if that is done the marks may exhibit various differences, yet the main idea left in the mind by both may be the same ” (p. 90/1). . . .

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“ The proper course is to look at the marks as a whole and not to disregard the parts which are common. Any other rule would be of no practical use. Then regard must be had to the nature of the goods to which the marks are applied, the similarities in the goods regardless of their dress, the nature of the mark, the class of people likely to become purchasers, the appeal to the ear as well as to the eye, the probability of deceiving the unwary or uncritical purchaser, the opportunity afforded retailers and their employees to practice deception upon the unsuspecting customer, the liability to error and confusion in transmitting and receiving orders for the goods by telephone, the effect of the tendency to abbreviate trade marks which readily lend themselves to that practice, the fact that the first registered mark has been long and widely known, and any other special features associated with trade marks in conflict, illustrated in this case by the conspicuous scroll effect, or flourishes, in the formation of each mark.” (pp. 90/16-90/31).

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continued.

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18. In the course of his Judgment the learned trial Judge discusses at length a number of cases, remarking that they may be of assistance notwithstanding that

“ Probability of deception is, of course, a question of fact, and except so far as the decided cases lay down any general principle of comparison, they afford no assistance in the determination of new questions of fact raised upon other materials ” (p. 73/6).

19. The cases referred to by the learned trial Judge include the following which are here set out for convenience of reference :

30

Wheatley Akeroyd & Co., Ltd. (1920), 37 R.P.C. 137—application to register “ Vyno ” and “ Vino ” over “ Harvino ” (discussed at pp. 78, 79, 166) ;

Davis v. The Sussex Rubber Co., Ltd. (1927), 44 R.P.C. 412—*infringement* of “ Ustikon ” by “ Justickon ” (p. 77) ;

Re Magdalena Securities, Ltd. (1931), 48 R.P.C. 477—application to register “ Ucolite ” over “ Coalite ” (pp. 76-77) ;

Bale & Church, Ltd. v. Sutton (1934), 51 R.P.C. 129—*infringement* of “ Kleenoff ” by “ Kleenup ” (pp. 73-76) ;

40

Coca-Cola Co. v. The Koke Company of America (1916), 235 Fed. R. 408 ; (1919), 255 Fed. R. 894 ; (1920), 254 U.S. 143—*infringement* of “ Coca-Cola ” by “ Koke ” (pp. 79-81) ;

Coca-Cola Co. v. Chero-Cola Co. (1921), 273 Fed. R. 755—application to register “ Chero-Cola ” over “ Coca-Cola ” (pp. 80-81) ;

Coca-Cola Co. v. Old Dominion Beverage Corporation (1921)

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271 Fed. R. 600—infringement of “Coca-Cola” by “Taka-Cola” (pp. 81-83);

Coca-Cola Co. v. Duberstein (1918), 249 Fed. R. 763—infringement of “Coca-Cola” by “Coca and Cola” and “El-Cola” (p. 83);

Steinreich v. Coca-Cola Co. (1933), 67 Fed. (2d) 498—application to register “Vera Coca” over “Coca-Cola” (pp. 84-85);

Coca-Cola Co. v. Carlisle Bottling Works (1930), 43 Fed. (2d) 119—infringement of “Coca-Cola” by “Roxa-Cola” (pp. 85-86);

Coca-Cola Co. v. Loft Inc. (1933), 167 Atlantic R. 900—passing 10 off of “Pepsi-Cola” for “Coca-Cola” (pp. 86-89).

20. After referring to the United States cases and to cases in Canada which had not come to trial the learned trial Judge says :

“ In some of the United States cases to which I have referred the Courts have attributed the adoption and use of the infringing mark to the hope of obtaining some business advantage or advertising from the established position of Coca-Cola in the market at the expense of the producer of Coca-Cola. It puts a great strain upon one’s credulity to believe that the registration and use of so many of the marks mentioned, in the United States 20 and Canada, in respect of low priced beverages which so often look much alike, was not intended for that purpose. All this could hardly be accidental. I can hardly believe that the many persons adopting as a trade mark for beverages of the character in question a compound word or any two words comprising either the word ‘Coca’ or the word ‘Cola’ or variants of such words did not do so with the expectation of reaping some advantage from the wide acquaintance of consumers with Coca-Cola” (p. 90/35).

21. On the same subject the learned trial Judge says : 30

“ Mr. Herridge stated that in the City of Montreal and contiguous areas, the ‘Cola’ drinks, as he put it, that is beverages sold under some such name, were extremely popular and that the demand therefore was abnormal” (p. 91/8)

“ If ‘Cola’ drinks are well known or in unusual demand in the Montreal area, or elsewhere, I am inclined to think that it might more safely be said that this was due to the fact that a considerable section of the consuming public have come to associate ‘Cola drinks’ with the Plaintiff’s beverage” (p. 91/25)

“ If registrants and users of such marks desired the public to 40 clearly understand that their beverage was meritorious and of their own manufacture, why would they not adopt a wholly new and distinctive trade mark, one that was so entirely free from resemblance to the Plaintiff’s mark that no one would ever harbour the idea of infringement? Why should all these trade marked beverages follow in the wake of the entry of the Plaintiff’s beverage

“ on the market, and expand in numbers with the years ? To me,
 “ all this has a cumulative effect adverse to the Defendant’s
 “ contention, and lends weight to the contention that Pepsi-Cola,
 “ and other of such marks were registered and put into use in Canada
 “ for the purpose of obtaining some commercial advantage from the
 “ long acquaintance of the public with the Plaintiff’s beverage ”
 (p. 91/41).

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 Plaintiff—
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22. As to the danger of confusion the learned trial Judge says :

10 “ It seems to me that persons might very easily and readily
 “ be confused or mistaken in receiving an order for the beverage of
 “ either the Plaintiff or Defendant, if hurriedly or carelessly given
 “ or pronounced, particularly over the telephone ; and confusion
 “ might easily occur if the emphasis happened to be placed on the
 “ last part of the hyphenated word mark, and [in this particular
 “ case, I think there would be a tendency so to do. And further
 “ there would, I think, be a probability of confusion resulting from
 “ the probable tendency on the part of many persons to abbreviate
 “ one or other of the marks, or both marks, into ‘ Cola,’ which would
 “ render it easily possible for a person to be given a beverage he really
 20 “ had not in mind ” (p. 76/5).

23. In disposing of the Appellant’s contention that there could be no
 infringement because the Appellant’s drink was sold only in bottles of
 a different shape from that in which the Respondent’s drink was distributed,
 the learned trial Judge says :

30 “ The get-up or dress of the bottles or containers in which
 “ Coca-Cola or Pepsi-Cola is sold has, I think, nothing whatever to
 “ do with the case, and the same is not of importance, I think, in
 “ this action. In a passing-off action facts of that character might
 “ be of relevance and importance but they cannot be, I think, in an
 “ action for infringement of a word mark ” (p. 96/32).

24. The Appellant contended that the Respondent’s trade mark was
 invalid on three grounds, of which the first was that the Respondent had
 lost its exclusive rights by reason of its having permitted bottlers to dilute
 the syrup with carbonated water and to sell it as a drink in bottles bearing
 the mark which the Respondent supplied. On this point the learned trial
 Judge says :

40 “ Such beverages so bottled indicate to the public that the
 “ Plaintiff has assumed responsibility for their character or quality
 “ and they are known to the public as the Plaintiff’s beverage. This
 “ arrangement in the production of an article of this kind is virtually
 “ a production by the Plaintiff itself, and I do not think that this
 “ contention of the Defendant is one of substance ” (p. 92/29).

25. The second ground was that the mark was descriptive because the
 drink contained, as was alleged, a flavouring obtained from coca leaves or
 cola nuts. In this connection the learned trial Judge discusses the
 prohibition by Section 26 (c) of the Unfair Competition Act against the

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registration of word marks which are “ clearly descriptive or misdescriptive
“ of the character or quality of the wares,” and the Judgment in *Nashville
Syrup Co. v. Coca-Cola Co.*, 215 Fed. R. 527. On this point his conclusions
are thus expressed :

“ The Plaintiff’s syrup ‘ Coca-Cola ’ is made according to some
“ secret formula which was not disclosed. As used, the mark
“ indicates and has come to mean merely the name of the beverage
“ manufactured by the Plaintiff. It has no other name. As used,
“ I think it is but a coined word mark and is not ‘ clearly descriptive ’
“ of the character of the beverage. I should think that the words 10
“ comprising the Plaintiff’s mark were unknown in this country
“ at least as the name of a beverage before the Plaintiff’s predecessor
“ in business came to use the same for that purpose, and I doubt
“ if it would occur to anyone that the beverage was made from coca
“ leaves and the kola nut, both of which products would be unknown
“ to most people in Canada at the date of the adoption of the mark
“ as the name of a beverage ” (p. 93/15).

26. The third ground upon which the validity of the Respondent’s
registration was attacked was based upon the fact that, although the
Respondent Company took over the Canadian business in 1923, the 20
assignment of the registration was not made until 1930, and the Appellant
relied upon the provision of Section 42 (2) of the Statute that a registered
trade mark may not be assigned or transmitted “ except in connection and
“ concurrently with an assignment or transmission of the goodwill of the
“ business carried on in Canada in association with the wares.” On this
point the learned trial Judge refers to *In re Welcome’s Trade Mark* (1886),
32 Ch. D. 213, and says :

“ The Statute can hardly be construed to mean that where
“ a business is sold and transferred to another, and the sale expressly
“ or impliedly includes any trade marks registered and used in 30
“ association therewith, that an assignment of the mark in writing
“ must be made precisely contemporaneous with the sale and
“ transfer of the business itself, and must be contemporaneously
“ registered. I do not think Section 42 (2) means that ” (p. 97/37).

27. On this last point the learned trial Judge does not mention the
Respondent’s contention that having regard to the Pleadings this point was
not open to the Appellant.

28. On the principal question in issue the Respondent’s contention,
briefly stated, is that in view of all the circumstances, and particularly of
the inference to be drawn from all the evidence that during nearly forty 40
years the Respondent and its predecessors have been the only persons who
have succeeded in establishing a drink under any name of which “ Coca ”
or “ Cola ” have formed part, a competitor should not be permitted to take
advantage of the established reputation of the Respondent’s drink by
selling another under a mark which is such as to raise, on inspection or
vocalization, a prima facie probability of confusion, and that this is

especially so when, as here, there is no word of evidence to displace this probability but on the contrary much to confirm it.

In support of this contention the Respondent relies upon the decision of this Court in *Peggy Sage Co. v. Siegel Kahn* (1935), S.C.R. 539, in addition to the cases referred to by the learned trial Judge.

29. The Respondent submits that the Judgment of the learned trial Judge was right and that this Appeal should be dismissed with costs.

RUSSELL S. SMART,
A. W. LANGMUIR,
of Counsel.

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Supplementary Factum of the Defendant.

PRELIMINARY.

The Trade Mark and Design Act⁽¹⁾ and the Unfair Competition Act, 1932, are primarily registration statutes establishing a register for the registration of trade marks. These Acts deal comprehensively with the problems of trade mark registration, but only those provisions having any application to the issues in the present litigation will be discussed in detail in this Factum.

20 The principal issue in this Appeal is whether the Appellant has invaded any of the rights of the Respondent in its alleged trade mark "Coca-Cola" by the inclusion of the descriptive word "Cola" in its own registered trade mark "Pepsi-Cola."

The relevant section of the Trade Mark and Design Act relating to infringement is Section 19. The pertinent provisions of the Unfair Competition Act, 1932, are Sections 3 and 2 (k). The statutory test of infringement does not differ from that of the common law.

30 There is nothing in either Statute directly applicable to the Appellant's submission that the registration of the Respondent's trade mark even if valid, does not preclude the use of the descriptive word "Cola" as part of the Appellant's trade mark. This submission is based upon established rules of the common law, and is not affected in any way by the legislation now under consideration.

As a defence to the charge of infringement in the Respondent's Statement of Claim, and also by way of Counterclaim, the Appellant questioned the validity of the registrations of the Respondent's trade mark, contending that the words "Coca-Cola," being merely descriptive at the date of registration were improperly placed on the register. The pertinent provisions of the Statutes on the issue of registrability are Sections 5, 11 and

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13 of the Trade Mark and Design Act and Sections 2 (m), 14, 26, 28 and 29 of the Unfair Competition Act, 1932.

The Appellant's fourth submission in its Factum was that the Respondent had failed to prove its title to its mark and its competence to maintain the present action, and consequently should have been non-suited. The pertinent legislative provisions relating to this issue are Section 48 of the Trade Mark and Design Act and Sections 18 and 19 of the Unfair Competition Act, 1932.

There are no provisions in either Statute beating on the common law defences of laches and acquiescence which were interposed by the Appellant. 10

The Appellant's submission that the Respondent has forfeited its trade mark rights by licensing independent bottlers to use its trade mark is based upon the common law prohibition against assignments or licences in gross. The common law rule is unchanged by Section 15 of the Trade Mark and Design Act (1), and in effect is codified by Section 44 (2) of the Unfair Competition Act, 1932.

OUTLINE OF CANADIAN TRADE MARK LEGISLATION.

The Trade Mark and Design Act, being a registration Act, is concerned with the conditions under which trade marks may be registered and the procedure of such registration. It is not and does not purport to be a 20 codification of the substantive doctrines of the law of trade marks. It differentiates between general and specific trade marks in Sections 4 (a) and 4 (c), the former relating to trade marks used in connection with the sale of various articles handled in a business and the latter to trade marks used on a single article or a class of articles of a particular description. The general scheme of the Act is described and the provisions of the law concisely summarized in the opinion of the Chief Justice of Canada (then Mr. Justice Duff) in *Bayer Co., Ltd. v. American Druggists Syndicate* (2).

“ The Trade Marks Act provides for a register of trade marks.
“ Section 5 describes ‘ trade mark for the purposes of the Act, and 30
“ is in these words :—

“ ‘ 5. All marks, names, labels, brands, packages, or other
“ ‘ business devices, which are adopted for use by any person in
“ ‘ his trade, business, occupation or calling, for the purpose of
“ ‘ distinguishing any manufacture, product or article of any des-
“ ‘ cription manufactured, produced, compounded, packed or offered
“ ‘ for sale by him, applied in any manner whatever either to such
“ ‘ manufacture, product or article, or to any package, parcel, case,
“ ‘ box or other vessel or receptacle of any description whatsoever
“ ‘ containing the same, shall, for the purpose of this Act, be 40
“ ‘ considered and known as trade marks.’

“ The applicant for registration must declare that the trade

(1) See Idington, J., in *Bayer & Co. v. American Druggists Syndicate*, 1924, S.C.R. 558, at p. 565, dissenting on other grounds.

(2) 1924, S.C.R. 558, at p. 568.

10 “ mark ‘ was not in use to his knowledge by any other person than
 “ ‘ himself ’ at the time of his adoption of it. By Sec. 11, the Minister
 “ may refuse to register a trade mark on certain specified grounds,
 “ the only material ones being, first, if he is not satisfied that the
 “ Applicant is undoubtedly entitled to the exclusive use of such
 “ trade mark ; and, secondly, if the so-called trade mark does
 “ not contain the essentials necessary to constitute a ‘ trade mark
 “ ‘ properly speaking.’ By Sec. 13, the Applicant, on complying with
 “ the provisions of the Act, may ‘ have such trade mark registered
 “ ‘ for his own exclusive use.’ By the same section it is provided
 “ that upon registration the ‘ proprietor shall have the exclusive
 “ ‘ right to use the trade mark to designate articles manufactured
 “ ‘ or sold by him.’ By Sec. 17, a specific trade mark, when registered,
 “ is to endure for the term of twenty-five years, but is renewable
 “ from time to time for the like term. By Sec. 19, a right of action
 “ is given to the proprietor against any person who ‘ uses the
 “ ‘ registered trade mark of such proprietor ’ or who sells any article
 “ bearing the trade mark ; and by Sec. 20 it is provided that nobody
 20 “ shall institute any proceedings to prevent the infringement of any
 “ trade mark unless such trade mark is registered in pursuance
 “ of the Act.”

The Unfair Competition Act, 1932, is a more comprehensive enactment than the earlier Act. It differentiates between design marks and word marks in Sections 2 (c) and 2 (o). In the general definition Section 2 (m), a trade mark is defined as :

30 “ a symbol which has become adapted to distinguish particular
 “ wares falling within a general category from other wares falling
 “ within the same category, and is used by any person in association
 “ with wares entering into trade or commerce for the purpose of
 “ indicating to dealers in, and/or users of such wares that they
 “ have been manufactured, sold, leased or hired by him, . . . and
 “ includes any distinguishing guise capable of constituting a trade
 “ mark.”

It will be observed that the foregoing describes what has always been recognized to be the true function of a trade mark.

40 The generality of this declaration is qualified by certain specific prohibitions (Sections 13 and 14) and limitations on registrability, including the provisions of Section 26 (1) (c) that a word mark shall not be registrable if it is, “ to an English or French speaking person, clearly descriptive or misdescriptive of the character or quality of the wares in connection with which it is proposed to be used.”

Word marks which do not satisfy the ordinary requirements of registrability may, nevertheless, be registered under certain special and limited circumstances, as, for example, territorial marks or marks descriptive of the place of origin of wares (28 (1) (a)), associated marks (28 (1) (b)), and marks already registered in their country of origin (28 (1) (d)). In

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addition, under Section 29 (1) provision is made for the registration of marks which otherwise would not be registrable upon a declaration by the Exchequer Court that a secondary meaning has been proved to its satisfaction.

The first person to use in Canada a symbol constituting a trade mark withing the meaning of the Statute is entitled to the exclusive use of the trade mark if, at the time of the enactment of the Unfair Competition Act, the trade mark was recorded in the register maintained under the Trade Mark and Design Act, or if, within six months after the enactment of the new Act, or within six months after the date of his first use, he registers the trade mark under the Unfair Competition Act (4 (1)). The person who first uses a trade mark, however, may, notwithstanding his failure to register the same within the above specified six month periods, secure registration of his trade mark at any time, provided that the same or a similar mark has not been previously registered by another for use on the same or similar wares (4 (3)). The prior user of a trade mark which is not registered acquires no rights against the person who first registers the same or a similar trade mark (4 (2)). No suit may be maintained in any court to prevent the infringement of any trade mark unless it has been registered (4 (4)).

It is an actionable infringement for any person knowingly to adopt for use in Canada, in connection with any wares, any trade mark which is already in use in Canada by any other person and which has been registered pursuant to the provisions of this Act as a trade mark for the same or similar wares, or which is similar to any trade mark in use in Canada (Sections 3 (a) and 3 (c)). Although infringement is thus defined in terms of the "knowing" adoption of another's trade mark a presumption of knowledge will arise from the mere fact that the Defendant is using the identical or a similar trade mark as the first user (Section 10).

This presumption will be rebutted if it is established (a) that the Defendant has acquired the ownership of the trade mark in controversy (Section 10 (a)) or (b) that the Defendant at the time of adoption was in ignorance of the use of the same or of a similar unregistered trade mark and that he acted in good faith and believed himself to be entitled to adopt and use such trade mark (10 (b)), or (c) that the Defendant has used the trade mark in question during a period of five years immediately preceding the commencement of the proceedings (10 (c)). The presumption of knowledge is conclusive where the trade mark of the prior user has been registered (Section 18 (2).)

The result is that infringement in the case of a registered trade mark consists of the use of the same or a similar trade mark by another, regardless of whether such other had actual knowledge of the Plaintiff's prior use of the trade mark. Infringement, in the case of an unregistered trade mark, consists of the "knowing" adoption of the same or a similar trade mark by another, the burden of proving ignorance of the prior use and good faith, however, being upon the Defendant (Section 10).

The word "similar" used in Section 3, in defining infringement, is itself defined in Section 2 (k) as follows :

“ ‘ 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 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,
 “ for the conditions under which or the class of persons by whom
 “ they were produced, or for their place of origin ” ;

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10 The provisions of Section 3 are reinforced by the provisions of Section 5, which provides that no person without the authorization of the registered owner may sell, distribute or advertise in Canada wares in association with any trade mark adopted and registered pursuant to the provisions of this Act. Section 7 forbids the knowing adoption of another's trade name and Section 8 the continued use of such name.

A register of trade marks is maintained under the Act for the purpose of having recorded therein, the adoption, assignment, transmission, and disclaimer of any trade mark (Section 22 (1)). The particulars to be contained in the record of registration are specified in 22 (2). It
 20 is provided in Section 23 (1) that the register existing under the Trade Mark and Design Act shall form part of the register maintained pursuant to the new Act. All entries in such register are to be governed by the provisions of the new Act, but no entry shall be expunged, if it was properly made under the law in force at the time of registration, merely because it might not be properly registrable under the new Act. An illustration of the type of provisions of the new Act, governing entries made under the Trade Mark and Design Act, is to be found in Section 23 (5), which treats such entries as covering word marks or design marks in accordance with certain rules therein set forth.

30 There are numerous sections governing legal proceedings instituted under the provisions of the new Act. For example Section 18 (1) provides :
 “ In any action for the infringement of any trade mark, the
 “ production of a certified copy of the record of the registration of
 “ such trade mark made pursuant to the provisions of this Act shall
 “ be prima facie evidence of the facts set out in such record and that
 “ the person named therein is the registered owner of such mark
 “ for the purposes and within the territorial area therein defined.”

It will be observed that not every copy of a registration but only a certified copy of the record of registration made, “ pursuant to the
 40 provisions of this Act ” is accorded prima facie effect.

Under the provisions of Section 19, if it appears to the Court that a registered trade mark was not registrable by the person by whom the application for its registration was made, the owner thereof shall not be entitled to any relief, without other evidence of his rights than the mere certificate of registration.

The balance of the new Act is concerned with the conditions and

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procedure of registration and the jurisdiction of the Exchequer Court which need not be summarized here.

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The Unfair Competition Act, 1932, repeals all the provisions of the Trade Mark and Design Act relating to trade marks (Section 61 (2)). Applications for registration made within a month after the enactment of the new Act are to be deemed to have been made under the old Act (Section 61(1)). The validity of registrations made under the old Act is governed by the provisions of that Act. The validity of new registrations are controlled by the new Act. The procedural provisions of the new Act probably apply to all suits and proceedings instituted after its enactment whether relating to marks registered under the old or the new Acts. The substantive doctrines of the earlier Act, however, are to be applied in litigation involving marks registered thereunder.⁽¹⁾ 10

The Register under the old Act is carried over and made part of the Register established and maintained under the new Act (23 (1)). No registration under the old Act can be expunged merely for non-compliance with the requirements of the new Act (23 (1)). While the registrations under the earlier Act are subject to certain procedural provisions of the new Act, a mark invalid under the old Act continues invalid notwithstanding the fact that it may conceivably satisfy the requirements of the new Act. The Respondent is in error in construing Section 23 (1) as validating any registration under the old Act, which, though not complying with the provisions of the old Act, does fulfil the requirements of the new Act.⁽²⁾ The section does not so provide. The declaration in Section 23 (1) that the old entries "shall be governed by the provisions of this Act" refers to the various procedural provisions of the Act; it does not imply that a mark improperly registered under the old Act is validated by the mere incorporation of the old register into the register maintained under the new Act, provided such mark satisfies the substantive requirements of the later statute.⁽³⁾ Whether the *ex post facto* validation contended for by Respondent could lawfully be achieved is academic in this case. The ban on the registration of word marks which, at the time of application for registration, are clearly descriptive or misdescriptive of the character or quality of the goods in connection with which they are used is the same under both Acts.⁽⁴⁾ 20 30

THE INFRINGEMENT ISSUE.

As pointed out in the Appellant's principal Factum⁽⁵⁾, both the old and the new Acts adopt the common law test of infringement. Section 19 of

(1) *Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada, Ltd.*, 55 R.P.C. 125, 141-142.

(2) Respondent's Supplementary Factum, page 168, line 31.

(3) The Interpretation Act, R.S.C. 1927, Ch. 1, Section 19 (c).

(4) See pp. 112-3 *infra*.

(5) P. 115.

the Trade Mark and Design Act gives a right of action to the "proprietor of a trade mark against any person who uses the registered mark of such proprietor, or any fraudulent imitation thereof." Section 3 of the Unfair Competition Act, 1932, as stated above, prohibits the deliberate adoption of a trade mark which is the same as or similar to the trade mark of another. Two marks are deemed similar when their contemporaneous use is likely to cause confusion to dealers or users (Section 2 (k)). The Respondent, after quoting Section 2 (k) in its Supplementary Factum⁽¹⁾, states :

10 " This section is but a statement of the rule of the common law."

The Appellant in its principal Factum reviewed the common law authorities on the issue of infringement and sought to demonstrate that, no matter how tested, there is no likelihood of any confusion being caused by the contemporaneous use in Canada of the words "*Coca-Cola*" and "*Pepsi-Cola*," having regard to the descriptive nature of the word "*Cola*," and the right of the Defendant to use that word, as part of its trade mark, to describe one of the principal ingredients of its beverage.

In its Supplementary Factum⁽²⁾ the Respondent submits that it is "unsound in comparing marks to dismember and to compare their
20 "fragments." It argues that "the marks should be considered in their "entirety." With this statement the Appellant finds no fault; indeed, in its own Principal Factum⁽³⁾ it pointed out that one of the ways in which infringement is determined is by comparing the "*ensembles*." The Appellant respectfully submits that the learned trial Judge predicated his finding of infringement on the presence of the common word "*Cola*" in both marks rather than upon any comparison of the marks in their entireties and that it was this similarity of the fragments rather than any similarity of the marks as a whole that is at the basis of his finding of infringement. It is submitted that if the principle for which the Respondent thus contends
30 had been applied and due regard given to the descriptive nature of the word "*Cola*," the learned trial Judge would have found for the Appellant on the issue of infringement. The Respondent further contends⁽⁴⁾ that even if the word "*Cola*" is common to the trade, "there is no justification "for its use in a deceptive combination." With this statement of principle the Appellant again is in accord. There is no evidence in the Record, however, that the Appellant's combination is in any way deceptive. The Appellant asserts that a comparison of the two marks in their entireties discloses that they neither sound alike, look alike, nor do they convey any similar idea. Apart from their common element—the use of the descriptive
40 word "*Cola*"—they are totally dissimilar.

On this phase of the case, attention is directed to *Kirstein Sons & Co. v. Cohen Brothers, Ltd.*⁽⁵⁾, holding "*shur-on*" not infringed by "*sta-zon*," discussed at the oral argument.

⁽¹⁾ P. 170, l. 17.

⁽²⁾ P. 176, l. 31.

⁽³⁾ Pp. 116-7.

⁽⁴⁾ P. 176, l. 33.

⁽⁵⁾ 39 S.C.R. 286.

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VALIDITY OF THE COCA-COLA REGISTRATIONS.

The Appellant's submission is that the compound word "*Coca-Cola*" is clearly descriptive of a beverage having coca and cola as ingredients and that the word must be held to have been improperly registered. This submission is based upon Section 11 (e) of the old Act which provided that :

"The Minister may refuse to register any trade mark or union label if the so-called trade mark does not contain the essentials necessary to constitute a trade mark, properly speaking."

It is conceded that the precise meaning and effect of these words is not immediately apparent, but, as the Respondent has pointed out in its Supplementary Factum⁽¹⁾, a comparable section has been part of the statute law of this country for many years and has frequently been interpreted by the Courts. The Judicial Committee of the Privy Council has twice passed upon the meaning of the sub-section.⁽²⁾ 10

It is well established that words merely descriptive of the character or quality of the wares in association with which they were used were not entitled to registration under the old Act.

In *Standard Ideal Co. v. Standard Sanitary Manufacturing Co.*⁽³⁾, Lord Macnaghten said :

"The Act does not define or explain the essentials of a trade 20
mark, nor does it provide for taking off the register an alleged
trade mark which does not contain the requisite essentials. In
applying the Act the Courts in Canada appear to consider them-
selves bound or guided mainly by the English law of trade marks
and decisions of the Courts of the United Kingdom."

". . . Without attempting to define the essentials necessary to
constitute a trade mark properly speaking, it seems to their Lordships
perfectly clear that a common English word having reference to
the character and quality of the goods in connection with which
it is used and having no reference to anything else cannot be an 30
apt or appropriate instrument for distinguishing the goods of one
trader from those of another. Distinctiveness is the very essence
of a trade mark. The Plaintiff Company were therefore not entitled
to register the word '*standard*' as a trade mark. The result is in
accordance with the decision of the Supreme Court in *Partlo v.*
Todd⁽⁴⁾ that the word though registered is not a valid trade mark.
The action, so far as it is based on alleged infringement of trade
mark, must fail." (Italics ours.)

This decision was followed in *Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada, Ltd.*⁽⁵⁾ In that case Lord Russell of Killowen referred 40
to Section 11 of the old Act and said :

⁽¹⁾ Pp. 165-6, lines 42-45, and p. 166, lines 1-2.

⁽²⁾ *Standard Ideal Co. v. Standard Sanitary Manufacturing Co.*, 1911 A.C. 78, and *Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada, Ltd.*, 55 R.P.C. 125.

⁽³⁾ 1911 A.C. 78 at p. 84.

⁽⁴⁾ 17 S.C.R. 196.

⁽⁵⁾ 55 R.P.C. 125, at p. 142;

“ The effect of this provision is that a word is not registrable under the Act as a trade mark which is merely descriptive of the character and quality of the goods in connection with which it is used. *Standard Ideal Co. v. Standard Sanitary Manufacturing Co.*, L.R. 1911 A.C. 78, and *Channell v. Rombough*, 1924 S.C.R. 600.”

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The Supreme Court of Canada has repeatedly affirmed that a descriptive word may not be registered as a trade mark.

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In *Lightning Fastener Co., Ltd. v. Canadian Goodrich Co., Ltd.*(¹) Rinfret, J., said :

10 “ The proposition that words merely descriptive are not regis-
trable is not disputed. It should, of course, be qualified by adding
“ that even a descriptive word may be registered if, through long,
“ continued and extensive use, it has acquired a secondary meaning
“ and become adapted to distinguish the goods of the Applicant
“ (Rule X of the Patent and Copyright Office).”

In *Bayer Co. v. American Druggists Syndicate*(²), the Chief Justice of Canada (then Mr. Justice Duff), at page 569, said :

20 “ And it was not disputed on argument that the trial Judge was
“ entirely right in assuming that words merely descriptive at the
“ time of the application could not properly be registered as a trade
“ mark.”

The use by the Judicial Committee of the Privy Council and the Canadian Courts of the phrase “ merely descriptive ” may require some comment. It is conceded, of course, that a descriptive word may possibly acquire a secondary meaning and come to mean or indicate that goods in connection with which it is used are the goods of a particular manufacturer.(³) If it does so it is no longer merely descriptive.

A decision of the Supreme Court expresses the law relating to descriptive words under the old Act in very comprehensive terms. In *Kirstein Sons & Co. v. Cohen Brothers*(⁴), Davies, J., speaking of the Plaintiff’s registration, said :

“ He could not pre-empt nor claim the exclusive use of the idea
“ descriptive of some merit in the article. The very fact of it
“ being descriptive and not inventive would be fatal to its validity
“ as a trade mark.”

Other decisions of Canadian Courts holding that merely descriptive words were not entitled to registration under the provisions of the old Act are cited in the footnote.(⁵)

40 Section 13 discloses another reason why descriptive words were not
registrable under the old Act. It provides :

(¹) 1932 X.C.R. 189, at p. 197.

(²) 1924 S.C.R. 558.

(³) *Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada, Ltd.*, 55 R.P.C. 125, at p. 142.

(⁴) 39 S.C.R. 285.

(⁵) *Rex v. Cruttenden*, 10 O.L.R. 80; *Brooker v. Collins*, 1932 O.R. 189; *Kops Brothers v. The Dominion Corset Co.* 1913, 15 Ex. C.R. 18; *Windsor Limited v. Maritime Fish Corporation, Ltd.*, 1926 Ex. C.R. 31; *Gillett v. Lumsden Brothers*, 1902, 4 O.L.R. 300; *Bowker Fertilizer Co. v. Gunns, Ltd.*, 1916, 16 Ex. C.R. 250.

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“ . . . The proprietor of a trade mark may . . . have such
“ trade mark registered for his own exclusive use.”

The section which corresponds with this in the Act of 1879 and other related sections were interpreted by the Supreme Court in *Partlo v. Todd*⁽¹⁾ and it was held that registration could only be effected by one who was the proprietor independently of registration, *i.e.*, by one who was the proprietor of a good common law trade mark.

“ Construing now the Dominion Statute, 42 Vic. c. 22, by the
“ right of the principles established by these decisions, we find
“ by the first section that the register authorized to be kept is of 10
“ ‘ trade marks ’ only ; and that it is only a proprietor of a ‘ trade
“ ‘ mark ’ who is authorized to have his trade mark registered. That
“ section provides the proceedings to be adopted by ‘ the proprietor
“ ‘ of a trade mark ’ to have it registered.

“ By the 7th Section the Minister of Agriculture is authorized
“ only to register the trade mark of a proprietor thereof and by the
“ 8th Section it is enacted that for the purposes of the Act ‘ all marks,
“ ‘ names, brands, labels, packages or other business devices which
“ ‘ may be adopted for use by any person in his trade for the purpose
“ ‘ of distinguishing any manufacture, product or article by him 20
“ ‘ manufactured, etc., etc., shall be considered and known as trade
“ ‘ marks and may be registered for the exclusive use of the party
“ ‘ registering the same in the manner herein provided.’

“ Then by the 17th Section it is the ‘ proprietor of a trade
“ ‘ mark ’ who is given an action against any person using his
“ registered trade mark, or any fraudulent imitation thereof, and by
“ the 4th Section it is enacted that :

“ No person shall be entitled to institute any proceeding to
“ prevent the infringement of any ‘ trade mark ’ until and unless
“ such ‘ trade mark ’ is registered in pursuance of this Act. 30

“ We see, therefore, that the Statute expresses, sufficiently
“ clearly as I think, that the only action which the Statute authorizes
“ to be brought as for an infringement of a trade mark is one which
“ must be brought by the ‘ proprietor of a trade mark ’ who has
“ registered under the provisions of the Statute the ‘ trade mark ’
“ of which independently of registration he was the ‘ proprietor,’
“ and that no name, brand, etc., etc., which may not be adopted by
“ a trader for the purpose of distinguishing his goods from the goods
“ of a rival trader, shall be considered to be a trade mark or
“ capable of being registered for the exclusive use of the party 40
“ registering.

“ Now, as the words ‘ Gold leaf ’ stamped on flour was a brand
“ in common use in the trade for the purpose of designating the
“ quality merely of the flour, and the process by which it was manu-
“ factured, namely, by ‘ roller mill process ’ or ‘ patent process,’

(1) 17 S.C.R. 196, at pp. 221-222 and 223.

“and not at all for the purpose of distinguishing the manufacture
 “of the Plaintiff, or of any miller in particular from the manufacture
 “of any other, that word could not have been adopted by the
 “Plaintiff as his special property or trade mark; and it was not a
 “trade mark within the meaning of the Statute, and could not be
 “registered for the exclusive use of the person registering. Registra-
 “tion therefore of such word could not vest in the Plaintiff a right
 “to the exclusive use of it as if it were a trade mark. The Plaintiff’s
 “contention, that by registering the word he could take it out of its
 “common use and make it his own special property (to use the
 “language of Sir George Jessel *In re Hyde’s trade mark*, 17 Ch. D. 726,
 “applied to somewhat similar facts), is not the law.”

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The ban on the registration of word marks which, at the time of
 application for registration, are clearly descriptive or misdescriptive of
 the character or quality of the goods in connection with which they are used,
 is retained in The Unfair Competition Act. Section 26 (1) (c) of the Act
 prohibits registration of a word mark

“clearly descriptive or misdescriptive of the character or
 “quality of the wares in connection with which it is proposed to be
 “used.”⁽¹⁾

The possibility of registering merely descriptive words for use in
 association with wares not actually possessing the character or qualities
 which the words describe was discussed at the hearing before the Supreme
 Court.

The Appellant submitted that merely descriptive words were not
 entitled to registration under the old Act and that it was immaterial whether
 the wares in association with which they were used did possess or did not
 possess the characters or qualities which the words described. If they did
 possess such characters or qualities, the words were used descriptively.
 If they did not possess such characters or qualities, the words were used
 misdescriptively and were equally objectionable.

In *H. N. Brock & Co.’s Application*⁽²⁾ Lord Justice Fletcher Moulton
 said:

“This case presents no difficulty. It is in substance a case of
 “registration of the words ‘All wool,’ grotesquely misspelt, as a trade
 “mark for textile fabrics. . . . If the goods are wholly made
 “of wool, the words are the natural and almost necessary description
 “of them. If they are not wholly made of wool, it is a misdescription
 “which is so certain to deceive that its use can hardly be otherwise
 “than fraudulent. In either case the words are utterly unfit for
 “registration as a trade mark.”

When a registration is attacked and it is asserted that the words
 covered by it were merely descriptive at the date of registration, the onus

⁽¹⁾ See *Sherwin Williams Co. of Canada, Ltd. v. Commissioner of Patents*, 1937, Ex. C.R. 205.

⁽²⁾ 1910, 1 Ch. 130, at 150.

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is on the party attacking the registration to show that the assertion is true.⁽¹⁾ In the Appellant's submission, this onus is satisfied by showing that the words were ordinary dictionary words at the date of registration and had a direct reference to the character or quality of the wares in association with which they were used. Then a new onus springs up on the party defending the registration to show that at the date of registration the words had acquired a secondary meaning and had come to indicate that the wares in association with which they were used were its wares. This latter onus is a heavy one⁽²⁾ and if it is not satisfied the registration is held

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The Respondent does not accept this statement of the law. It contends⁽³⁾ that the onus upon one attacking the validity of a registration is to show that the mark is not only descriptive but that it is not distinctive. In view of the fact that a descriptive word is never inherently distinctive and acquires distinctiveness through use, the suggestion that the onus is upon the Defendant to show lack of distinctiveness is tantamount to saying that the Defendant must prove that the Plaintiff's mark has not acquired a secondary meaning. The *Shredded Wheat* case clearly holds to the contrary, and expressly states that the onus of proving secondary meaning either at the time of registration or thereafter is upon the Plaintiff.⁽⁴⁾

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The suggestion that in the *Aspirin* case⁽⁵⁾ this Court held that one who had established by proof that a trade mark was descriptive had the additional burden of showing that the word had not become distinctive by the acquisition of a secondary meaning, is unfounded. All that the *Aspirin* case holds is that one challenging the validity of a registration must prove that the word was descriptive at the time of registration.

THE IMPERIAL TRADE MARK ACTS.

Reference to the Imperial Trade Mark Acts both at the hearing before the Supreme Court and in the Supplementary Factum makes a brief consideration of their relevant sections advisable.

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Descriptiveness was fatal to the validity of a trade mark at common law.⁽⁶⁾ A descriptive term adopted by a tradesman to distinguish as well as to describe his product was accorded judicial protection against passing-off only after a secondary meaning was acquired.⁽⁷⁾

Descriptiveness was equally fatal to registrability under all the English registration Acts prior to the Act of 1905. Under the first Trade Mark Act, the Act of 1875⁽⁸⁾ no word marks were registrable except so-called "old marks," which were defined as "any special and distinctive word or words.

(1) *Bayer Co. v. American Druggists Syndicate*, 1924 S.C.R. 558.

(2) *Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada, Ltd.*, 55 R.P.C. 125, at p. 142.

(3) Respondent's Supplementary Factum, pp. 173-176.

(4) *Canadian Shredded Wheat Co. v. Kellogg Co.*, 55 R.P.C. 125; see also *Partlo v. Todd*, 1888. 17 S.C.R. 196.

(5) *Bayer Co. v. American Druggists*, (1924) S.C.R. 558, at page 570.

(6) *Young v. Macrae* (1862), 9 Jur. N.S. 322.

(7) *Reddaway v. Banham* (1896) A.C. 199; *Cellular Clothing Co. v. Maxton & Murray* (1899) A.C. 326.

(8) 38 & 39 Vict., c. 91.

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... used as a trade mark before the passing of this Act.”⁽¹⁾ Only marks valid at common law were held registrable under this provision⁽²⁾ and as a consequence words merely descriptive of the character, quality or size of a product were incapable of registration.⁽³⁾

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The Act of 1883⁽⁴⁾ permitted registration of “fancy word or words not in common use” (Section 64 (1)). The standards of registrability were re-phrased by the amendment of 1888 in accordance with the recommendations of Lord Herschell’s Committee.⁽⁵⁾ Two new clauses were substituted for the “fancy word” phrase, reading as follows :

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- “ (d) An invented word or invented words ; or
- “ (e) A word or words having no reference to the character or quality of the goods, and not being a geographical name.”

Descriptive words were denied registration under the original and the amended Act.⁽⁶⁾ There is the clearest intention to continue the disability attached to descriptive terms expressed in the report of Lord Herschell’s Committee, in which the purposes of the 1888 changes are fully explained.⁽⁷⁾

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English trade mark law was completely revised by the Act of 1905.⁽⁸⁾ Section 9 re-enacted Section 64 (d) of the previous Act without change (9 (3)), and Section 64 (e) with several changes, the only relevant one for present purposes being the insertion of the word “direct,” the new provision reading: “a word or words having no *direct* reference to the character or quality of the goods” (9 (4)). This insertion did not affect the unregistrability of descriptive word marks.⁽⁹⁾

The most significant change in the essentials of a registrable mark was effected by Section 9 (5). It permits the registration of words otherwise incapable of registration, which through use have become distinctive. This section reads as follows :

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- “ (5) Any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the above paragraphs (1), (2), (3) and (4), shall not, except by order of the Board of Trade or the Court, be deemed a distinctive mark.

* * * *

⁽¹⁾ Similar provisions are found in both the Act of 1883 (Sec. 64) and the Act of 1905 (Sec. 9), but were eliminated in the recent codification of 1938 (Bray & Underhay, Trade Marks Act, 1938, p. 13).

⁽²⁾ Kekewich, J., in *Re Hopkinson’s Trade Mark* (1892) 2 Ch. D. 116 at 121 ; Kerly, p. 38.

⁽³⁾ *Re Perry Davis’ Trade Mark*, 5 R.P.C. 333 ; *Wood v. Lambert* (1886) 32 Ch. D. 247.

⁽⁴⁾ 46 & 47 Vict., c. 57.

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⁽⁵⁾ This Committee was appointed in 1885 by the Board of Trade to report on trade mark law. It issued two reports, an Interim Report to be found in Great Britain Parliamentary Papers, Accounts and Papers, 1887, Vol. 66 ; and a Final Report to be found in Great Britain Parliamentary Papers, Accounts and Papers, 1888, Vol. 81. The recommendations here referred to are contained in par. (2) of the Interim Report.

⁽⁶⁾ *Van Duzer’s and Leaf’s Trade Marks* (1887), 34 Ch. D. 623 ; Chitty, J., in *Barlow & Jones v. Jabez Johnson & Co.*, 7 R.P.C. 395, at p. 401, line 57 ; Kerly, pp. 8, 171.

⁽⁷⁾ Final Report, p. XI. The reports may be referred to on the construction of the Act of 1888 (*Eastman Photographic Material Co.’s Applic.* (1898) A.C. 571.)

⁽⁸⁾ 5 Edw. VII, c. 15.

⁽⁹⁾ *The Orwoola case, H. N. Brock & Co.’s Application.*

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“ For the purposes of this section ‘ distinctive ’ shall mean
“ adapted to distinguish the goods of the proprietor of the trade mark
“ from those of other persons.

“ In determining whether a trade mark is so adapted, the
“ tribunal may, in the case of a trade mark in actual use, take into
“ consideration the extent to which such user has rendered such trade
“ mark in fact distinctive for the goods with respect to which it is
“ registered or proposed to be registered.”

The purpose and effect of Section 9 (5) was authoritatively explained
by Lord Fletcher Moulton in the *Perfection case*(¹) at p. 144 :

“ Under previous Acts registrability, if granted at all, was
“ confined to certain classes of words, and no word outside those
“ specified classes could obtain registration as a trade mark. The
“ questions which, under those Acts came before the Courts for
“ decision were purely legal questions as to whether the particular
“ words came within the classes thus privileged. But under the
“ present Act (though it retains these privileged classes in a somewhat
“ extended form) the fact that a word is not within any of these
“ privileged classes is not decisive as to its registrability. If the
“ permission of the Board of Trade, or the Court, can be obtained, 20
“ words become capable of registration as trade marks which do not
“ belong to these classes.

“ . . . It often occurs in trade that by continued use words
“ get recognized as denoting the goods of a particular firm. These
“ words may in themselves be unsuitable to be chosen as trade
“ marks, but they have in fact become so. . . . Apart from the
“ Trade Marks Acts there would be nothing to prevent such words
“ becoming trade marks in the eye of the law, and it was an obvious
“ defect in the earlier legislation that it failed to give the benefits
“ of registration to such marks when they had become duly established. 30
“ The present Act seeks to remedy these defects by abandoning
“ the policy of absolute exclusion of all the members of specified
“ classes of words and substituting therefore a judicial examination
“ of the merits of each individual case, and leaving the Court free
“ to pronounce the word or words to be eligible for registration if
“ on such an examination it holds it proper to do so.”

Continuing his exposition, the learned Lord Justice explained that there
is no “ natural or necessary incompatibility between distinctiveness and
descriptiveness.” Whether a word is or is not capable of becoming distinc-
tive is a question of fact. A word though originally descriptive and 40
therefore non-distinctive may acquire distinctiveness, and when it is
distinctive in fact it may be registered.(²)

The rights accorded marks registered under Section 9 (5) were expressly

(¹) *Crosfield & Sons, Ltd.'s Application* (1910) 1 Ch. 118.

(²) See p. 146 of the *Judgment*.

limited by Section 44, which protected the rights of other traders to bona fide use ordinary descriptive words of the language.⁽¹⁾ Section 44 thus qualified the exclusive rights accorded a registrant by Section 39.⁽²⁾

- The 1905 Act was amended in 1919.⁽³⁾ In place of the certification of distinctiveness by the Board of Trade or by the Court as required by Section 9 (5), there was substituted a requirement that evidence of distinctiveness be furnished to the Registrar by the applicant for registration (Section 7). The principal change effected by the amendment was the division of the Trade Mark Register into two parts—Part A and Part B.
- 10 Registrations made pursuant to the provisions of Section 9 were placed in Part A. In Part B might be entered any mark which for a period of not less than two years had been in bona fide use as a trade mark in the United Kingdom and which was “capable of distinguishing the goods of the applicant” (Sections 1-3). Thus, descriptive words which have been in use for the statutory period and which are capable of distinguishing the product may be registered in Part B without the evidence of acquired distinctiveness required under Section 9 (5).⁽⁴⁾ The difference between “adapted to distinguish” as used in Section 9 (5) of the 1905 Act and “capable of distinguishing” as used in the Act of 1919, has been considered by the
- 20 Courts in several cases. The expression “capable of distinguishing” seems to be of somewhat wider import than “adapted to distinguish” and may include marks which have not become, at the date of application, but which, if used long enough, may thereafter become distinctive of the goods of the proprietor.⁽⁵⁾ However, registration in Part B confers less extensive rights than registration in Part A.^(6 and 7)

- From this review it will be apparent that, with the exception of registration in Part B, under the provisions of the 1919 amendment, the acquisition of distinctiveness has always been a condition precedent to the protection of descriptive words at common law and to their registrability
- 30 under the Trade Mark Acts. Distinctiveness is an acquired and not an inherent characteristic of descriptive words.

- Registration in Canada under the provisions of the Trade Mark and Design Act or the Unfair Competition Act is clearly not comparable to registration in England in Part B under the provisions of the 1919 amendment. As has been pointed out, the right to such latter registration depends upon not less than two years prior and bona fide use as a trade mark in the United Kingdom. The amendment of 1919 revolutionized the right to registration under the Imperial Act, but no similar amendment was made
- 40 in the Trade Mark and Design Act with the result that it continued to be governed by the same principles as formerly. The provisions of

(1) Sebastian, 5th Ed. p. 60.

(2) Kerly, p. 445.

(3) 9 and 10, Geo. V, c. 79.

(4) *Davis v. Sussex Rubber Co.*, 44 R.P.C. 412.

(5) *Davis v. Sussex Rubber Co.*, 44 R.P.C. 412; *Liverpool Electric Cable Co.'s Application*, 46 R.P.C. 99.

(6) Kerly, p. 12.

(7) The English trade mark legislation was again comprehensively revised in 1937 (1 Ed. VIII and I Geo. VI, c. 49); and consolidated in 1938 (1 & 2 Geo. VI, c. 22) and the conditions of registrability were further liberalized.

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Sections 2 (m) and 26 of the Unfair Competition Act rule out any possibility of successfully contending that registration under that Act is comparable to registration in England under Part B. It will be observed in particular that under the provisions of Section 2 (m) a symbol is not a trade mark until it *has become* adapted to distinguish.

The English authorities relied upon by the Respondent in its Supplementary Factum, in support of its contention that there is no antithesis between descriptiveness and distinctiveness, are cases involving acquired common law secondary meaning⁽¹⁾; or registration under Section 9 (5) on proof of acquired distinctiveness⁽²⁾; or registration under Part B⁽³⁾. None 10 of these cases supports the Respondent's submission that a word or words inherently descriptive may be held distinctive without definite evidence showing the acquisition of distinctiveness.

The Canadian trade mark legislation, as we have already shown, did not change the common law rule concerning the invalidity of descriptive word marks. Both the Trade Mark and Design Act and the Unfair Competition Act, 1932, however, permit the registration of marks which do not otherwise satisfy the conditions of registrability, but which have acquired distinctiveness through use. Thus, Rule X of the Trade Mark Rules, promulgated under the Trade Mark and Design Act in 1919, reads as 20 follows :

“ A trade mark consisting either of a surname, geographical
“ name or adjective, or a word having a direct reference to the
“ character or quality of the goods in connection with which it is
“ used, may be registered as a specific trade mark upon the filing
“ of the prescribed application and payment of the prescribed fee,
“ and upon furnishing the Commissioner with satisfactory evidence,
“ either by statutory declaration or by affidavit, that the mark in
“ question has, through long continued and extensive use thereof
“ in Canada acquired a secondary meaning, and become adapted to 30
“ distinguish the goods of the applicant.”

Section 29 (1) of the Unfair Competition Act, 1932, reads as follows :

“ Notwithstanding that a trade mark is not registrable under
“ any other provision of this Act it may be registered if, in any
“ action or proceeding in the Exchequer Court of Canada, the
“ Court by its Judgment declares that it has been proved to its
“ satisfaction that the 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 40
“ character or quality, for the conditions under which or the class

(1) *Burberrys v. J. C. Cording & Co.*, 26 R.P.C. 693, holding that the descriptive term “*Slip-on*” had not acquired a secondary meaning.

(2) *Re Application of J. & P. Coats*, 53 R.P.C. 355; *Orlwoola and Perfection* cases (1910) 1 Ch. 118; cf. *Burberrys v. J. C. Cording & Co.* (supra).

(3) *Davis v. Sussex Rubber Co.*, 44 R.P.C. 412; *Bale & Church v. Sutton, Parsons & Sutton*, 51 R.P.C. 129.

“ of person by whom they have been produced or for their place of origin.”

The Respondent has not taken advantage of either of these provisions. No evidence was offered by the Respondent at the trial to show that its mark had acquired distinctiveness prior to the dates of registration. Nor did the Respondent offer evidence establishing secondary meaning acquired after registration.

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In its Supplementary Factum⁽¹⁾ the Respondent refers to its common law rights in the alleged trade mark “Coca-Cola” and asserts rights in the trade mark apart from registration. The Respondent did not assert any such rights either in its Pleadings or in oral argument before the Exchequer Court or the Supreme Court and relied exclusively upon its Certificates of Registration. In point of fact, in the Exchequer Court, Counsel for the Respondent specifically characterized the suit as “an action for infringement.”⁽²⁾ Under the provisions of Section 4 (4) of the Unfair Competition Act no action for infringement of a trade mark can be maintained without registration. Consequently, if the Respondent’s registrations are invalid it must fail.

SECTIONS 18 AND 19 OF THE UNFAIR COMPETITION ACT, 1932.

Section 18 of the Unfair Competition Act, 1932, reads as follows :

(1) “ In any action for the infringement of any trade mark, “ the production of a certified copy of the record of the registration “ of such trade mark made pursuant to the provisions of this Act “ shall be prima facie evidence of the facts set out in such record “ and that the person named therein is the registered owner of such “ mark for the purposes and within the territorial area therein “ defined.

(2) “ Such a certified copy shall also, subject only to proof “ of clerical error therein, be conclusive evidence that, at the date “ of the registration, the trade mark therein mentioned was in use “ in Canada or in the territorial area therein defined for the purpose “ therein set out, in such manner that no person could thereafter “ adopt the same or a similar trade mark for the same or similar “ goods in ignorance of the use of the registered mark by the owner “ thereof for the said purpose in Canada or in the defined territorial “ area within Canada.”

On pages 128 and 129 of its Principal Factum, the Appellant set forth four reasons why, in its submission, the Respondent cannot avail itself of the benefits of this section.

The scope of the section is limited by clear words to the record of registration of a trade mark “ made pursuant to the provisions of this Act” and, as it is admitted that the Respondent’s registrations were both made

⁽¹⁾ P. 164, line 34, p. 165, line 21, and p. 179, line 41.

⁽²⁾ Case p. 20, lines 20-22 and p. 20, line 30.

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pursuant to the provisions of the Trade Mark and Design Act, the Appellant submits that the matter is disposed of on this ground alone.

A comparison of the form of the record of registration set forth in the forms and rules promulgated under the Unfair Competition Act with the certificates of registration offered in evidence discloses a considerable difference.

Why the legislature should have limited the application of Section 18 and other sections of the Unfair Competition Act to trade marks registered thereunder is not disclosed by the legislature itself and, to a certain extent, must be a matter of conjecture. 10

Even if the benefits of Section 18 (1) were available to the Respondent, there are other deficiencies in its title.⁽¹⁾

In the Appellant's submission, any presumption which the Respondent may have had has been fully rebutted. That this is so is further apparent from a consideration of Section 19 of the Unfair Competition Act which reads as follows :

“ If it appears to the Court that a registered trade mark was
“ not registrable by the person by whom the application for its
“ registration was made, the owner thereof shall not be entitled
“ to any remedy or relief in an action for the alleged infringement 20
“ of such mark without other evidence of his rights than the mere
“ production of a certified copy of the record of the registration.”

It must be conceded that the wording of this section is cumbrous, but, it is submitted, the meaning is clear. If it appears to the Court that a trade mark was improperly registered, the owner cannot make out a case by the mere introduction of a record of registration. To be entitled to relief he must offer additional evidence, as, for example, evidence of secondary meaning.

The key to Section 19 is the word “ registrable.” The meaning of this word becomes apparent by examining Section 26 of the Unfair Competition 30 Act, 1932, which is entitled “ Registrable Trade Marks ” and enumerates some of the essentials of a registrable trade mark. The Appellant submits that if it appears to the Court that a mark was not registrable having regard to the provisions of Sections 5 and 11 of the Trade Mark and Design Act or Sections 2 (m) and 26 of the Unfair Competition Act, 1932, then the owner of the registration is not entitled to any remedy or relief without other evidence than the production of a certified copy of the record of registration.

The Respondent in its Supplementary Factum⁽²⁾ contends for a different interpretation of Section 19. It argues that the section relates only to a 40 case where the Defendant is the prior user of the registered trade mark, and satisfies the Court that on this ground the trade mark was not registrable by the person by whom the application for registration was made. But this interpretation would not give any intelligent meaning to Section 19.

⁽¹⁾ See Appellant's Principal Factum, pp. 128-129.

⁽²⁾ P. 173, line 27.

If the Defendant and not the Plaintiff was entitled to make the registration, then no possible evidence could be forthcoming to entitle the Plaintiff to relief. That the Respondent's interpretation of the section is unsound becomes clearer when it is realized that it contemplates proof by the Defendant of priority of use, whereas the section by its very terms applies wherever it appears to the Court that the registered trade mark was not registrable.

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The Appellant submits that Section 19 was designed to govern a case such as that now on Appeal. At the trial the Respondent produced its certificates of registration and relied upon them. From examination of
10 the certificates of registration it appears to the Court that the alleged trade mark is descriptive and so unregistrable. Under these circumstances, the Respondent having failed to offer other evidence of his rights is not entitled to any relief.

SECTIONS 3, 4 AND 5 OF THE UNFAIR COMPETITION ACT.

At various points in its Supplementary Factum the Respondent refers to Sections 3, 4 and 5 of the Unfair Competition Act, 1932, as though each one of these sections by itself sustains the Respondent's right to relief.⁽¹⁾

Section 3 is the general infringement section discussed above on pages
20 6 and 7. In order for the Respondent to avail itself of this section it was necessary for it to prove such confusing similarity between the words "Pepsi-Cola" and the words "Coca-Cola" as would constitute infringement. The Appellant has already submitted in its principal Factum that no such showing has been or could be made in view of the fact that the two sets of words are entirely dissimilar.

The Respondent relies on the provisions of Section 4 (1) of the Unfair Competition Act, 1932⁽²⁾ which reads as follows :

30 " The person who, in association with wares, first uses or makes
" known in Canada, as provided in the last preceding section, a
" trade mark or a distinguishing guise capable of constituting a
" trade mark, shall be entitled to the exclusive use in Canada of
" such trade mark or distinguishing guise in association with such
" wares, provided that such trade mark is recorded in the register
" existing under the Trade Mark and Design Act at the date of the
" coming into force of this Act, or provided that in compliance
" with the provisions of this Act he makes application for the regis-
" tration of such trade mark within six months of the date on which
" this Act comes into force, or of the date of his first use thereof
" in Canada, or of the date upon which the trade mark or distinguish-
" ing guise was first made known in Canada, as provided in the last
40 " preceding section, and thereafter obtains and maintains registration
" thereof under the provisions of this Act."

Before a party is entitled to rely on the provision of Section 4 (1), the affirmative of three conditions precedent must be established :

(1) Page 166, lines 22, 23, 25, and 29; page 170, par. 18; page 171, par. 22, and page 180, line 26.

(2) Respondent's Supplementary Factum, pages 171-172.

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- (1) Ownership of a valid trade mark.
- (2) Registration of the trade mark.
- (3) First user of the trade mark in Canada.

Satisfaction of these conditions gives rise to exclusive rights in the mark. An invasion of such exclusive rights is only shown by proof of actionable infringement. As has been pointed out, the Respondent's trade mark, being descriptive, is not a valid trade mark and its registration was improper. Consequently the Respondent has failed to establish the affirmative of the first and second conditions precedent. The defence of invalidity set up in the Appellant's Statement of Defence is not met by proof that the Respondent's trade mark has been registered.⁽¹⁾ 10

The Respondent contends⁽²⁾ that the requirement of first use in Section 4(1) is satisfied by evidence establishing actual first use as between the parties involved in the litigation. That this is not so clearly appears from the section itself.

The Respondent contends that it is not bound to establish a negative⁽³⁾ and cites *In re Leonard and Ellis Trade Mark*⁽⁴⁾ and *Benjamin Edington, Ltd. v. John Edington & Co.*⁽⁵⁾ in support. However, a trader that claims to rely on the provisions of Section 4(1) is not called upon to establish a negative but is called upon to establish the affirmative of the conditions precedent to such reliance. A passage in *Halsbury's Law of England*, approved of in *Smith v. Nevins*⁽⁶⁾ expresses the rule exactly: 20

“In legal proceedings the general rule is that he who asserts
“must prove—a proposition sometimes more technically expressed
“by saying that the burden of proof rests upon the party who
“substantially asserts the affirmative of the issue.”

The Respondent is not assisted on either the issue of infringement or the issue of validity by the provisions of Section 4(1).

Section 5 prohibits the sale, distribution or advertisement of any wares bearing a trade mark registered pursuant to the provisions of this Act. The Defendant is not using the identical trade mark of the Plaintiff. Section 5 could only have application, if at all, in the present case on a showing of infringement. 30

THE RESPONDENT'S SECOND REGISTRATION.

In answer to the Appellant's contention that the Respondent's second registration is invalid since the Canadian Trade Mark Acts do not permit multiple registrations of the same mark⁽⁷⁾, the Respondent now argues that “the second registration was merely superfluous.”⁽⁸⁾ It also cites an English

⁽¹⁾ *Partlo v. Todd*, 1888, 17 S.C.R. 196; *Canadian Shredded Wheat Co., Ltd. v. Kellogg Co. of Canada, Ltd.*, 55 R.P.C. 125. 40

⁽²⁾ Respondent's Supplementary Factum, pp. 171-172.

⁽³⁾ Respondent's Supplementary Factum, p. 172.

⁽⁴⁾ 1884, L.R. 26 Ch. D. 288.

⁽⁵⁾ 1889, 6 R.P.C. 513.

⁽⁶⁾ 1924, S.C.R. 619, at p. 638.

⁽⁷⁾ Appellant's Principal Factum, pp. 125 and 129-130.

⁽⁸⁾ Respondent's Supplementary Factum, p. 169, line 14.

case, *In the Matter of the Trade Mark of A. & A. Crompton & Co., Ltd.* (1) to the effect that while it is proper for the Registrar to refuse to re-register the same mark, in the event that he should do so, the second registration will not be expunged on the application of a rival trader who is not aggrieved by the second superfluous registration. If, as the Respondent argues, the second registration is superfluous, it obviously cannot be relied upon as a basis of relief in this action. The Respondent's case must accordingly stand or fall on the validity of its 1905 registration.

10 On page 169 of its Supplementary Factum the Respondent has referred to Section 28 (1) (b) of the Unfair Competition Act. This section provides for the registration of similar trade marks by the same owner, but does not provide for the re-registration of identical trade marks by the same owner.

In an effort to overcome the effect of the certificates of registration of "Cola" marks, the Respondent refers (2) to a remark of Mr. Justice Sargant in *Willesden Varnish Co., Ltd., v. Young & Marten, Ltd.* (3) This remark was not part of the Judgment. In the case of *Re Application by J. & P. Coats, Ltd.* (4) sample marks were received in evidence. The Appellant's purpose in offering the certificates of registration was to show both anticipation of the Respondent's registrations and the widespread use
20 of the word "Cola," as is fully developed on pages 112-113 and 125 of the Principal Factum.

J. J. CREELMAN,
W. D. HERRIDGE,

Of Counsel for the Appellant.

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TEXT BOOKS AND DECISIONS REFERRED TO BY THE
APPELLANT IN ARGUMENT AND NOT CONTAINED
IN THE APPELLANT'S FACTUM

1. *Thayer on Evidence*, at p. 309.
2. *Taylor on Evidence*, 12th Edition, 1931, at p. 22.
- 30 3. *Wigmore on Evidence*, Vol. 3, 2nd Ed. 1923, at pp. 647-8; Section 1699 (a) and (b).
4. *Stephens Digest of the Law of Evidence*, 1922, at p. 73.
5. *Kerly on Trade Marks*, 6th Edition, at pp. 209, 411 and 481.
6. *R. v. Peters*, 16 Q.B.D., 636-641.
7. *Camden v. Inland Revenue* 1914, L.J.K.B. 509-513 (1914, 1 K.B. 641).
8. *Reddaway v. Banham* 1896, 65 L.J.Q.B. 381 (1896 A.C. 199) (13 R.P.C. 218).
9. *Peggy Sage v. Siegel Kahn*, 1935, S.C.R. 539, at p. 547.
10. *Cellular Clothing v. Maxton*, 16 R.P.C. 397.
- 40 11. *Payton v. Titus Ward*, 17 R.P.C. 58.
12. *Lever v. Wilson*, 1932 Ex. C.R. 69, at p. 76.

(1) 1902, 19 R.P.C. 265, at p. 271.

(2) Respondent's Supplementary Factum, p. 178, line 19.

(3) 1922, 39 R.P.C. 285, at p. 289.

(4) 53 R.P.C. 355, at p. 375.

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13. *In re Horsburgh & Co.'s Application*, 1884, 53 L.J., Ch. 237.
14. *Payton v. Snelling*, 17 R.P.C. 48, 628.
15. *Bagots Hutton Application*, 33 R.P.C. 357.
16. *Lambert v. Goodbody*, 19 R.P.C. 377.
17. *McCaw v. Lee*, 23 R.P.C. 1.
18. *Jones v. Seal Bottling Works*, 27 O.W.N. 10.
19. *Eastman Photographic Co.'s Application*, 15 R.P.C. 476.
20. *Farbenfabriken Vormals Fried. Bayer & Co.'s Trade Mark*,
11 R.P.C. 84, at p. 92.
21. *Joseph Crosfield & Sons, Ltd.—Application—1910*, 79 L.J. 10
Ch. 211 (27 R.P.C. 433).
22. *Bowker v. Gunns*, 16 Ex. C.R. 520.
23. *Gramophone Co.'s Application*, 27 R.P.C. 689, 785.
24. *A. W. Griffiths—Trade Mark Law and Practice*, at pp. 36, 37, 38,
41 and 42.
25. *Williams Ltd.'s Application*, 34 R.P.C. 197.
26. *Re Palmer's Trade Mark*, 1883, 24 Ch. Div. 504.
27. *Magazine Repeating v. Schick*, 1939, 2 D.L.R. 17.
28. *Orr-Ewing v. Johnston*, L.R. 13 Ch. D. 434.
29. *Postum Cereal v. California Fig Nut Co.*, 272 U.S. 693. 20
30. *Wotherspoon v. Currie*, 1873, 42 L.J. Ch. 130 (L.R. 5 H.L. 508).
31. *In the matter of the application J. & P. Coats, Ltd.*, 53 R.P.C. 355.
32. *Kirstein v. Cohen*, 11 O.L.R. 450, 13 O.L.R. 144, 39 S.C.R. 286.

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Supplementary Factum of the Plaintiff.

PRELIMINARY.

The record in this case, as a whole, establishes the following conclusions of fact:

(1) That the term "Coca-Cola" means and is understood to mean the Respondent's product only and is the name by which it is identified. 30

(2) That Respondent's use in Canada of the term "Coca-Cola" as applied to its beverage and the syrup for making it long preceded the use of "Pepsi-Cola" which did not commence in Canada until 1934.

The record, therefore, discloses a common law trade mark in the term "Coca-Cola," previously used by Respondent.

It seems irrational to say that "Coca-Cola" is not a good trade mark as a matter of law when the fact is that "Coca-Cola" distinguishes Respondent's product.

To quote Mr. Justice Holmes, who said of "Coca-Cola" in *The Coca-Cola Company v. The Koke Co. of America*, 254 U.S. 143, at p. 146: 40

" . . . The name now characterizes a beverage to be had at
" almost any soda fountain. It means a single thing coming from a

10 “single source, and well known to the community. It hardly
 “would be too much to say that the drink characterizes the name
 “as much as the name the drink. In other words, Coca-Cola
 “probably means to most persons the Plaintiff’s familiar product
 “to be had everywhere, rather than a compound of particular
 “substances. Although the fact did not appear in the United States
 “v. Coca-Cola Co., 241 U.S. 265,289, we see no reason to doubt that,
 “as we have said, it has acquired a secondary meaning in which
 “perhaps the product is more emphasized than the producer, but
 “to which the producer is entitled.”

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“Secondary meaning” is identifying meaning, and under this record as a whole “Coca-Cola” identifies Respondent’s goods.

It is a contradiction in terms to say that a mark which in fact identifies or distinguishes cannot do so. Thinking realistically, a mark by which the goods of one trader are distinguished is a trade mark.

20 The presence in the dictionaries of the separate syllables “Coca” and “Cola” does not make the compound hyphenated word “Coca-Cola” descriptive when this compound word is, in fact, distinctive of Respondent’s beverage. It is invariably used throughout this record by Counsel and witnesses alike as a *specific designation* of Respondent’s product and not as a description. Therefore, on this record, “Coca-Cola” is Respondent’s trade mark independently of the Statute.

OUTLINE OF LEGISLATION.

1. The Trade Mark and Design Act, Chapter 201 of the R.S.C., 1927, which may be conveniently referred to as the “Old Act,” was a Statute of early origin, in fact, its origins preceded trade mark legislation both in England and in the United States.

30 The operative Section 5 by itself would appear to define trade mark as “all marks, names . . . which are adapted for use . . . for the purpose of distinguishing.” This has been regarded by the Courts, however, as being qualified by Section 11 which defines trade marks which the Minister may refuse to register including “(e) if the so-called trade mark does not contain the essentials necessary to constitute a trade mark properly speaking.” It cannot be said that Section 11 (e) has ever been fully defined. On one theory, it might be said to refer back to the definition of Section 5, and on the other theory which was that apparently adopted in the *Standard Ideal case* (1911) A.C. 78, it introduces a common law definition of a trade mark, or at least excludes from Section 5 “a common
 40 “English word having reference to the character and quality of the goods
 “in connection with which it is used and having no reference to anything
 “else.”

2. Language similar to Sections 5 and 11 is first found in the Act of 1861 of the Province of Canada, 24 Vict., c. 21. After confederation, it was repeated in the Statute of 1868, 31 Victoria, Chapter 55, Sections 1, 3, followed by the Act of 1879, 42 Victoria, Chapter 22, the provisions

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of which appeared as Sections 3 and 12 of the Trade Mark and Design Act in the Revised Statutes of 1886, ch. 63.

3. Under the Old Act, a trade mark once registered could only be expunged by reason of a condition existing at the date of registration, and the onus was upon anyone attacking the mark to show that the mark when registered was not a distinctive trade mark (*Bayer Co. v. American Druggists Syndicate* (1924), S.C.R. 558).

4. The Unfair Competition Act, 1932, hereinafter referred to as the New Act, came into force on the 1st of September, 1932. It was apparently designed as a comprehensive law with regard to trade marks and unfair competition. The definition of a registrable trade mark was contained within the Act itself. Registration was made predominant over use, and trade marks were divided into design marks and word marks. All marks on the register under the Old Act were carried into the register under the New Act, and entitled to its benefit. Increased prima facie rights flowed to the registrant in an action for infringement upon production of a certificate of registration. 10

5. A registrant under the Old Act obtained rights under the New Act in three ways: (a) by Section 23, the register under the Old Act became part of the register maintained pursuant to the New Act, and the registrant thereby had a registered trade mark entitled to the benefits of any of the provisions such as Section 5 in favour of the registered owner of a trade mark; (b) by Section 3, if the trade mark was already in use in Canada and on the register pursuant to the New Act, then there was a prohibition against any other person knowingly adopting such trade mark or a similar trade mark for use in Canada for the same wares; (c) by Section 4, if the person who had registered a mark under the Old Act was the first to use the trade mark in Canada, he was thereby entitled to the exclusive use in Canada of such trade mark. 20

6. Apart from use and registration it is only necessary, to obtain the benefit of Sections 3 and 4, that the word be a trade mark. The term "trade mark" is defined in the New Act, and it is therefore by this definition that the rights of the registrant under these sections must be determined. The definition is contained in 2 (m) and defines a trade mark as meaning a "symbol which has become adapted to distinguish particular wares falling within a general category from other wares falling within the same category, and is used by any person in association with wares entering into trade or commerce for the purpose of indicating to dealers in, and/or users of such wares that they have been manufactured, sold, leased or hired by him." The phrase "adapted to distinguish particular wares falling within a general category from other wares falling into the same category" can be illustrated by an example. A particular trader might mark his hammers with a clover leaf. In such circumstances, the clover leaf would distinguish hammers manufactured by the owner of the trade mark from hammers manufactured by other persons, in the same way that the words "*Coca-Cola*" distinguish the soft drink manufactured by the Respondent from any soft drink manufactured by any other person. 30 40

In the present case, it might distinguish "Coca-Cola" as being the name of a particular drink manufactured under a secret formula or as coming from a single source or as both.

(7) This definition may not differ greatly from the common law, but its importance in the Act arises from the presumptions which follow from production of the certificate of registration under Section 18. By that section, the person named in the certificate is presumed to be the registered owner of the trade mark, which implies it is a trade mark within the terms of Section 2 (m) and further, by definition of the term "owner" in
 10 Section 2 (c), it means that the registrant "has an exclusive right to use the
 "mark in association with his wares in such a way as to indicate to dealers
 "in and/or users of such wares that they have been manufactured, sold,
 "leased or hired by him."

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(8) It may now be convenient to enter upon a more detailed discussion of the New Act.

THE UNFAIR COMPETITION ACT, 1932.

9. The New Act, Section 61 (2), repealed the legislation regarding trade marks, the "Trade Mark and Design Act," R.S.C. 1927, chapter 201 (herein called the "old Act"), save as to the provisions of the old Act
 20 dealing with Industrial Designs.

SECTION 61 (1).

10. The New Act came into force on the 1st day of September, 1932, it being provided, however, at Section 61 (1) :

"Any application for the registration of a trade mark received
 "by the Registrar at any time before the expiration of a month
 "from the day upon which this Act comes into force shall be dealt
 "with in accordance with the provisions of the Trade Mark and
 "Design Act, and registrations made pursuant to such applications
 "shall for the purposes of this Act be deemed to have been on the
 30 "register at the date upon which this Act comes into force."

11. In the litigation at Bar, the Respondent as Plaintiff in the Exchequer Court sued the Appellant as Defendant for infringement of its trade mark "COCA-COLA." The trade mark "COCA-COLA" was twice registered as a trade mark for beverages and syrups, the first registration having been made on the 11th day of November, 1905, by the Respondent's predecessor, and the second on the 29th day of September, 1932, by the Respondent.

12. The second registration of "COCA-COLA," therefore, was made after the New Act came into force but must, within the provisions of
 40 Section 61 (1), be deemed to have been on the register at the date when the New Act came into force.

SECTION 23.

13. The New Act having repealed the Old Act, it is of first importance to ascertain the manner in which the New Act deals with

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trade mark registrations which had been made under the Old Act. Section 23 of the New Act deals with this situation. It provides :

“(1) The register now existing under the Trade Mark and Design Act shall form part of the register maintained pursuant to this Act, and, subject as hereinafter provided, all entries therein shall hereafter be governed by the provisions of this Act, but shall not, if properly made under the law in force at the time they were made, be subject to be expunged or amended only because they might not properly have been made hereunder.”

The New Act also provides, as previously noted (Section 4 (1)), that the *first user* of a trade mark in Canada shall be entitled to the exclusive use of such trade mark *provided that such trade mark was recorded in the register existing under the Old Act at the date of the coming into force of the New Act.*

14. Under Section 23 (1) above quoted, three propositions appear clear :

(a) The register of trade marks existing under the Old Act becomes part of the register of trade marks to be maintained under the New Act ;

(b) All entries in the register of trade marks existing under the Old Act shall, upon the New Act coming into force, be governed by the provisions of the New Act ; and

(c) Entries found upon the register of trade marks existing under the Old Act shall not be subject to be expunged or amended by reason of any provision in the New Act if such entries were properly made under the Old Act at the time made.

15. Section 23 provides that the register “existing under the Trade Mark and Design Act shall form part of the register maintained pursuant to this Act.” It then goes on to provide that “all entries therein shall hereafter be governed by the provisions of this Act.” This statement is expanded by sub-sections (2) and (5), which provide for the giving of additional information and for certain presumptions as to word marks and design marks. This phrase has also the effect of making the validity of the entry depend on the provisions of the New Act, so that it could not be taken off the register if it complied with the provisions of the New Act. Likewise, it could not be taken off the register if it complied with the provisions of the Old Act, having regard to the last phrase, “but shall not, if properly made under the law in force at the time they were made, be subject to be expunged or amended only because they might not properly have been made hereunder.” In other words, in order to take a mark off the register, it must be proved both that it was unregistrable under the Old Act and unregistrable under the New Act.

16. Applying the above considerations to the entries made respecting the two registrations of the “COCA-COLA” trade mark, the position of such registrations as governed by the New Act appears to be as follows :

(a) The first registration of “COCA-COLA” was effected November 11, 1905. If “COCA-COLA” was then (Section 5) a name adopted for use by its registrant for the purpose of distinguishing its product, and if it (Section 11) contained the essentials necessary to constitute a trade mark,

properly speaking, it was properly registered under the Old Act and its registration cannot now under the New Act (Section 23) be expunged. Even if it may be found that "COCA-COLA" did not conform to the requirements of Sections 5 and 11 of the Old Act and that at the time of its registration it was improperly registered, then before the entry of registration can be expunged it must be determined that "COCA-COLA" was not registrable as a trade mark having regard to the provisions of Section 26 of the New Act.

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10 (b) The second registration of "COCA-COLA" was effected September 29, 1932, upon an application filed on August 11, 1932. In view of Section 61 (1) of the New Act, this registration, even though made after the New Act came into force, is to be deemed to have been on the register September 1, 1932, the date upon which the New Act came into force. This second registration, therefore, must likewise be tested with reference to the provisions of both Acts. It is argued that the second entry offends against the provisions of Section 11 (b) of the Old Act. Against this, it may be said that the second registration was merely superfluous and the position would be as indicated by Mr. Justice Swinfen Eady *In the Matter of the Trade Mark of A. and A. Crompton & Co., Ltd.* (1902) 19 R.P.C. 265, at page 271, where objection was taken to a registration on the ground that
20 parts of it had previously been separately registered :

30 " In support of this proposition, reliance was placed on *Player's Trade Mark* (18 R.P.C. 65), where Mr. Justice Cozens-Hardy " refused to direct the Comptroller to proceed with the registration " of a mark which in all its essentials was the same as an earlier " registered trade mark of the same applicant, on the ground that " it was superfluous. If the mark had been registered, however, " by the Comptroller in that case, it does not follow from the decision " of Mr. Justice Cozens-Hardy that, upon an application by a rival " trader, it would necessarily have been taken off the register. " How is he aggrieved by its registration? If his contention is " that registration of the mark is superfluous, then, as registration " adds nothing to existing rights, he is not injured by such registra- " tion. If, however, registration prevents him from doing anything " which, but for the registration, he could lawfully do, then it follows " that registration was not superfluous, but has secured to the party " registering some additional right."

40 Furthermore, it would appear that Section 23 (1) of the New Act, when read in conjunction with Section 28 (1) (b) thereof, supports and validates the registration. The latter provision of the New Act, Section 28 (1), provides :

" Notwithstanding anything hereinbefore contained :

" (b) Similar marks shall be registrable for similar wares " if the Applicant is the owner of all such marks, which shall be " known as associated marks. . . ."

17. Relying, therefore, upon the said registrations and the legal rights

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flowing therefrom as given by the New Act the Respondent in the case at Bar has sought a Judgment of the Court enjoining the use by the Appellant of the designation "PEPSI-COLA" in trade in association with the same product in connection with which the Respondent has used its registered trade mark "COCA-COLA," that is, a soft drink beverage, and in so doing the Respondent asserts that "PEPSI-COLA" is a mark similar to "COCA-COLA" within the provisions of Section 2 (k) of the New Act :

" '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 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, for the conditions under which or the class of persons by whom they were produced, or for their place of origin " ;

This section is but a statement of the rule of the common law.

SECTION 3.

18. The Respondent submits that the Appellant is using "PEPSI-COLA" in contravention of the prohibition of Section 3 of the New Act inasmuch as the Appellant has *knowingly* adopted for use in Canada a trade mark similar to a trade mark which was already in use in Canada by the Respondent and duly registered pursuant to the provisions of the New Act. 20

19. At the trial, Respondent placed in evidence certified copies of the records of its said two registrations of the trade mark "COCA-COLA."

The Appellant was incorporated by Letters Patent of the Dominion of Canada dated the 29th day of May, 1934.

The Respondent proved the actual use in trade of "PEPSI-COLA" which the Appellant had made in Canada since its incorporation involved not only the compound hyphenated word "PEPSI-COLA" but a script representation similar to the drawing of the Respondent's trade mark "COCA-COLA" accompanying its 1905 registration. 30

SECTION 18.

20. The Respondent then closed its case, relying, in connection with the certificates of its two said registrations placed in evidence, upon the presumptions established by Section 18 of the New Act :

" (1) In any action for the infringement of any trade mark, the production of a certified copy of the record of the registration of such trade mark made pursuant to the provisions of this Act shall be prima facie evidence of the facts set out in such record and that the person named therein is the registered owner of such mark for the purposes and within the territorial area therein defined. 40

“ (2) Such a certified copy shall also, subject only to proof of clerical error therein, be conclusive evidence that, at the date of the registration, the trade mark therein mentioned was in use in Canada or in the territorial area therein defined for the purpose therein set out, in such manner that no person could thereafter adopt the same or a similar trade mark for the same or similar goods in ignorance of the use of the registered mark by the owner thereof for the said purpose in Canada or in the defined territorial area within Canada.”

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10 As is seen, the production of the certificates provided prima facie evidence of the facts set out in the record so certified and that the person named is the registered owner (as defined in Section 2 (e)), of the trade mark (as defined in Section 2 (m)), in question for the purposes defined in the copy of the record of the registration, and *conclusive evidence* that at the date of the respective registrations of the trade mark therein mentioned the mark was in use in Canada in such manner that no person could thereafter adopt the said trade mark or a similar trade mark for the same or similar goods in ignorance of use of the said trade mark.

20 At the argument, there was also considerable discussion as to whether the words in Section 18 “ made pursuant to the provisions of this Act ” could be applied to registrations under the Old Act which were carried into the register under the New Act under the provisions of Section 23. *It would appear clear that if the registrations under the Old Act are now registrations at all under the New Act, they must be registrations by virtue of the provisions of Section 23.* The language therefore in Section 18 “ pursuant to the provisions of this Act ” most aptly expresses the effect of Section 23.

30 Similar language is used throughout the Act when referring to the register in terms which must include any registration appearing at the date upon which the New Act came into force as upon the register maintained under the Old Act. (Sections 16 (1), 19, 23 (2), 23 (3), 25, 51 (1)). When the Act desires to differentiate between registrations made under the Old or New Act, it does so in clear terms as in Section 23 (5) referring to marks registered before the New Act came into force, and Section 50 (3) (c) “ any trade mark registered under this Act.”

40 21. The Respondent had therefore established upon closing its case the said two registrations of its trade mark “ COCO-COLA ” and that it had made a trade mark use of “ COCA-COLA ” in 1905 at the date of the first of the said registrations, which use was confirmed as obtaining in 1932 at the date of the second of the said registrations. It had also established that the first use of “ PEPSI-COLA ” in Canada by the Appellant was not made until 1934 following the trade mark use of “ COCA-COLA ” by the Respondent and so contravening the prohibition contained in Section 3 of the New Act above mentioned.

SECTION 4 (1)

22. The Respondent is also entitled to the rights defined by Section 4 (1) :

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“ The person who, in association with wares, first uses or makes
“ known in Canada, as provided in the last preceding section, a
“ trade mark or a distinguishing guise capable of constituting a
“ trade mark, shall be entitled to the exclusive use in Canada of
“ such trade mark or distinguishing guise in association with such
“ wares, provided that such trade mark is recorded in the register
“ existing under the *Trade Mark and Design Act* at the date of the
“ coming into force of this Act. . . . ”

Respondent was under no necessity of proving as part of its case
that it was, as against all the world, the first to use “COCA-COLA” in Canada 10
in association with a soft drink beverage. If the registrant of a trade mark
must prove a first use as against all the world he is faced with a practical
impossibility. No man is bound to prove a negative.

As stated by Lord Selborne in *re Leonard & Ellis' Trade Mark* (1884)
L.R. 26 Ch.D. 288, at page 294 :

“ When a mark is registered it is not to be assumed against
“ the registered person that it was not within the terms of the
“ 10th section of the Act, which defines what marks are authorized
“ to be ‘ registered ’ ; and, notwithstanding the general rule that 20
“ no man is bound to prove a negative I am disposed to think that
“ the person applying to have it removed must show some ground
“ for putting on the party who has registered the duty of making
“ out his right to retain it on the register.”

This was affirmed by Mr. Justice Kay in *Benjamin Edgington, Ltd. v. John
Edgington & Co.* (1889), 6 R.P.C. 513, at page 517 :

“ It is not denied that the words in question are special and
“ distinctive, or that as was said in the Court of Appeal in *Leonard
“ and Ellis' Trade Marks*, L.R. 26, Chancery Division, page 301,
“ the burden of proving that it was not used as a trade mark before 30
“ 1875 is upon those who apply to alter the register, notwithstanding
“ as Lord Selborne remarks, the general rule is that no man is bound
“ to prove a negative.”

It is submitted, the proper view of any requirement founded upon
first use as mentioned in Section 4 (1) of the New Act is satisfied by evidence
establishing actual first use as between the parties involved in the litigation
concerning such rights.

23. It is, therefore, submitted that when the Respondent closed its
case at the trial, it had offered and placed in evidence such proof as to
satisfy that burden of proof which rested upon it as being the person who
had asserted the affirmative of the issue : *Smith v. Nevins* (1925), S.C.R. 40
619, per Duff, J., at page 638.

24. At this stage, therefore, it devolved upon the Appellant to displace
if possible the position of the Respondent by such evidence available to it
as might effectively displace the effect of the evidence then before the
Court.

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25. The Appellant might, for instance, upon appropriate evidence have invoked the provisions of Section 19 of the New Act which reads :

“ 19. If it appears to the Court that a registered trade mark
“ was not registrable by the person by whom the application for
“ its registration was made, the owner thereof shall not be entitled
“ to any remedy or relief in an action for alleged infringement of
“ such mark without other evidence of his rights than the mere
“ production of a certified copy of the record of the registration.”

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10 Section 19 was the subject of some discussion in the oral argument. It is submitted that its main effect is to take away the presumption which might be set up under Section 18 in the case where there is another user of the trade mark who can satisfy the Court that the trade mark was not registrable *by the person* by whom the application for its registration was made. This section, it is submitted, refers only to the question of who was the proper person to register. The Act does not say if the trade mark “ was not registrable ” but if the trade mark “ was not registrable by the person,” etc.

20 26. Although the Statement of Defence set up a variety of grounds of attack against the Respondent's trade mark, the evidence led, purported to be “ one witness establishing the technical points in the Defendant's case,” and in fact consisted principally of the witness Guth who dealt with the situation in the United States (which on Respondent's submission is irrelevant); the evidence of Duncan which dealt with the manner of use of Respondent's trade mark in Canada; and some thirty certificates of registrations of trade marks, of which only four had been registered prior to the Respondent's 1905 registration and all of which have expired, three of the latter relating to medicines, and one to a Kola, Celery and Pepsin Tonic Wine. The effect of these registrations under
30 the Statutes will have to be considered later, but at this point it may be observed that they are only relevant so far as they can be relied upon to prove use since it was not a ground for objection to the Respondent's trade mark that it had previously been registered by someone else.

27. On the question of the validity of Respondent's trade mark, the issue the Appellant had to meet was to establish that the words “ COCA-COLA ” were not adapted or had not become adapted to distinguish the goods of the Respondent. The Appellant appeared to have proceeded on the theory that if they established a descriptive meaning for each of the words “ COCA ” and “ COLA,” they had made their case.
40 But this is not the issue. Proof that each of the words is descriptive is not a proof that they were not distinctive or adapted to distinguish, particularly when combined in a compound, hyphenated name, and it is the latter which has to be met. It is true that for many years in England and presumably under the Statutes in the United States, the fact that words were descriptive was fatal to their registration as trade marks. This has never been so under the Canadian law. It is true that there are some

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words such as laudatory epithets like ‘Standard’ and ‘Perfection’ in such common use that a Court would shrink from the conclusion that they could ever become distinctive. This was well stated by Mr. Justice Russell in *Frank Davis v. The Sussex Rubber Co., Ltd.* (1927), 44 R.P.C. 412, at page 417 :

“As I read the authorities which have been cited, the matter stands in this way. A word which is so descriptive as that it could not acquire a secondary meaning and become distinctive ought not to be on the register, and it makes no difference whether the mark in question is the word or phrase correctly spelt or, as in the present case, fantastically spelt, because marks such as these appeal at least as much to the ear as to the eye. As I read the authorities this is also true, that since the Act of 1905 the mere fact that a word is descriptive or has a descriptive flavour, does not necessarily prevent that word being distinctive of somebody’s goods. That appears to me to be the plain result of the language used by Lord Justice Fletcher Moulton in the *Orlwoola* and *Perfection* cases reported in 26 Reports of Patent Cases, where, at page 857, in a longish passage, he uses this language.”

But unless a word comes within the category referred to by Mr. Justice Russell, mere proof of descriptiveness is not enough.

28. The same rule was stated quite clearly in the *Aspirin* case, *Bayer Co. v. American Druggists* (1924), S.C.R. 558, where Mr. Justice Duff said, at page 570 :

“It is for the Respondents to establish *to the satisfaction of the tribunal of fact* that for the reasons relied upon the trade mark was registered ‘without sufficient case’; that is to say, it is for the Respondents to show that ‘Aspirin’ had not been adopted as a distinctive name in the relevant sense, but was a descriptive name in *current use* designating the compound to which the Appellants seek to apply it as a trade name. If, as Stirling, L.J., says in the case last cited,

“any doubt exists, the doubt must be resolved in favour of the trade mark.

“The Respondents have not, I think, acquitted themselves of this onus.”

At a page or two later (p. 575 in the same case), he said :

“Parker, J., said in *Burberry v. Gording & Co.*, 26 Cut. P.R. 693, at p. 704,

“I do not agree with the argument that a word cannot be at the same time both descriptive and distinctive.”

Mr. Justice Mignault, at page 586, said :

“The Appellant’s proposition is that the question as to the distinctiveness of its trade mark should be formulated as follows :
“Was the word ‘Aspirin’ distinctive of the manufacture of the

“registrant at the date of registration? It may be observed that the distinctiveness of a registered trade mark is assumed in the sense that the onus of proving that it was not, when registered, a distinctive trade mark, is upon any person questioning its validity. So here the onus is on the Respondent, the Petitioner, of shewing that the word ‘Aspirin’ was not distinctive at the date of registration.”

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29. From this decision it follows: (a) that it must be established by satisfactory evidence as a fact that the mark is not distinctive; (b) that proof that a word was descriptive would not be sufficient unless it was also shown that it was descriptively and not distinctively used in current use with regard to the product to which it was applied; (c) that the onus of proving lack of distinctiveness is upon the person questioning the validity of the trade mark.

30. The result of this is to make the test under the Canadian Acts similar to that under Part B of the British Act. Under Part B (See Kerly, p. 240, and the history of earlier Acts at pp. 142, 155), a mark was registrable if it had been used for two years by the proprietor of the mark for the purpose of indicating that they were his goods. When registered, distinctiveness is presumed, and under the authorities is not displaced by proving a descriptive meaning. In the *Kleen-Off* case (*Bale and Church v. Sutton, Parsons & Sutton* (1934, 51 R.P.C. 129), Lord Justice Maugham, at page 143, dealt with this specific point, observing that under the earlier trade mark Acts now repealed, the fact that the words were descriptive of the goods was fatal to their registration as trade marks, but then went on to quote Mr. Justice Russell:

“The question whether a word is or is not capable of becoming distinctive of the goods of a particular maker is a question of fact and is not determined by its being or not being descriptive.”

30 And the further remark of Mr. Justice Russell that it was

“impossible to establish at the present day that because a word is descriptive or has a descriptive flavour it is not also distinctive of somebody’s goods and is not properly registrable as a trade mark.”

Lord Justice Maugham then went on to state that in infringement, the test where a trade mark had a descriptive element was the same as in any other case, “except so far as the descriptive element is itself common to the trade.”

31. It was to this latter point, and to this alone, that the Appellant led its evidence. At the trial, it sought by the production of some thirty certificates of registration to show that the word “COLA” was common to the trade. As put by Counsel for the Appellant at page 53/42:

“Hon. Mr. Herridge: I insist upon it on this ground that they assist in countering my friend’s suggestion that ‘COCA-COLA’ was a dominant name in the business.”

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Whether or not the certificates could do this would depend in the first place on whether they were regarded as proving any use of the marks registered, and in the second place whether the fact that other persons had registered as alleged distinctive trade marks various combinations including the word "COLA" could properly lead to the conclusion that the word "COLA" was common to the trade.

SECTION 24 OF CANADA EVIDENCE ACT.

32. On the first point, it would seem clear that the certificates not being entitled to the benefit of Section 18 of the New Act, are not presumptive of any use or that from them any fact as to the use of the word "COLA" in the market can be assumed. These certificates are only provable under the authority of Section 24 of the Canada Evidence Act, R.S.C. 1927, Chapter 59. The certificate only proves the fact of registration, not of the facts recorded (Phipson, 7th Ed., 1930, p. 328; Wigmore on Evidence, par. 1632-1633). The certificate merely proves that a representation as to user was made by an applicant, as the result of which he obtained his registration. To assume against the Respondent that this proved user would be to admit hearsay evidence without any opportunity to the Respondent to cross-examine or go into the circumstances and manner of the use. Proper inquiry into the latter questions might reveal either that there was no use in fact, or that the use was such that it might have been restrained by the Respondent by virtue of its earlier registration. 10

33. On the second part, the fact that the Registrar permitted marks to be registered consisting of the word "KOLA" with ordinary descriptive words such as "MINT" (p. 277) or "ORANGE" (p. 233-4) would lead to the inference, not that "KOLA" was a common word, but that it had some character of distinctiveness. It is, therefore, submitted that these certificates of registration constituting Exhibit D did not, and were not intended, to form a basis for attack on the Respondent's trade mark as not being distinctive. 30

34. Respondent submits that it is unsound in comparing marks to dismember them and compare the fragments. Marks should be considered in their entirety as the public sees them. Even if the syllable "Cola" in both compound words Coca-Cola and Pepsi-Cola should be common to the trade—as we submit it is not—there is no justification for its use in a deceptive combination. As stated by Mr. Justice Holmes in *Joseph Schlitz Brewing Company v. Houston Ice & Brewing Company*, 250 U.S. 28, at p. 29:

"It is not necessary that the imitation of the Plaintiff's feature, taken alone, should be sufficient to deceive. It is a fallacy to break the faggot stick by stick. It would be enough if, taken with the elements common to the public, the inscription accomplished a result that neither would alone." 40

35. The same considerations apply to the dictionaries which the Appellant have asked this Court to examine. The fact that "Coca" may

appear in these dictionaries as the name of a Peruvian shrub, and " Cola " as an African nut, irrespective of the fact of whether it would make the combination COCA-COLA descriptive of a beverage or syrup would still be open to the objection noted by Lord Russell that a word may be both descriptive and distinctive and its distinctiveness, being a matter of fact, is not determined by its being or not being descriptive.

36. It is, therefore, submitted that there is no evidence in this case from which any conclusion could be drawn as to lack of distinctiveness of the Respondent's trade mark in 1905. On the contrary, the distinctiveness
 10 is supported by the evidence of the Respondent's actual user of the mark, and this evidence is the only evidence of any user of a mark containing the word " COLA " on the Canadian market as applied to beverages or syrup until the Appellant entered the field in 1934.

SECTION 52.

37. It would appear obvious that any attack on the registrations must be made as of the date when the registrations were made. The Appellant's Counterclaim must be brought under Section 52 of the New Act and based on the grounds that the entry as it appears on the register
 20 " does not accurately express or define the existing rights or person " appearing to be the registered owner of that mark." The rights referred to may be either the rights granted by the Statute or the rights which a person has to them by assignment. The first point only is relevant here. The Respondent's existing rights are those which have accrued to it under the Old Act amplified by the New in the manner already discussed. The rights under the Old Act were based on the adoption and registration, and should be attacked as of the date of the registration. The rights under the New Act are based on Sections 3, 4, or 23. Under any of these sections with respect to a registration made under the Old Act, the date to be
 30 considered in determining whether or not the rights existed was the time of registration, although for the purpose of the definition of a trade mark (2 (m)) the time is presumably the date of coming into force of the New Act.

38. In the last analysis in this case, the rights of the Respondent are based on its adoption and registration in 1905 of the compound hyphenated word " COCA-COLA," in the form shown, to distinguish beverages and syrups made and sold by it, and upon its second registration some twenty-seven years after, after substantial commercial use of its mark. Both of these registrations are entitled to the presumption of validity arising under Section 18 of the Statute, and to the presumption which Courts have not
 40 hesitated to give to a mark which has long remained on the register. As stated by Lord Justice Stirling *In the Matter of the Chesebrough Manufacturing Company's Trade Mark* (1902), 19 R.P.C. 342, at p. 353 :

" It was contended, however, that the burden of establishing this " did not lie on the Appellants, but that it was the duty of the " Respondent, the Applicant for the removal of the trade mark from

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“ the register, to satisfy the Court that it was in fact not so used.
“ In my opinion this contention is well founded. The law was so
“ laid down by the Court of Appeal, consisting of the Earl of
“ Selborne, and Lords Justices Cotton and Fry, in *Re Leonard
“ and Ellis’ Trade Mark* (L.R. 26 Ch.D. 288), and was acted on by
“ Mr. Justice Kay, as he then was, in *Edgington v. Edgington*
“ (6 R.P.C. 313). In my Judgment this rule ought to be firmly
“ adhered to. It is manifestly unreasonable to expect that the
“ owners of a registered trade mark should preserve evidence of the
“ way in which it was used at, and prior to, the time of registration 10
“ for a long period—in this case more than 20 years subsequently to
“ registration.”

(See also *Burroughs, Wellcome & Co. v. Thompson & Capper* (1904),
21 R.P.C. 69, at p. 82, and in the Court of Appeal at pages 226, 228, 229.)

39. The Appellant has sought to discharge this burden by filing thirty
certificates of registration and asking this Court to look at certain dictionaries
which were not put in evidence in the Court below. The Respondent has
already developed the reasons by which it submits that the certificates are
no proof of use and the dictionary meaning immaterial. Its argument on
the former is supported by the remark of Mr. Justice Sargant in *Willesden 20
Varnish Company, Ltd. v. Young & Marten, Ltd.* (1922), 39 R.P.C. 285,
at p. 289 :

“ . . . The fact that the mark is on the register is not evidence
“ that the mark has been used. I ought not to allow this evidence,
“ but the Defendants may give evidence of registration as regards
“ marks of which evidence of user has been given.”

(See footnote at p. 543, Kerly, 6th ed.)

The evidence of the certificates and dictionaries does not meet the
rule of the *Aspirin* case already commented on in paragraphs 28 and 29
because the evidence is not related to the current use of the words in the 30
market and because the evidence does not touch the use of the compound
hyphenated word “ COCA-COLA ” which, as already stated, from a view
of the evidence of all the witnesses and remarks of Appellant’s Counsel in
this case, can be taken only to designate the Respondent’s product. That,
it is submitted, is the only meaning which can be found on this record for
the word “ COCA-COLA.”

40. The foregoing discussion is based upon “ COCA-COLA ” being
adapted to distinguish or capable of distinguishing a soft drink or syrup
manufactured or sold by the Respondent. In addition to this, however,
it is used on the market as the name of a drink made under a secret formula 40
and the evidence showing this to be the fact, it should be supported on the
principles laid down in the *Yorkshire Relish* case—*Powell v. Birmingham
Vinegar Brewery* (1897), 14 R.P.C. 720, particularly at page 732, and in the
Angostura Bitters case—*Siegert v. Findlater* (1878), 7 Ch.D. 801, and in the
Magnolia Metal Company’s Trade Mark (1897), 14 R.P.C. 621, at page 627,
where Lord Justice Rigby held :

“ It is equally clear, we think, that the word ‘ Magnolia ’ alone,
 “ as applied to the metal, had originally no reference to the character
 “ or quality of the metal, and, although the word had long before
 “ the registration in 1894 come to be the name of the metal, we do
 “ not think that, by becoming the name of a known article, it can be
 “ said to have had, within the meaning of the section, reference to
 “ the character or quality of the article designated, notwithstanding
 “ that the character and quality of the article had been to a great
 “ extent ascertained by many persons as facts. The name ‘ Styles ’
 “ or ‘ Nokes ’ has no reference to the character of the individual to
 “ whom it is given, though, to some people who know the character
 “ of the individual, the name, when applied to him, will call up the
 “ idea of the man, and the experience of the hearer may at the same
 “ time suggest that he is a good or bad man.”

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CONCLUSION.

41. This action could be maintained on the present record on common
 law principles if there were no Statute at all. Throughout, Counsel on both
 sides and the witnesses on both sides used the name “ COCA-COLA ” as
 the specific designation of Respondent’s product, sometimes using the term
 20 “ trade mark ” to characterize it. This occurs in the Statement of the
 Defence at page 4, line 4 ; page 5, line 12 ; the opening remarks of Counsel
 for the defence, page 27, lines 43, 45 ; page 29, line 33 ; page 30, line 7 ;
 page 31, line 22 ; page 32, line 7 ; page 32, line 18. The same is true throughout
 the testimony. For example, during Guth’s testimony, at page ~~56~~ ⁴⁶⁻⁴⁷, the name
 “ COCA-COLA ” is used nine times as the specific designation of a single
 thing, namely Respondent’s beverage. In short, unconsciously Counsel and
 witnesses used the name “ COCA-COLA ” as a designation identifying
 Respondent’s goods only.

It makes no difference, therefore, if the words “ COCA ” and “ COLA ”
 30 may appear in dictionaries—it is not pretended that the compound
 hyphenated word “ COCA-COLA ” appears in them. But if “ COCA-
 COLA ” were an ordinary English word, and had acquired the understood
 reference to the Respondent’s goods, as this record shows that it has, it
 would be protected on common law principles against deceptive imitation.

The best test of deceptive resemblance, or “ similarity ” in the language
 of the New Act, is the evidence of one’s own eyesight, taking into considera-
 tion the way in which the goods in question are sold and the class of people
 who buy them. Here the goods are soft drinks costing but a few cents,
 purchased usually in a hurry and on the impulse of the moment, with no
 40 opportunity to make comparison between contrasting marks.

While there is no need for Respondent to show a fraudulent purpose
 in the adoption of the mark proceeded against, still unfairness is always
 relevant because where there is no need of any resemblance at all, the
 effect of resemblances, particularly the accumulation of resemblances,
 is conclusive proof of bad motive.

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In *In re Jelley Son & Jones' Application* (1878), 51 L.J. Ch. 639, Jessel, M.R. said at p. 640 :

“ As to what has been said with respect to the marks possessing distinguishing features, there is no obligation on the part of a man who takes a new mark to take any part of an old one ; and if he does so, and does not give an explanation to satisfy me why he has taken it, I shall consider it to be a fraudulent mark.”

In *Johnson v. Orr-Ewing* (1882), 7 A.C. 219, Lord Blackburn said at p. 231 :

“ . . . I do not think any hardship is inflicted on honest traders by holding that if they do not take pains when making a new trade mark to make it quite unlike an established one, they do so at the peril of making evidence against themselves.”

Here no explanation has been given why there should be the community of resemblance between these two marks.

The purpose of the New Act is to give greater security to trade marks by simplifying the machinery for their protection, and by furnishing a presumption resulting from registration, make unnecessary the voluminous proof usually required to prove the association of a particular mark with a particular trader's goods. Considered in this way, the various provisions of the Act fall into a logical pattern. Section 18 provides that the certified copies of the record of registration shall be (1) *prima facie* evidence of the facts set out in it, and (2) conclusive evidence that at the date of the registration the trade mark was in use in Canada as a mark. That is, that the registrant by registration becomes *prima facie* owner of the registered mark. Section 3 provides that “ no person shall knowingly adopt for use in Canada in connection with any wares any trade mark . . . which . . . is similar to any trade mark in use.”

RUSSEL S. SMART,
A. W. LANGMUIR,
Of Counsel. 30

MEMORANDUM OF CASES REFERRED TO IN ARGUMENT AND NOT INCLUDED IN RESPONDENT'S FACTUM

Standard Ideal Co. v. Standard Sanitary Mfg. Co. (1911) A.C. 78, at pp. 84, 85 ; (1910) 27 R.P.C. 789, at p. 795.

Channell v. Rombough (1924), S.C.R. 600.

Shredded Wheat v. Kellogg (1938), 55 R.P.C. 125, at pp. 141, 142.

Powell v. Birmingham Vinegar (Yorkshire Relish) (1897), 14 R.P.C. 720, at p. 732.

Siebert v. Findlater (Angostura Bitters) (1878), 7 Ch.D. 801. 40

Re Magnolia Metal Co. (1897), 14. R.P.C. 621, at p. 627.

Re applications of Joseph Crosfield & Sons (Perfection) (1909), 26 R.P.C. 837 at p. 859.

Re application of J. & P. Coats Ltd. (Sheen) (1936), 53 R.P.C. 355.

Bayar v. American Druggists Syndicate (1924), S.C.R. 558, at pp. 570, 575.

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- Burroughs Wellcome & Co. v. Thompson and Capper* (1903), 21 R.P.C. 69, at p. 82 ; (1904) 21 R.P.C. 217, at p. 225 (C.A.).
Impex Electrical, Ltd. v. Weinbaum (1927), 44 R.P.C. 405, at p. 410.
United Drug v. Rectanus (1918), 248 U.S. 90.
J. B. Stone & Co., Ltd. v. Steelace Mfg. Co. (1929), 46 R.P.C. 406.
Nashville Syrup Co. v. Coca-Cola (1914), 215 Fed. 527.
In re Dunn's Trade Mark (1890), 7 R.P.C. 311, at pp. 316, 317.
Tokalon Ltd. v. Davidson & Co. (1914), 31 R.P.C. 74, at p. 77 ; (1915) 32 R.P.C. 133, at p. 135 (C.A.).
- 10 *Hamilton-Brown Shoe Co. v. Wolf Bros.* (1916), 240 U.S. 251.
F. Reddaway & Co., Ltd. v. Hartley (1931), 48 R.P.C. 283, at p. 288.
Honey Dewy, Ltd. v. Rudd (1929), Ex. C.R. 83.
Ford v. Foster (1872), L.R. 7 Ch. App. 611, at p. 623.
Coca-Cola v. Hy-Po Cola (1932), 1 F. Supp. 644, at p. 645.
Best Foods v. Hemphill Packing Co. (1925), 5 Fed. (2d) 355, at pp. 356, 357.
Orr Ewing v. Johnson & Co. (1880), L.R., 13 Ch.D. 434, at pp. 442, 447.
Prestonettes Inc. v. Coty (1924), 264 U.S. 359, at p. 368.

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Plaintiff's Reply to Defendant's Supplementary Factum.

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- 20 1. The Appellant states at the outset in its Supplementary Factum :
 " The principal issue in this Appeal is whether the Appellant has invaded any of the rights of the Respondent in its alleged trade mark ' *Coca-Cola* ' by the inclusion of the descriptive word ' *Cola* ' in its own registered trade mark ' *Pepsi-Cola* . ' " This statement of the issue ignores :
- (a) That the proper comparison is the whole of the two marks " *Coca-Cola* " and " *Pepsi-Cola* " ;
- (b) That by putting forward the trade mark " *Pepsi-Cola* " as distinctive, it leaves no logical basis for an argument that " *Coca-Cola* " is not so.
- 30 2. When the whole of the Appellant's and the Respondent's marks are compared, regard must be had to the use of the hyphenated script form with flourishes above and below, so that when (to paraphrase what was said in the *Ustikon* case, 44 R.P.C. 412), the Court uses its own intelligence and its own eyesight, it becomes clear that this is not a case in which any asserted descriptiveness in the word " *Cola* " sufficiently explains or justifies the similarity in name.⁽¹⁾

(1) Thus in the *Ustikon* case, 44 R.P.C., at page 420, Russell, J., as he then was, says, " The Court is entitled to use its own intelligence and its own eyesight. " On appeal, on the point of confusion, Sargant, L.J., says (p. 425) " And though it may be urged that this would be at least partly due to the adoption by the Plaintiff of a mark to describe a quality of the goods which is common to both sets of goods, I do not think that this common element sufficiently explains or justifies the similarity in name, " and, at page 428, Lawrence, L.J., says, after referring to the argument that " *Justickon* " was descriptive, " But the fact remains that when they adopted the word ' *Justickon* ' which, for the purpose of distinctiveness, stands on precisely the same footing as the Respondent's word ' *Ustikon* , ' they considered that it was a suitable mark for distinguishing their goods from the goods of other persons. "

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3. The Appellant contends that the Respondent's registration of "Coca-Cola" in 1905 has been shown to be invalid because "Coca-Cola" was descriptive and did not consequently possess the essentials of a trade mark, properly speaking (App. Supp. Factum, p. 150/1). This contention is based upon the presence in contemporary dictionaries of definitions of the tropical cola plant without any evidence (1) that the word "Cola" in the combination of "Coca-Cola," would in Canada in 1905, have suggested any relation between the article bearing the trade mark and that plant, or (2) that the article did or did not contain any ingredient produced from its fruit.⁽¹⁾

10

Such a conclusion is directly contrary to the terms of *The Unfair Competition Act* which requires merely that the word "is not, to an English or French speaking person, clearly descriptive or misdescriptive of the character or quality of the wares." Some relation, therefore, must be shown between any dictionary meaning and what the public understood by the word at the relevant time when used in connection with the wares to which it was applied.

4. The Respondent submits that the Appellant's contention on this point is wholly untenable. Judicial notice may perhaps be taken of the meaning of a word which is so common that, when used as a trade mark, the public may be assumed to attach to it its ordinary meaning.

20

But the Respondent contends that even if dictionary definitions of obscure and little known words may ever, in trade mark cases, properly be referred to in argument, they do not, without evidence connecting them with the thing they are asserted to describe, raise an inference of descriptiveness or misdescriptiveness. "Cola" is an unfamiliar word not obviously descriptive of anything.

That it should be considered necessary to refer to a dictionary indicates that the word is not a common word. Consequently, the mere citation of dictionary definitions does not touch the question whether the use of the word as a trade mark involves any relation between its connotation in that use and the connotation indicated by the dictionary definition. Descriptiveness or misdescriptiveness depends upon what inference the public would draw from the use of the word as a trade mark and on this point the dictionary definition alone is without significance.

30

Any other view would lead to the absurd conclusion that the mere finding of a word in a contemporary dictionary, or indeed in a contemporary post office gazetteer as a place name, would compel an inference of descriptiveness or misdescriptiveness no matter how recondite the word or how unknown the place name.⁽²⁾

40

(1) The evidence of Guth that the name of the Appellant's drink was due to its containing pepsin and being flavoured with cola nut (Case p. 42/25) is irrelevant, particularly as Guth himself says that the name is not descriptive (Case p. ~~61/15~~.5/34).

(2) The decision in the *Shredded Wheat* case, 55 R.P.C. 125, contains, it is submitted, nothing to suggest that mere dictionary references are sufficient to shift the burden of proof. The dictionary definition, although in evidence in that case ([1936] O.L.R. 284), is not mentioned in the Judgment of the Privy Council which turns exclusively on the evidence given by the witnesses.

5. In the Respondent's submission its contention on this point becomes overwhelmingly strong when the trade mark is a compound word and the dictionary word forms only part of it. The Respondent contends that the fact that in 1905 the word "Cola" was known to lexicographers as the name of a tropical plant raises no inference that at that time the use of "Coca-Cola" in Canada as a trade mark for a drink connoted to the Canadian public any description or misdescription of the characteristics of the drink.

10 6. Even if the Appellant's contention based on dictionary references were one which could in any circumstances be supported, the Respondent submits that it is not open in the present case in view of the evidence that "Coca-Cola" always meant the Respondent's goods. The Appellant's argument is put forward, as if this evidence had not been given, although the Appellant itself supplied most of it by putting in the evidence of Duncan on his examination for discovery (Case pp. 58/12-16, 63/16, 64/3). There was obviously no need for the Respondent to offer further evidence on the point, since the Appellant made no attempt to lead evidence challenging or contradicting Duncan's statements.

20 7. The Appellant agrees that the two marks in question must be considered as wholes (App. Supp. Factum, p. 149/18) and that, as Mr. Justice Holmes suggested, it is a fallacy to break the faggot stick by stick. The Appellant, however, is quite wrong in suggesting that the learned trial Judge predicated his finding on the "similarity of the fragments rather than any similarity of the marks as a whole" (*Ibid.*, p. 149/27).

30 The learned trial Judge, after indicating an intention to refer to the cases laying down the general principles applicable to the comparison of trade marks (Case p. 73/7), quotes from the *Kleenoff* Case, 51 R.P.C. 129, where the "stick by stick" argument was advanced and repudiated by the Court. He then refers to a number of other English and United States cases, and states that "the reasoning and general result of the opinions" expressed in these Judgments "pretty accurately express my own views "on the question of infringement in the case under discussion" (Case p. 89/43). This statement is followed by a definition of what he considers is the proper course to take in making comparisons between marks and defines that course with, in the Respondent's submission, entire accuracy.

If the Appellant is right in saying, contrary to the view of the learned trial Judge, that, considered as wholes, the two marks "neither sound "alike, look alike nor do they convey any similar idea" (App. Supp. Factum, p. 149/37), there remains nothing else to be decided.

40 8. With respect to the effect of Section 18 (1) of *The Unfair Competition Act*, the Appellant observes that "not every copy of a registration, but "only a certified copy of the record of a registration made 'pursuant to "the provisions of this Act' is accorded prima facie effect" (App. Supp. Factum, p. 147/38). The suggested distinction between "a copy of a registration" and a "copy of the record of a registration" is, in the Respondent's submission, entirely unsound. There can be no such thing as a copy of a registration; all that can be copied is a record.

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By virtue of *The Unfair Competition Act* there exist records of registrations applied for before that Act came into force (of which some remain unexpanded and some have been subsequently expanded under the provisions of Section 23 (2), (3)), and records of registrations made on applications received after the Act came into force. The Respondent submits that these records all stand in the same position in relation to Section 18 (1) and a certified copy of any of them has the same effect. Every certificate is or should be a certificate embodying a copy of a record "made pursuant to the provisions of" *The Unfair Competition Act* (1) and "maintained" thereunder as provided by, among other sections, 10 Sections 23 (1) and 60 (1) (a).

9. The Appellant's contention as to the effect of Section 4 (1) of *The Unfair Competition Act*, as put at pp. 161-162 of its Supplementary Factum, is, in the Respondent's submission, equally without foundation. It is in part based upon the contention already dealt with that "*Coca-Cola*" is descriptive, and in part upon a contention that in order to take advantage of the section the owner of the registered mark must affirmatively prove that no one had used it before him, or in other words, must prove a negative. Here there is evidence that the Respondent had used its mark from 1900 onwards and that in 1905 the president of the Respondent's predecessor 20 in title made the declaration required by the Statute that his company was the first to make use of it (Case p. 218/9). There is no evidence of any earlier use by anyone else. This in the Respondent's submission is entirely sufficient.

10. The issue in this appeal is whether the hyphenated word "*Pepsi-Cola*," written in script, is "similar" to the hyphenated word "*Coca-Cola*," also written in script, when applied to competing goods. The Respondent submits that the Appellant has not met this issue. The Appellant asserts that because "*Cola*" appears in dictionaries, two trade marks of which "*Cola*" forms a part are not similar. 30

11. It is a matter of common knowledge that consumers of inexpensive beverages see the marks on them as a whole. They usually have no opportunity for side by side comparison. Purchasers do not analyze the marks they have seen and imperfectly remember. They consider word marks without reference to lexicons. They neither dissect words nor concern themselves with derivations. The Appellant's position disregards the facts of everyday experience.

12. The descriptiveness of words, like their distinctiveness, is a question of fact. There is no evidence in this record that "*Cola*" is descriptive of a drink. No dictionary says so. But that "*Coca-Cola*" 40 is distinctive of the Respondent's beverage is a proved, indeed an admitted, fact.

13. The Appellant asserts that "*Pepsi-Cola*" is its trade mark. The inclusion of the syllable "*Cola*" in it does not, in the Appellant's view,

(1) See as to the effect of a certificate of registration under the English Act, per Russell, J., in the *Ustikon* case, 41 R.P.C., at pp. 417-418, and per Hanworth, M.R., and Romer, L.J., in the *Kleenoff* case 51 R.P.C., at pp. 139, 141.

make "Pepsi-Cola" descriptive, destroy it as a trade mark, or make it unregistrable. In the same breath, the Appellant contends that to include the same syllable "Cola" in the Respondent's trade mark "Coca-Cola" makes it descriptive, destroys it as a trade mark and makes it unregistrable. This seems illogical.

Putting the Appellant's argument otherwise, "Cola" is in the dictionary as the name of a plant. Without evidence, the Appellant asserts that "Cola" is merely descriptive of the Respondent's drink. Therefore, the Appellant says "Coca-Cola" is a descriptive name and not a trade mark. But on the same fact, the Appellant asserts that "Pepsi-Cola" is not a descriptive name and is a trade mark.

14. There are uncontrovertible propositions in this case which the Respondent submits require the affirmance of the Judgment under review.

(1) The 1905 registration establishes that at that time "Coca-Cola" was in use in Canada as a trade mark by the Respondent's predecessor and was presumptively distinctive of the goods to which it was applied. The burden is on the Appellant to disprove this proposition and it has not done so.

(2) This registration continued to exist under the 1932 Act. For twenty-seven years, "Coca-Cola" has remained on the register unchallenged. "Coca-Cola" has maintained its distinctiveness by wide use and public acceptance.

(3) The Appellant's use of "Pepsi-Cola" in Canada began in 1934.

(4) The only question is: Is "Pepsi-Cola" considered as a unit "similar" to "Coca-Cola," considered as a unit, and as displayed to the public? The learned trial Judge thought so, and the Respondent submits that he was right.

RUSSEL S. SMART,
A. W. LANGMUIR,

Of Counsel.

No. 21.

Order of the Supreme Court of Canada dispensing with printing of certain Exhibits, dated 7th October, 1938.

(Not printed.)

No. 22.

Consent as to Contents of Case, 8th October, 1938.

(Not printed.)

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No. 22.

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No. 23.

Solicitor's Certificate—October, 1938.

(Not printed.)

No. 23.

No. 24.

No. 24.

Certificate of Registrar of the Exchequer Court of Canada—November, 1938.

(Not printed.)

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Formal
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Formal Judgment.

IN THE SUPREME COURT OF CANADA.

Saturday, the 9th day of December, 1939. 10

Present

The Right Honourable the CHIEF JUSTICE OF CANADA.
The Honourable Mr Justice RINFRET.
The Honourable Mr Justice DAVIS.
The Honourable Mr. Justice KERWIN.
The Honourable Mr. Justice HUDSON.

Between

PEPSI-COLA COMPANY OF CANADA, LIMITED (Defendant) Appellant
and

THE COCA-COLA COMPANY OF CANADA, LIMITED (Plaintiff) Respondent. 20

The appeal of the above-named Appellant from the Judgment of the Exchequer Court of Canada pronounced in the above cause on the fifteenth day of July in the year of Our Lord one thousand nine hundred and thirty-eight, having come on to be heard before this Court on the twenty-seventh, twenty-eighth, twenty-ninth, thirtieth and thirty-first days of March and the third day of April, in the year of Our Lord one thousand nine hundred and thirty-nine, in the presence of Counsel as well for the Appellant as for the Respondent, whereupon and upon hearing what was alleged by Counsel aforesaid, this Court was pleased to direct that the said appeal should stand over for judgment, and the same coming on this day for judgment ; 30

THIS COURT DID ORDER AND ADJUDGE that the said appeal should be and the same was allowed, that the said Judgment of the Exchequer Court of Canada should be and the same was reversed and set aside, and the action dismissed.

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AND THIS COURT DID FURTHER ORDER AND ADJUDGE that as to the Counterclaim the Respondent is entitled to succeed, except that this Court does not see fit to make any order in respect of the registration of 1932, and subject to that the Counterclaim should be dismissed.

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10 AND THIS COURT DID FURTHER ORDER AND ADJUDGE that the said Respondent should and do pay to the said Appellant the costs of the Appeal and the action incurred by the said Appellant as well in the said Exchequer Court of Canada as in this Court, and that the said Appellant should and do pay to the said Respondent its costs of the Counterclaim.

(Sgd.) J. F. SMELLIE,
Registrar.

No. 26.

Reasons for Judgment of Davis, J.

(Concurred in by the Chief Justice and Rinfret and Hudson, JJ.)

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20 Both parties to this trade mark litigation, which was commenced in the Exchequer Court of Canada, manufacture and sell in Canada in competition with each other a low priced (five cents) non-alcoholic beverage. The Plaintiff (Respondent) uses as a trade mark the compound word "Coca-Cola" and the Defendant (Appellant) uses as a trade mark the word "Pepsi-Cola." Both parties are limited companies incorporated under the Dominion Companies' Act; the Plaintiff on September 29th, 1923, with the corporate name "The Coca-Cola Company of Canada, Limited," and the Defendant on May 29th, 1934, with the corporate name "Pepsi-Cola Company of Canada, Limited." Neither party has disclosed the formula from which its product is made. The Plaintiff commenced this action 30 against the Defendant on May 30th, 1936, alleging that it was the duly recorded owner of the registered trade mark "Coca-Cola" for non-alcoholic soft drink beverages and syrup for the preparation thereof and that the said trade mark had been registered in the Canadian Patent Office on November 11th, 1905, and renewed on April 15th, 1930. A further registration on September 29th, 1932, to which special reference will have to be made later, was also set up. The Plaintiff then alleged that the Defendant was adopting and using the designation "Pepsi-Cola" with its beverage which it alleged "was and always has been so arbitrarily similar in colour 30 "and appearance to Plaintiff's 'Coca-Cola' as to be virtually indistinguish- 40 "able therefrom by the purchasing public" and that the corporate name

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of the Defendant was “ confusingly similar to ” the corporate name and trade mark of the Plaintiff and that it was obviously done with the object that the Defendant in competition with the Plaintiff would benefit by the goodwill which had been built up by the Plaintiff and its predecessors in title; and that the designation “ Pepsi-Cola ” whenever applied to that beverage was “ in script form closely and confusingly similar to the “ distinctive script form in which the trade mark ‘ Coca-Cola ’ had been “ used by the Plaintiff and its predecessors in title.” The Plaintiff alleged that all acts aforesaid of the Defendant had been knowingly done in contra-
vention of the provisions and prohibitions of “ The Unfair Competition 10
Act ” (22-23) Geo. V. (1932) Ch. 38), “ and by way of infringement of the
“ Plaintiff’s trade mark ‘ Coca-Cola.’ ” The Plaintiff claimed the usual relief in an infringement action.

The Defendant in its defence admitted that the Plaintiff was “ registered “ as the proprietor of the registered trade mark ‘ Coca-Cola,’ ” but denied that the registrations were in force or effect. The Defendant alleged that the registration of November 11th, 1905, had been abandoned, or, in the alternative, that the registration of September 29th, 1932, is not distinguish-
able from the first registration, or if distinguishable, at no time has there
been user or intended user of the last registered trade mark. The Defendant 20
alleged that it was the owner (by assignment) of a trade mark “ Pepsi-
Cola,” to be applied to the sale of a non-alcoholic beverage, which was registered in Canada on November 30th, 1906, and that the same is in full force and effect, and that its predecessors in title had carried on in the United States for many years prior to the incorporation of the Defendant an extensive business, and in Canada for a short period of years, a limited business in the manufacture and sale of soft drink beverages and syrups used in the preparation thereof under the trade mark “ Pepsi-Cola ” used in the distinctive form set out in the certificate of registration thereof, and that the Defendant had upon its incorporation commenced and had since 30
continued the manufacture and sale of its soft beverages, and the syrups used in the preparation thereof, and distributed the same under the said trade mark “ Pepsi-Cola.” After setting up the usual defence pleadings in an infringement action, the Defendant specifically attacked the validity of the registration in 1905 of “ Coca-Cola ” upon the ground that the words “ were descriptive and not properly registrable as a valid trade mark ” and by way of counterclaim the Defendant sought cancellation of the registrations of the said mark relied upon by the Plaintiff.

It is plain then that this is not a passing-off action but an infringement action upon a registered trade mark, the validity of which is directly put in 40
issue.

When the action came on for trial, Counsel for the Plaintiff merely filed the certificates of the registration of “ Coca-Cola ” of November 11th, 1905, and of September 29th, 1932; read into the record a few questions and answers from the examination for discovery of the manager of the Defendant Company; and filed as exhibits a sample bottle of Pepsi-Cola and photographs showing the markings on cases in which the Defendant

shipped its beverage in bottles. No evidence was tendered in support of paragraphs 3, 4, 5 or 6 of the Statement of Claim (all of which had been denied by the Statement of Defence) which had alleged long years of manufacture and sale, the expenditure of large sums in advertising, the extent of the Plaintiff's business in Canada, and the acquisition by the Plaintiff of all of the business and goodwill in and throughout Canada in connection with which the trade mark "Coca-Cola" had been used by the Plaintiff's predecessors in title including the trade mark "Coca-Cola."

10 Counsel for the Defendant moved for a non-suit, upon the ground that there was no proof that the Plaintiff had acquired the goodwill or was the assignee of the original proprietor of the trade mark "Coca-Cola." The motion was reserved by the learned trial Judge and the defence then called only one witness, Guth, the general manager of the American Pepsi-Cola Company which, he said, owns all the capital stock of the Defendant Company; filed the examination for discovery of the secretary-treasurer of the Plaintiff, the certificate of registration of Pepsi-Cola of November 30th, 1906, and an assignment, a certificate of the registration of the design of the bottle in which Coca-Cola is marketed, and, subject to objection, 30 certificates of registration of trade marks which contain the word "cola" or "kola" or some similar word. The Plaintiff gave no evidence in reply

20 Each party attacked the title of the other to its trade mark, and if the evidence were to be closely examined it may be that neither party has strictly established its own right to the trade mark it claims. The evidence on both sides is at least not satisfactory. In the case of "Coca-Cola" the application in 1905 was filed by a United States Company, the Coca-Cola Company of Georgia. A notation attached to the certified copy of the registration states that the mark was assigned in 1922 by the Georgia Company to a Delaware Company. A further notation appears on the registration that "a document purporting to be an assignment" of the trade mark between the Delaware company and the Plaintiff had been
30 registered. But there was no proof of the assignments. Counsel for the Plaintiff relied upon the pleadings and Section 18 of The Unfair Competition Act, 1932, but the admission in the Statement of Defence is only "that the Plaintiff is registered as the proprietor of" the trade mark "Coca-Cola," "as set out in paragraph 2 of the Statement of Claim." The Defendant is in an even less favourable position on the question of title. The word "Pepsi-Cola" had been registered on November 30th, 1906, by a North Carolina Company and it does not appear by whom its renewal on November 30th, 1931, was obtained. The Defendant did not become incorporated until May 29th, 1934, and it is admitted that it did not succeed
40 to the business of any other Company in Canada, though it produced to the Trade Mark Office and caused to be recorded what purported to be an assignment, dated May 11th, 1936, made by a United States Company which was described as a Delaware corporation and "successor" to the North Carolina Company. There is no proof of any assignment or succession between the North Carolina company and the Delaware Company. It may be on a strict view of the evidence that neither party has proved a

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legal right to the trade mark it claims. But we prefer to deal with the appeal from a broader point of view having regard to the substantial and important questions raised and the exhaustive and helpful arguments submitted to us by Counsel for both parties. For that purpose we shall assume the title of each party is established until it becomes necessary, if it does, to determine that question.

It may be convenient at this point to refer to the Plaintiff's registration of "Coca-Cola" of September 29th, 1932. This new registration (application for which was filed August 11th, 1932) was a specific trade mark "to be applied to the sale of beverages and syrups to be used in the manu- 10
"facture of such beverages, and which consists of the compound word:
" 'Coca-Cola,' in any and every form or kind or representation as per the
"annexed pattern and application." The application made by the Plaintiff
stated that "we verily believe" the specific trade mark "is ours on account
"of our having acquired the same from the Coca-Cola Company, a corporation
"of the State of Delaware, United States of America, which last-mentioned
"Company in its turn acquired the same from the Coca-Cola Company,
"a corporation of the State of Georgia, United States of America," and
"We hereby declare that the said specific trade mark was not in use to our
"knowledge by any other person than ourselves at the time of our adoption 20
"thereof." The application continued: "The said specific trade mark
"consists of the compound word 'Coca-Cola' in any and every form or kind
"of representation. A drawing of the said specific trade mark is hereunto
"annexed." In the earlier registration of the same words in 1905, the words
were written in a very distinctive script and it is in that form that the mark
has actually been used by the Plaintiff. We find it a little difficult to
understand the purpose or effect of this registration, though obviously
it was with a view to obtaining some advantage under The Unfair Competi-
tion Act which was passed by the Dominion Parliament on May 13th, 1932,
and came into force on September 1st, 1932, which Statute, by Section 61, 30
repealed the provisions of the Trade Mark and Design Act, R.S.C., 1927,
Ch. 201, in so far as trade marks are concerned. The application was not
based upon the words having acquired any secondary meaning and no such
claim is made in this action in respect of the registration.

It was almost unbelievable that the 1932 registration consists merely of the words Coca-Cola in ordinary typewritten form, as shown on the certified copy filed. We have examined the original document, in the Registrar's office and, as we might have expected, the certified copy before the Court is exactly the same as the original document—a foolscap sheet 40
of plain paper with nothing on it but the compound word Coca-Cola type-
written in the centre of the page. The application refers to this as "a
drawing" and the certificate of registration refers to it as the "annexed
pattern." Registration was granted for the use of the compound word
"in any and every form or kind or representation." The words are the
same hyphenated words that appear in the original registration of 1905
in the well known characteristic script. During the opening of the case
the learned trial Judge said to Mr. Smart, Counsel for the Plaintiff ;

“ The whole question is, you say, as to whether the words
“ Pepsi-Cola infringe Coca-Cola ?

“ Mr. Smart : Yes, in the way it is written. The ‘ Coca-Cola ’
“ is, as your Lordship may have seen, always displayed in charac-
“ teristic form. The first letter has a scroll extending below the
“ first word, and the second word has a scroll extending above.”

When Mr. Smart was filing proof of the 1932 registration, he said :

10 “ . . . it consists of a compound word ‘ Coca-Cola ’ again, but it is
“ not shown in the characteristic form. This is a word-mark in
“ itself.

“ His Lordship : Why was it renewed—does the Statute require
“ it ?

20 “ Mr. Smart : It is the second registration. That was just
“ before the Unfair Competition Act was passed dividing trade marks
“ into word marks and design marks. And, as the original registra-
“ tion showed not only the word but a special form, it was presumably
“ thought that some additional protection would be obtained by
“ registering it without showing the particular form. As a matter
“ of fact that drops out of sight now, in view of the Unfair Competi-
“ tion Act, which provided that marks registered before that Act,
“ under the Trade Mark and Design Act, should be treated, if they
“ were in distinctive form, as a word mark for the word and a design
“ mark for the design. So that by reason of the Unfair Competition
“ Act, the first registration is the equivalent of two registrations,
“ one on the word ‘ Coca-Cola,’ and one on the special and distinctive
“ and characteristic form of that word.”

The only evidence touching this registration is that of the secretary
treasurer of the Plaintiff on his examination for discovery :

30 “ Q. Do you make any distinction in point of use between these
“ two registered trade marks ?—A. No, Sir.

“ Q. Do you know whether or not there is any distinction
“ made in the use of these two trade marks ?—A. Not to my
“ knowledge, no.

“ Q. You use them indifferently for the same purpose ?—A. Yes.

“ Q. Do you use the trade mark Coca-Cola in any form but the
“ script form ?—A. Yes.

“ Q. In what other form do you use it ?—A. It is typed out
“ and may be in block letters.

40 “ Q. How do you use it in relation to the product in a form
“ other than the script form ?—A. We generally use it in script form
“ in our advertising.

“ Q. But sometimes you use it in block letter form ?—A. Not in
“ our advertising. In our advertising it is used in script form.

“ Q. Then how is it used in block letter form ?—A. In the
“ typing of a letter, for instance.

“ Q. Is that all ?—A. It may appear in block letters in, for

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“ instance, a newspaper. Anyone writing the word Coca-Cola in a newspaper article might do that.

“ Q. But apart from the user of it in block letters, where it is not convenient to use it in script, you do not use it in any other way?—A. That is not exactly correct.

“ Q. Will you state just how you do use it?—A. In a pamphlet, for instance, where you are using a certain form of type, particularly where the lettering is small, it is difficult to make the Coca-Cola trade mark small in distinctive script.”

All that the trial Judge says about this registration is :

“ In 1932 the Plaintiff also registered the mark ‘ Coca-Cola,’ for the same use ‘ in any and every form or kind or representation,’ but that registration may here be disregarded.”

But the registration was specifically pleaded in the Statement of Claim and its validity specifically denied in the Statement of Defence and the Counterclaim asked for its cancellation. The Plaintiff in its Supplemental Factum takes the position that the registration may be superfluous under the Old Act, but seeks to support it under Section 28 (1) (b) of the New Act, a position which was not taken on the Pleadings. In the circumstances we do not think it advisable to make any order on the Counterclaim in respect of the 1932 registration. But that registration does show that the Plaintiff was plainly asserting a claim to the use of the words themselves in any shape or form. 10

The Defendant’s main attack was against the 1905 registration of Coca-Cola upon the ground that the two words were common English words of merely descriptive character and were not distinctive. It was said that “ cola ” (kola) is a word with a very common meaning, being a genus of trees native to western tropical Africa which had been introduced into the West Indies and Brazil, whose seed, called cola-nut or cola-seed, about the size of a chestnut, brownish and bitter, is largely used for chewing as a condiment and digestive and the extract used as a tonic drink, and that the available literature, much of which we were referred to, shows that the word “ cola ” was well known and in the widest use to describe beverages containing cola extract long before the registration in 1905 of the mark “ Coca-Cola ” ; further, that coca is a common word describing a South American shrub from the leaves of which cocaine, among other substances, is obtained and that the use by the natives of its leaves for their supposed stimulating properties had long been known. It was contended that long before 1887 extracts from coca leaves and from cola nuts had found a place in the pharmacopœia. We were referred to the case of *Nashville Syrup Co. v. Coca-Cola Co.*, 215 Federal Reporter (1914) 527, where it is stated at p. 528 that 30

“ In 1887 Pemberton, an Atlanta (Georgia) druggist, registered in the Patent Office a label for what he called ‘ Coca Cola Syrup and Extract.’ ” 40

The Coca Cola Company, in the *Nashville* case, was organized as a

corporation in 1892 and acquired Pemberton's formula and label, according to the report of that case.

In *United States v. Coca-Cola Company of Atlanta*, 241 U.S. (1916) 265, the Food and Drugs Authorities of the United States filed a libel against the Coca-Cola Company (Georgia), charging that its beverage was adulterated and misbranded. The Coca Cola Company denied the charge of misbranding and averred that its product contained "certain elements or substances derived from coca leaves and cola nuts." Mr. Justice Hughes (the present Chief Justice of the United States) in his opinion at p. 289, said :

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10 " In the present case we are of opinion that it could not be said
" as matter of law that the name was not primarily descriptive of
" a compound with coca and cola ingredients, as charged. Nor is
" there basis for the conclusion that the designation had attained a
" secondary meaning as the name of a compound from which either
" coca or cola ingredients were known to be absent : the claimant
" has always insisted, and now insists, that its product contains both.

And at p. 288 :

20 " Nor would it be controlling that at the time of the adoption
" of the name the coca plant was known only to foreigners and
" scientists, for if the name had appropriate reference to that plant
" and to substances derived therefrom, its use would primarily
" be taken in that sense by those who did know or who took
" pains to inform themselves of its meaning. Mere ignorance on
" the part of others as to the nature of the composition would not
" change the descriptive character of the designation."

30 It is not without its own significance that there is no evidence in the
case now before us that an extract or ingredient from either cola nuts or
coca leaves forms any part of the formula from which the Plaintiff's beverage
is made. We doubt if the public who buy and consume the beverage ever
think in terms of either coca leaves or cola nuts. We should think it not
unreasonable to presume that the ordinary consumer thinks of "coca"
as a mere corruption of the word "cocoa" or "cacao" and might not
unreasonably expect that the beverage contained something of the product
we all know as cocoa. Mr. Herridge made a powerful attack upon the
registration of the words "coca" and "cola" as the basis of an exclusive
trade mark for a beverage. No doubt each of the words is a descriptive
word but we are not prepared to say that a trader cannot join the words
into a compound which, written in a peculiar script, constitutes a proper
trade mark.

40 In the *Crosfield* and other cases (1910) 1 Ch., 130 (an application
case) Lord Justice Fletcher Moulton said, at pp. 145 and 146 :

 " Much of the argument before us on the part of the opponents
" and the Board of Trade was based on an assumption that there
" is a natural and innate antagonism between distinctive and
" descriptive as applied to words, and that if you can show that a

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“ word is descriptive you have proved that it cannot be distinctive.
“ To my mind this is a fallacy. Descriptive names may be distinctive
“ and vice versa, . . . There is therefore no natural or necessary
“ incompatibility between distinctiveness and descriptiveness in the
“ case of words used as trade marks. The notion that there is such
“ an incompatibility is confined to lawyers, and is, in my opinion,
“ due to the influence of the earlier Trade Marks Acts.

These observations were referred to with approval by Lord Maugham
(then Maugham, L.J.), in *Bale and Church Ltd. v. Sutton Parsons & Sutton*
and Astrah Products (1934) 51 R.P.C., 129, at p. 144, and by Lord Wright 10
in the *Sheen* case, in *re J. & P. Coats, Ltd.* (1936) 53 R.P.C., 355, at 378.

Viscount Dunedin in the *Reddaway* case, 1927, A.C. 406, at 413, said :

“ . . . it seems to me that to settle whether a trade mark
“ is distinctive or not . . . is a practical question, and a question
“ that can only be settled by considering the whole of the circum-
“ stances of the case.”

The compound word “ Coca-Cola ” was registered in Canada as early
as 1905 and has been used by the Plaintiff as its trade name and trade
mark in connection with the sale of its beverage (whatever its ingredients
may be), and the Defendant’s claim to have the registration of 1905 declared 20
invalid and cancelled was not made until 1936. If there ever was any
legitimate ground for impeaching the 1905 registration of Coca-Cola, there
has been such long delay and acquiescence that any doubt must now be
resolved in its favour. It would be a matter of grave commercial injustice
to cancel the registration that has stood since 1905 and which admittedly
has become widely used by the Plaintiff.

The evidence is that the Plaintiff manufactures the syrup and from it
the beverage is made by adding carbonated water in some proportions not
disclosed. In some cases the Plaintiff itself adds the carbonated water and
bottles and sells direct to the retailers ; it has some 20 bottling plants 30
of its own. In other cases the Plaintiff sells the syrup to jobbers who in
turn sell it to soda fountain owners who in turn add the carbonated water to
it, before selling to the consumer. But it is also shown that the Plaintiff
sells the syrup to some 80 different bottling concerns throughout Canada
who add carbonated water according to standard instructions and then
bottle and sell the beverage to retail dealers. The evidence of Duncan,
secretary treasurer of the Plaintiff, was this :

“ Q. Do these independent bottling plants bottle Coca-Cola
“ alone or do they bottle other beverages as well ?—A. Practically
“ all of them bottle other products as well. 40

“ Q. What would be the nature of those products ?—A. A
“ general line of sodas.”

There can be no doubt upon the evidence that the Plaintiff’s beverage is
merchandized in Canada to a large extent through these independent
bottling concerns. What is said against the Plaintiff is that this method of

doing business—selling its product in syrup to some 80 different concerns throughout Canada who in turn add a certain quantity of carbonated water to it in accordance with standard instructions and then sell the bottled drink to the public as Coca-Cola—constitutes a public use of the word Coca-Cola as the name of a particular beverage and an abandonment of the word as a trade mark for the product of a particular manufacturer. There may be some force in that contention but the evidence at the trial was not developed sufficiently on this branch of the case to show explicitly how these bottling concerns, or the retail dealers who purchased from them, actually

10 sold the beverage. It would seem to be a fair inference from the evidence that it was sold under the name Coca-Cola but if the Plaintiff's course of dealing with the syrup and the sales to the public of the beverage made from the syrup were to be relied upon as an abandonment by the Plaintiff of its trade mark, the facts should have been plainly established.

The Defendant's Counterclaim for cancellation of the registration of Coca-Cola must fail.

We now come to the attack against Pepsi-Cola. The question is whether or not the names are so similar and confusing as likely to mislead the consuming public. It is not a passing-off action; and there is no

20 evidence that anyone has been misled. Where a Defendant's trade is of some standing, the absence of any instance of actual confusion may be considered as some evidence that interference is unnecessary. What is said is that the designation "Pepsi-Cola" is "confusingly similar to" the trade mark "Coca-Cola" and that its use by the Defendant constitutes an infringement of the Plaintiff's trade mark.

Lord Westbury said in *Hall v. Barrows* (1863), 33 L.J. (N.S.) Ch., 204, at 208 :

30 " . . . the property in a trade mark consists in the exclusive right to the use of that mark as applied to some particular manufacture. Nor is it correct to say that the right to relief is founded on the fraud of the Defendant, as appears from the case of *Millington v. Fox*, already referred to. Imposition on the public is indeed necessary for the Plaintiff's title, but in this way only, that it is the test of the invasion by the Defendant of the Plaintiff's right of property; for there is no injury done to the Plaintiff if the mark used by the Defendant be not such as may be mistaken, or is likely to be mistaken, by the public for the mark of the Plaintiff. But the true ground of the Court's jurisdiction is "property."

40 Each case depends upon its own facts. We were referred to a great many authorities and while they contain statements of much value on general principles, they all deal with the particular facts of the particular cases. The actual decisions in cases of words of such similarity as "Kleenoff" and "Kleenup" (51 R.P.C. 129), "Coalite" and "Ucolite" (48 R.P.C., 477), "Ustikon" and "Justickon" (44 R.P.C., 412), "Harvino" and "Vyno" or "Vino" (37 R.P.C., 137), do not assist us in this particular case. While the *Payton* case in the House of Lords (1900), 17 R.P.C., 628,

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was an action to restrain passing-off, the words of Lord Macnaghten (at p. 634) may well be recalled :

“ Now when a person comes forward to restrain a colourable imitation of this sort in a case like this, and when he cannot prove that the Defendants have tried to steal his trade, he has to make out beyond all question that the goods are so got up as to be calculated to deceive. The principle is perfectly clear—no man is entitled to sell his goods as the goods of another person. The difficulty lies in the application, and when it is a case of colourable imitation I think it is very desirable to bear in mind 10 what Lord Cranworth said on one occasion—that no general rule can be laid down as to what is a colourable imitation or not. You must deal with each case as it arises, and have regard to the circumstances of the particular case.”

Lord Parker, then Parker, J., said in another application case, the *Pianotist* case (1906) 23 R.P.C., 774, at 777 :

“ 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 customer who would be likely to buy those 20 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 30 registration, or rather, you must refuse the registration in that case.”

The authorities are plain, we think, that the rules of comparison for testing an alleged infringement of a registered mark resemble those rules by which the question of similarity on an application for registration is tested but that it is necessary to establish a closer likeness in order to make out an actual infringement than would justify the refusal of an application to register. The burden on a Plaintiff in an infringement action is to show reasonable probability of confusion, while an applicant for registration must establish, if challenged, the absence of all reasonable prospect of confusion. 40

What is protected by law is the whole mark as registered but a part of a mark may be so taken and used as to amount to a substantial taking of the whole. The only similarity between the two compound words here in question lies in the inclusion of the word “ cola ” in both marks. The Plaintiff does not, and of course could not, claim any proprietary right in the word “ cola ” standing alone. None the less it is plain that the objection

of the Plaintiff really goes to the registration by any other person of the word "cola" in any combination, for a soft drink. If such objection is allowed, then the Plaintiff virtually becomes the possessor of an exclusive proprietary right in relation to the word "cola." The general attitude of the Plaintiff finds expression in the evidence of Duncan, the secretary treasurer of the Plaintiff, whose connection with the parent company goes back to 1920, when he said in answer to a question on his examination for discovery: "But Cola to me means Coca-Cola" (Case, ~~6-76~~, lines ~~42 and 43~~). The Defendant's factum set out a list of actions pending in the Exchequer Court at the present time brought by the Plaintiff against other parties for using the word "cola" in connection with their beverages:

Suit No. 17042 vs. E. Denis, to restrain the use of the mark "Denis cola."

Suit No. 17057 vs. Eskimo Bottling Works, to restrain the use of the marks "Eskimo cola" and "Texacola."

Suit No. 17048 vs. Frisco Soda Water Co. Ltd., to restrain the use of the mark "Sunshine cola."

Suit No. 17036 vs. Girouard Ltd. to restrain the use of the mark "Hero-Cola."

20 Suit No. 17056 vs. Canadian Aerated Waters, Ltd., to restrain the use of the mark "Soda-Kola."

No objection was taken to this statement. The thirty Canadian registrations of trade names or trade marks in which the word "cola" in some form was used were in our opinion admissible as some evidence of the general adoption of the word in names for different beverages or tonics:

	<i>Date of Registration.</i>	<i>Trade Mark.</i>	<i>Product.</i>	<i>Page number in Record.</i>
	June 11, 1896	Bromo-Kola	Medicine	266
30	April 7, 1898	Clarke's Kola Compound for Asthma	Medicine	243
	Mar. 11, 1901	Laxakola... ..	Tonic Beverage	244
	Nov. 22, 1902	Kola Tonic Wine	Tonic Beverage	247
	Nov. 11, 1905	Coca-Cola	Beverage	217
	June 28, 1906	Noxie-Kola	Tonic Beverage	241
	Oct. 3, 1906	Tona-Cola	Tonic Beverage	268
	Nov. 30, 1906	Pepsi-Cola	Beverage	222
	April 9, 1907	La-Kola	Beverage	271
	April 25, 1907	Cola-Claret	Beverage	272
40	Feb. 17, 1910	Kola-Cardinette... ..	Medicine	239
	Oct. 18, 1915	Mint-Kola	Beverage	277
	Oct. 29, 1915	Kel-Ola	Beverage	278
	April 20, 1918	Kelo	Tonic Beverage	238
	Nov. 21, 1919	Kuna Kola	Beverage	280
	July 11, 1921	Kola Astier	Medicine	284

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No. 26. Reasons for Judgment of Davis, J. (concurring in by the Chief Justice and Rinfret and Hudson, JJ.)— <i>continued.</i>	July 23, 1921	Cocktail Kola Secrestat	Tonic Beverage	274
	Sept. 1, 1922	Rose Cola	Beverage	230
	Nov. 2, 1922	Orange Kola	Beverage	233
	Nov. 17, 1922	O'Keefe's Cola	Beverage	235
	Aug. 31, 1925	Smith's O'Kola	Beverage	229
	Feb. 19, 1926	Fruta-Kola	Beverage	253
	Mar. 9, 1926	Kola-Fiz	Beverage	256
	June 17, 1927	Ketra-Kola	Beverage	257
	Oct. 15, 1927	Royal Cola	Beverage	251
	June 25, 1928	Kali Kola	Beverage	258
	July 3, 1930	Celery-Kola	Beverage	261
	Aug. 27, 1930	Mexicola	Beverage	262
	Oct. 27, 1930	Klair-Kola	Beverage	249
	Nov. 20, 1930	Oxola	Beverage	264
	July 7, 1934	Kolade	Medicine	236
Oct. 15, 1936	Vita-Kola	Beverage	282	

It will be observed that Coca-Cola is the fifth and Pepsi-Cola the 20 eighth in the given list of registrations.

The United States case of *Coca-Cola v. Koke* (254 U.S., 141) was relied upon by the Respondent. In that case the Supreme Court of the United States granted an injunction but both Courts below had agreed that, subject to one question in respect of which a writ of certiorari was granted by the Supreme Court, the Plaintiff had on the facts a right to equitable relief. It had been found that the Defendant's mixture was made and sold "as and for the Plaintiff's goods." Mr. Justice Holmes, who wrote the Judgment in the Supreme Court, referred to the Defendant's conduct there as "a palpable fraud." Nothing of that sort is proved or seriously 30 suggested in the case before us. The question which the Supreme Court of the United States considered was whether the Plaintiff had there been guilty itself of such representations to the public of its own beverage as would disentitle it to equitable relief.

The Plaintiff obviously seeks to eliminate the word "Pepsi-Cola" from the trade, in whatever form it is written. This is plain from its demand that even the use of the corporate name of the Defendant be restrained. The real basis of the Plaintiff's claim is not against the style of script lettering in which the Pepsi-Cola mark as registered or used by the Defendant is written; the basis of the claim is the use of the compound word in any form, 40 obviously because it contains the word "cola." The registration of September, 1932, as we have seen, is not in script but in ordinary type and its use is claimed "in any and every form or kind of representation." In the *Peps* and *Pan-Pep* case, 40 R.P.C. (1923) 219, at 223, Eve, J., pointed out that:

“ One must be careful in determining the issue that the claim
 “ put forward by the owners of the mark shall not develop into
 “ a claim calculated greatly to restrict the use in the particular
 “ business of an affix or a prefix extremely common in the trade.”

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Here the Plaintiff is really attempting to secure a monopoly in the
 word “ cola.”

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Both companies were incorporated under the Dominion Companies’
 Act. Under Section 7 a proposed corporate name shall not be a name
 liable to be confounded with the name of any other company, and Section 23
 10 provides for a change of corporate name if it is made to appear to the
 satisfaction of the Secretary of State that the name of a company is so
 similar to the name of an existing company “ as to be liable to be confounded
 “ therewith.” The Companies Act, R.S.C. 1927, Ch. 27, Section 7 (a) and 23,
 as amended by 20-21 Geo. V. (1930), Ch. 9, Section 4 and 10. No such
 application appears to have been made by the Plaintiff following upon the
 incorporation of the Defendant. It is one of the circumstances that may
 be taken into account.

We cannot say by tests of sight and sound that the compound word
 “ Pepsi-Cola ” bears so close a resemblance to “ Coca-Cola ” as to be likely
 20 to cause confusion in the trade or among the purchasing public. The
 difference between the two compound words is apparent. If the sound
 test is applied, the difference is sharply accentuated ; if the sight test is
 applied, the first word “ Pepsi,” written in any form, at once distinguishes
 the compound words. The general impression on the mind of the ordinary
 person, we think, made by sight and sound of the two marks would be one
 of contrast, rather than of similarity. Moreover, it must be borne in mind
 that “ Pepsi-Cola ” as a registered trade mark in Canada has stood
 unimpeached since 1906 and that the evidence in the case discloses that
 30 pepsin and cola flavour actually form part of the ingredients of the beverage
 manufactured and sold by the Defendant as Pepsi-Cola. To refer again
 to certain language of Eve, J., in the *Peps* case at p. 224 :

“ . . . I feel satisfied that, if confusion had in fact arisen,
 “ or, if in fact there had been reason to believe that confusion was
 “ likely to arise in the near future, it would not have been impossible
 “ to produce evidence of some retailer of the circumstances in which
 “ confusion had either been created or was apprehended.”

While this is not decisive of the matter, it is of considerable weight.

Considering all the circumstances of the case, the same commercial
 injustice which we spoke of in connection with the Defendant’s attempt
 40 to cancel the registration of “ Coca-Cola ” would follow, though perhaps
 to a lesser extent, the injunction sought by the Plaintiff against the use
 of the mark “ Pepsi-Cola ” by the Defendant. We are satisfied the Plaintiff
 has not established its claim for infringement.

The learned trial Judge, the President of the Exchequer Court, found
 infringement and gave Judgment in favour of the Plaintiff, restraining the
 Defendant not only from selling or distributing its beverage in association

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with the compound word "Pepsi-Cola" but also from using the word "Pepsi-Cola" in or as part of its corporate name, ordering the delivery up of all labels, advertising matter, price lists and other material in the possession or under the control of the Defendant which bear the compound word "Pepsi-Cola," and awarding such damages as may be ascertained on a reference. The Counterclaim was dismissed. It is plain from the reasons for Judgment of the learned Judge that he concluded that there was a system of deception and fraud practised by the Defendant against the Plaintiff and that his view of the whole case was much influenced by certain findings of fraud and deception that had been made in a Judgment in an American case (Delaware) introduced into the evidence of the present case and referred to by the learned Judge in his reasons for Judgment. Neither of the parties to this action was a party in the foreign action and it is sufficient to say, with the greatest respect, that the findings of fact in that case have nothing whatever to do with this case and were clearly inadmissible. 10

At the opening of the appeal we heard Mr. Ralston, by special leave, who said he represented several other "Cola" companies who feared their rights might be prejudicially affected by certain rather extended observations in the trial Judgment to which he called our attention, relating to the number of other registrations and the use of trade names containing the word "cola" in some form. It is only necessary for us to say that our Judgment is solely concerned with the rights of the parties to this litigation and nothing in this case can alter or prejudicially affect the rights of other parties. 20

We would allow the Appeal with costs. Both the action and the Counterclaim should be dismissed with costs, except that there shall be no order under the Counterclaim in respect of the 1932 registration.

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KERWIN, J.—

The Defendant, Pepsi-Cola Company of Canada, Limited, appeals from a Judgment of the Exchequer Court whereby, at the instance of the Plaintiff-Respondent (The Coca-Cola Company of Canada, Limited), the Appellant, its servants, agents and workmen were perpetually restrained "from selling or distributing any beverage not of the Plaintiff's manufacture in association with the compound word 'Pepsi-Cola' or any other word or words so similar to the Plaintiff's trade mark 'Coca-Cola' as to be calculated to cause confusion between the Defendant's beverage and that of the Plaintiff." The Judgment perpetually restrained the Appellant "from using the compound word 'Pepsi-Cola' in or as part of its corporate name, or any word or words therein so similar to the Plaintiff's trade mark 'Coca-Cola' as to be calculated to cause confusion 30 40

“ between the Plaintiff and the Defendant ” ; and also perpetually restrained
 “ the Appellant, its servants, agents and workmen “ from distributing any
 “ beverage not of the Plaintiff’s manufacture in association with any word
 “ or words in script form of a kind calculated to cause confusion between
 “ the Defendant’s beverage and that of the Plaintiff.” The Judgment
 contained an order for the delivery up by the Appellant to the Respondent
 of all labels, advertising matter, etc. ; directed a reference to determine
 the damages suffered by the Respondent by reason of the infringement
 complained of in the Statement of Claim or alternatively as the Plaintiff
 10 might elect to take an account of profits ; and dismissed the Appellant’s
 Counterclaim for an order that the trade mark “ Coca-Cola ” was not
 registrable and for the cancellation of the registrations of the Respondent.

At the trial the Respondent filed a certificate of registration of trade
 mark dated November 11th, 1905, a certificate of another trade mark
 registered September 29th, 1932, a sample bottle of Pepsi-Cola, two
 photographs showing markings on cases of Pepsi-Cola, and a sample bottle
 of Coca-Cola. In addition to filing these exhibits, the Respondent read
 certain questions and answers from the examination for discovery of
 Donald S. Hawkes, general manager of the Appellant Company, which
 20 merely showed that the deponent and some of his predecessors in the
 position occupied by him had been at various times connected with the
 Respondent Company and with some other company which may be
 referred to as the Coca-Cola Company. There is also a statement that the
 Appellant Company did not take over the Canadian business of any other
 company, to the Deponent’s knowledge, but in the view I take of the
 matter, the effect of that answer need not be considered. The Respondent
 then rested its case and after a motion for non-suit had been refused, certain
 evidence was led and certain exhibits filed on behalf of the Appellant. It
 appears that the Appellant registered the name “ Pepsi-Cola,” in the form
 30 shown in its Application, as a trade mark to be applied to the sale of
 beverages and particularly to a non-alcoholic beverage on November 30th,
 1906.

Whatever may have been proved in other actions brought by the
 Respondent or its Parent Company against other individuals or companies
 cannot, of course, be considered, and it is unnecessary in my opinion to define
 the precise effect of Section 18 of The Unfair Competition Act, 1932, Ch. 38.
 The Respondent undoubtedly appears to be the owner of the trade mark and
 the word mark “ Coca-Cola,” and by Section 3 of the Act the Appellant is
 prohibited from knowingly adopting for use in Canada in connection with
 40 beverages and syrup for the manufacture of such beverages the Respondent’s
 trade mark or any distinguishing guise which is similar to it. By Section 2(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 of both in the same area in associa-
 “ tion 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

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“ 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.”

In the present case the only admissible relevant evidence consists of the two names, the forms in which they respectively appear and the fact that they are used in the same areas in Canada in connection with similar wares, i.e., “soft” drinks. Facsimiles of the respective trade marks are reproduced in the Judgment of the President of the Exchequer Court. A comparison of the two hyphenated words, their appearance in script, and their sound as pronounced and as likely to be pronounced by dealers and users of the wares of the parties do not indicate that they so resemble each other or so clearly suggest the idea conveyed by each other that they fall within the definition of Section 2 (k). 10

Numerous Judgments were cited at bar to show that in other cases certain words or expressions were calculated to cause the goods of one party to be taken by purchasers for the goods of the other party but the question in each case is one of fact. “How” (asks Lord Watson in *Johnston v. Orr-Ewing* (1882) 7, A.C. 219) “can observations of judges upon other and quite different facts bear upon the present case, in which the only question is what is the result of the evidence.” Lord Blackburn in the same case states: “The question to be determined is a question of fact.” In the present case that question must, in my opinion, be answered adversely to the Respondent. 20

As to the Counterclaim, I find myself unable to agree with all the reasons given by the learned President. I would affirm its dismissal in so far as Respondent’s trade mark registered as No. 43/10433 is concerned, but solely on the ground that there is no evidence that would warrant the Court declaring that it was not registrable or ordering that the registration be cancelled. I would set aside the Judgment *a quo*, in so far as it dismisses that part of the Counterclaim which asks for a declaration that Respondent’s trade mark registered as No. 257/55268 was not registrable and for an order cancelling the registration. 30

The parties having been permitted to file supplementary factums, it appears from that submitted on behalf of the Respondent that the position now taken by it with respect to the second trade mark differs from that advanced by it at the trial. Our attention has been drawn to Section 28 (1) (b) of The Unfair Competition Act, 1932 :

“ 28. (1) Notwithstanding anything hereinbefore contained :

“ (b) similar marks shall be registrable for similar wares

“ if the Applicant is the owner of all such marks which shall be 40

“ known as associated marks. . . .”

I am not prepared, at the moment, to determine the precise meaning of that provision but in view of it and of the course that the trial took, I am not disposed to preclude either party in a properly framed action litigating the question whether under Section 28 (1) or otherwise Respondent could apply for and secure registration of the compound word “Coca-Cola” although the same compound word in script form had already

been registered by it as a trade mark. The Judgment on the Counterclaim should, therefore, declare that with respect to the Respondent's second trade mark, the Court does not see fit to make any order.

The Appellant should have its costs of the Appeal and of the action, and the Respondent its costs of the Counterclaim.

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Plaintiff's Petition for Special leave to Appeal.

10

TO THE KING'S MOST EXCELLENT MAJESTY IN COUNCIL.

THE HUMBLE PETITION OF THE COCA-COLA COMPANY OF CANADA, LIMITED,

SHEWETH THAT :

1. This action was brought by your Petitioner on March 30, 1936, in the Exchequer Court of Canada for relief in respect of the infringement of a trade mark which your Petitioner's predecessor had commenced to use in Canada about 1900 on a non-alcoholic beverage and the syrup therefor, and had registered in 1905. Your Petitioner acquired the business in 1923. There were at that time twelve branches and bottling plants from which the business was carried on throughout Canada, and the number of these subsequently increased to twenty. The beverage has also been bottled by over eighty bottlers and has been sold at substantially all soda fountains as well as by other distributors at five cents a drink.

2. The use of the mark complained of began in 1934, when the Defendant Company was organized as a subsidiary of a United States Company incorporated in 1931 under a similar name. This use was on a beverage of the same character and colour as that upon which your Petitioner

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had used its mark, and the Respondent's beverage, like your Petitioner's, was sold at a low price.

3. Each of the marks in question consists of a pair of two-syllable words separated by a hyphen and writted in a distinctive form.

The reproductions below show your Petitioner's mark as registered and the Respondent's mark as used.

Petitioner's mark.



Respondent's mark.



As used on the bottle caps of the parties the marks are both stamped in red.

4. The Respondent, by its Counterclaim, attacked the validity of your 10
Petitioner's registration on the ground that each of the words "coca"
and "cola" was the name of a tropical plant and that the mark was
consequently descriptive. This Counterclaim was dismissed by the Judgment
of the Exchequer Court which, on this point, was affirmed by the Supreme
Court of Canada.

The learned trial Judge (Maclean, J.), found that

" the words comprising the Plaintiff's mark were unknown in
" this country, at least as the name of a beverage, before the Plaintiff's
" predecessor in business came to use the name for that purpose."

Of the Judges of the Supreme Court all but Kerwin, J., concurred in 20
a Judgment delivered by Davis, J., in which it is said :

" We doubt if the public who buy and consume the beverage ever think
" in terms of either coca leaves or cola nuts "

and Kerwin, J., held that there was no evidence to warrant a declaration
that the mark was not registrable or an order that registration be cancelled.

5. Both Courts were, moreover, in agreement in rejecting a contention
put forward by the Respondent that it was entitled to the benefit of a
registration made in 1906 of a mark substantially in the same form as that
complained of ; it was held by both that the Respondent had failed to
establish any title to this registration and that there was no evidence of 30
the use of the Respondent's mark in Canada before 1934. The two Courts
differed, however, on the question whether the use of the Respondent's
mark was an infringement of your Petitioner's rights. Relief was granted
to your Petitioner by the Exchequer Court but on this point the Judgment
was reversed on appeal and your Petitioner's action was dismissed.

6. Your Petitioner based its right to relief upon the provisions of the Unfair Competition Act which, since 1932, had governed the rights of the owners of registered marks. The Respondent relied upon formal evidence of the registration of a number of trade marks which included the word "cola" (no evidence of the use of any of these marks being given) and upon the oral evidence of one Guth, by whom the Respondent's parent company had been organized in 1931 and who maintained that confusion between the beverages bearing the marks could not occur. The cross-examination of this witness was directed to showing that confusion was not only probable but had in fact occurred in the United States.
7. The Judgment of the Exchequer Court was founded upon the views:—
- (a) "that when the two marks were compared as wholes in the light of all the surrounding circumstances, they were 'similar' marks in the sense of that word as defined in the Statute, and
- (b) "that the mark Pepsi-Cola had been adopted as a trade mark with the expectation of reaping some advantage from the wide acquaintance of consumers with Coca-Cola" and "for the purpose of obtaining some commercial advantage from the long acquaintance of the public with the Plaintiff's beverage."
8. In his Judgment the learned trial Judge quotes a number of the sections of the Unfair Competition Act, including that which forbids any one to direct public attention to his wares in such a way that it might "be reasonably apprehended that his course of conduct was likely to cause confusion" with a competitor's wares, those which confer upon the registered owner of a trade mark an exclusive right to the use in association with wares of the same mark or any "similar" one, and that which defines the word "similar" as applied to marks. This definition is thus expressed:—
- "2. In this Act, unless the context otherwise requires
- (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 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, for the conditions under which or the class of persons by whom they were produced, or for their place of origin."
- The provisions of the Unfair Competition Act, 1932, most relevant to the present litigation have no counterpart in the previous legislation in Canada or in the corresponding British Statute. This is the first case in which these provisions have fallen to be construed.
9. The learned trial Judge also deals with the mode in which marks are to be compared, pointing out that they are not to be placed side by side,

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

No. 29.
Plaintiff's
Petition for
Special
Leave to
Appeal—
continued.

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

No. 29.
Plaintiff's
Petition for
Special
Leave to
Appeal—
continued.

but the memory of the whole of the one compared with the whole of the other, keeping in mind the opportunity of deception, the probability of telephone errors and the tendency to abbreviate. He refers to the presence in the marks to be compared of conspicuous features, such features being "illustrated in this case by the conspicuous scroll effect, or flourishes, in "the formation of each mark." On this branch of the case the conclusion reached is expressed as follows :—

" It seems to me that persons might very easily and readily be
" confused or mistaken in receiving an order for the beverage of either
" Plaintiff or Defendant, if hurriedly or carelessly given or pro- 10
" nounced, particularly over the telephone ; . . . And further, there
" would, I think, be a probability of confusion resulting from the
" probable tendency on the part of many persons to abbreviate one
" or the other of the marks, or both marks, into ' Cola,' which would
" render it easily possible for a person to be given a beverage he really
" had not in mind."

10. The Judgment of the learned trial Judge contains no express statement that he inferred from Guth's evidence and demeanour that it was the intention of Guth and his associates to take advantage of the reputation of your Petitioner's beverage, but that he in fact drew that inference 20 sufficiently appears.

The learned trial Judge discusses the Judgment given in a United States Court to which Guth (in justification of certain instances of confusion which had been brought to his attention) had referred in cross-examination, and he further discusses the facts in that case which Guth said had been correctly stated in such Judgment. These facts were that fifty-nine waitresses and forty-one soda dispensers of a beverage-retailing company of which Guth was president had in six hundred and twenty instances substituted Pepsi-Cola for Coca-Cola in forty-four different stores. These facts are referred to by the learned trial Judge as showing " how extensively 30 " fraud had been practised " and as indicating the possibility of

" serving unsuspecting customers with Pepsi-Cola instead of
" Coca-Cola, and with comparative immunity, by dishonest retailers
" or their servants, if so inclined "

and he concludes that the Judgment mentioned does not as was contended by the Defendant

" furnish an answer to the contention here that on account of
" the similarity of the marks, and other circumstances, there is the
" probability of confusion arising and the possibility of deception
" being practised." 40

11. The Judgment also discusses the inference to be drawn from the evidence that

" many trade marks applied to non-alcoholic beverages partially
" similar to the Plaintiff's mark, or variants of it, have at one time
" or another been registered or used in Canada."

The learned trial Judge remarks that cases involving marks of this kind had previously been before him and the conclusion finally reached is thus stated :—

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

No. 29.
Plaintiff's
Petition for
Special
Leave to
Appeal—
continued.

10 “ Why should all these trade-marked beverages follow in the
“ wake of the entry of the Plaintiff's beverage on the market and
“ expand in numbers with the years ? To me, all this has a
“ cumulative effect adverse to the Defendant's contention, and
“ lends weight to the contention that Pepsi-Cola and other of such
“ marks were registered and put into use in Canada for the purpose of
“ obtaining some commercial advantage from the long acquaintance
“ of the public with the Plaintiff's beverage. My conclusion is
“ that there is infringement here.”

12. On the point of infringement the Judgment of the Exchequer Court was reversed by the Supreme Court. In that Court only Kerwin, J., referred to the provisions of the Unfair Competition Act and concluded that the marks were not “ similar ” in the statutory sense. The Judgment of the majority of the Court contains no specific reference to any of the provisions of the Statute. The test adopted is expressed as follows :—

20 “ Whether or not the names are so similar and confusing as
“ likely to mislead the consuming public.”

The Judgment proceeds :—

“ it is not a passing-off action ; and there is no evidence that
“ anyone has been misled. Where a Defendant's trade is of some
“ standing, the absence of any instance of actual confusion may be
“ considered as some evidence that interference is unnecessary.”

30 Your Petitioner submits that this test is not in accordance with the provisions of Section 2 of the Unfair Competition Act and the effect of its adoption is in your Petitioner's submission to deprive your Petitioner, and the owners of registered trade marks in Canada generally, of the protection which the Statute purports to afford.

13. The conclusion of the majority of the Court is that it is impossible to
“ say by tests of sight and sound that the compound word
“ ‘ Pepsi-Cola ’ bears so close a resemblance to ‘ Coca-Cola ’ as to be
“ likely to cause confusion in the trade or among the purchasing
“ public.”

But this conclusion is based upon and supported by the following remarks :—

40 “ The only similarity between the two compound words here
“ in question lies in the inclusion of the word ‘ cola ’ in both marks.
“ The Plaintiff does not, and of course could not, claim any
“ proprietary right in the word ‘ cola ’ standing alone. None the
“ less, it is clear that the objection of the Plaintiff really goes to the
“ registration by any other person of the word ‘ cola ’ in any
“ combination for a soft drink.”

“ The real basis of the Plaintiff's claim is not against the style
“ of script lettering in which the Pepsi-Cola mark as registered or

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

No. 29.
Plaintiff's
Petition for
Special
Leave to
Appeal—
continued.

“ used by the Defendant is written. The basis of the claim is the use
“ of the compound word in any form obviously because it contains
“ the word ‘ Cola ’.”

“ Here the Plaintiff is really attempting to secure a monopoly
“ of the word ‘ cola ’.”

14. That this is not a correct statement of your Petitioner's contention appears, in its submission, from the passages which, in another connection, are quoted in the Judgment from the opening speech of your Petitioner's Counsel at the trial of the action. The contention in fact made by your Petitioner was (and is) that, by virtue of its registration, and the statutory 10 rights flowing therefrom, your Petitioner is entitled to prevent the use by others, on goods of the kind to which its mark is applied, of marks as similar to the Petitioner's mark as is the Respondent's, consisting as it does of a pair of two-syllable words separated by a hyphen, of which the second is the word “ cola,” especially when the mark is written in letters of flowing scroll-like form and having flourishes above and below like those which are characteristic of your Petitioner's mark.

15. Your Petitioner submits, moreover, that it appears from the passages quoted that the conclusion reached on the question of infringement is not founded upon a comparison of the marks as wholes, such as was 20 made, and in your Petitioner's submission properly made, by the learned trial Judge, but in effect after eliminating from consideration not only the resemblances due to the form of the letters used in the two marks, but even more importantly that resulting from the presence in each of the words “ cola,” the word being for the purpose of the comparison regarded as merely descriptive notwithstanding that, for the purpose of determining the question of the validity of the registration, it was held not to be so.

With regard to what is described in the Judgment of the majority of the Supreme Court as the learned trial Judge's conclusion “ that there was 30 “ a system of deception and fraud practised by the Defendant against the “ Plaintiff,” the Judgment of Kerwin, J., is silent. The majority of the Court, however, expressly refuses to accept the trial Judge's conclusion because, as is said, it is to be regarded as having been founded on the facts stated in an American Judgment in a proceeding to which neither your Petitioner nor the Respondent was a party.

That this is the only reason assigned for disregarding the learned trial Judge's conclusion shows, in your Petitioner's submission, that the majority of the Court failed to take into account not only the evidence of the witness Guth generally and in particular the way in which he raised and affirmed the facts summarized in the Judgment, but also the other evidence which was 40 before the learned trial Judge and upon part of which the conclusion which he reached was based.

17. Guth was the only witness examined who could and did speak of the purpose which underlay the organization and activities of the Respondent and its parent United States Company. Even in print his evidence suggests that he was not a frank witness, and only the trial Judge who heard it

could form an opinion as to the real motives which determined the line of conduct Guth and his associates had followed. The opinion so formed should not, in your Petitioner's submission, be overruled by an appellate tribunal even if it regards as unpersuasive the ancillary considerations by which the learned trial Judge supports his conclusion and other considerations such as the hiring by the Respondent as successive general managers of a former branch manager and employees of your Petitioner.

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

No. 29.
Plaintiff's
Petition for
Special
Leave to
Appeal—
continued.

18. In your Petitioner's submission the case involves important questions of general interest as to the effect of the Unfair Competition Act in defining the rights of the owner of registered trade marks in Canada, and the way in which a comparison of two marks should be approached under the Statute.

19. The value of your Petitioner's trade mark is very great. The annual value of the business done under it in Canada and the United States exceeds \$300,000,000.00. Your Petitioner's parent Company has succeeded in numerous cases in preventing the use by others in the United States of compound hyphenated words of which the last is "cola," to many of which the trial Judge refers on points of principle. In *Coca-Cola Co. v. Dixi-Cola Laboratories*, decided February 21, 1940, since the Judgment of the Supreme Court of Canada, Coleman, J., in the Federal District Court of Maryland preferred the reasoning of the learned trial Judge to that of the Supreme Court of Canada and gave Judgment accordingly.

20. Marks substantially identical with those here in question are involved in legal proceedings between the companies of which your Petitioner and the Respondent are subsidiaries or other of their subsidiaries not only in the United States and other foreign jurisdictions, but also in Jamaica, South Africa, Nigeria, Ceylon, British Guiana, Gold Coast Colony, Sierra Leone, Bahama Islands, Trinidad and the Leeward Islands.

21. The Judgments of the President of the Exchequer Court and of the Supreme Court of Canada are printed in the Appendix.

Your Petitioner therefore humbly prays that Your Most Gracious Majesty in Council will be pleased to order that your Petitioner shall have special leave to appeal from the said Judgment of the Supreme Court of Canada of the 9th of December, 1939, in so far as it is thereby adjudged that the use of the Defendant's mark in the form in which on the evidence it appears to have been used did not constitute an infringement of the rights of the Plaintiff by virtue of its registration No. 43/10433 made on November 11, 1905, and that the certified transcript of the proceedings produced on the hearing of this petition may be used upon the hearing of the appeal; and that Your Majesty may be graciously pleased to make such further or other order as to Your Majesty in Council may appear fit and proper.

And Your Petitioner will ever Pray.

K. E. SHELLEY.
G. H. LLOYD JACOB.

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

APPENDIX.

**In the Exchequer Court of Canada.
Reasons for Judgment of Maclean, J.
(Not printed).**

**In the Supreme Court of Canada.
Copy Reasons for Judgment of the Chief Justice and Rinfret,
Davis and Hudson, J J.
(Not printed).**

**Copy Reasons for Judgment of Kerwin, J.
(Not printed).**

10

No. 30.
Defendant's
Petition for
Special
Leave to
Appeal.

No. 30.

Defendants Petition for Special leave to Appeal.

TO: THE KING'S MOST EXCELLENT MAJESTY IN COUNCIL.

**THE HUMBLE PETITION of the PEPSI-COLA COMPANY OF CANADA,
LIMITED.**

SHEWETH :

1. That your Petitioners desire special leave to appeal by way of cross-appeal from the Judgment of the Supreme Court of Canada (the Right Honourable Sir Lyman Poore Duff, Chief Justice of Canada, and the Honourable Justices Rinfret, Davis, Kerwin and Hudson) dated the 9th day of 20 December, 1939, which, while allowing Your Petitioners' appeal and holding that Your Petitioners had not infringed the trade mark of the above-named Respondents rejected those parts of Your Petitioners' defence which alleged the invalidity of the trade marks upon which the Respondents relied and prayed by way of Counterclaim for the cancellation of the registrations on the 11th November, 1905, and on the 29th September, 1932, of the word "Coca-Cola" in the Canadian Trade Marks Office.
2. That by their Humble Petition lodged the 8th day of November, 1940, the Respondents sought special leave to appeal from the Judgment

of the Supreme Court of Canada in so far as it adjudged that the use of Your Petitioners' trade mark did not constitute an infringement of the Respondents' rights by virtue of the Respondents' registration No. 43/10433 made on the 11th November, 1905, and the Judicial Committee of Your Majesty's Privy Council on the hearing of the Petition on the 19th day of December 1940 signified their intention of humbly advising Your Majesty graciously to grant the prayer of the Petition.

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

3. That in Your Petitioners' humble submission the questions raised by the Respondents' appeal cannot be fully or properly determined without a consideration of the validity of the Respondents' said registration, which your Petitioners disputed on the following grounds :

No. 30.
Defendant's
Petition for
Special
Leave to
Appeal—
continued.

(i) that the Coca-Cola mark was without distinctiveness

(ii) that it consisted of two descriptive words indicating that the basic ingredients of the beverage sold under the said mark were extracts of the coca tree and the cola nut

(iii) that the word " Cola " had for many years been in common use by manufacturers of soft drink beverages and was a bona fide description of the character and quality of the product dealt in by them.

4. That the Honourable Mr. Justice Maclean, President of the Exchequer Court of Canada, who tried the case, in his reasons for Judgment delivered the 15th day of July, 1938, held that none of these grounds was established. He pointed out that the Respondents (who had used and authorised others to use the name Coca-Cola for a beverage and syrup for the making of the beverage) had rested their case simply on proof of registration of their mark and on evidence of the sale in Canada by Your Petitioners of a beverage, within the same category as the Respondents' beverage, under the name of Pepsi-Cola, without any evidence of specific instances of confusion arising from the use of the trade mark said to be in conflict or any evidence that dealers in such beverages had experienced instances of confusion, whereas Your Petitioners had put in evidence some thirty certified copies of Canadian registrations with the word " Cola " or a variant thereof used as a prefix or suffix. Although the name Coca-Cola was used by a large number of independent persons or bottlers who made the beverage by adding carbonated water to the Respondents' syrup, the learned Judge held that this was virtually a production by the Respondents and did not support Your Petitioners' contention that the Respondents' mark was without distinctiveness and *publici juris*. Nor did he consider the Respondents' mark descriptive of their beverage, largely composed of carbonated water, even if it contained a flavouring of coca leaves or the kola nut, which had not been established as the formula was secret, and in the eyes of the general public the name was meaningless except to distinguish the Respondents' beverage and its origin. The learned Judge dealt with the allegations that the word " Cola " had for many

In the
Privy
Council.

On appeal
from the
Supreme
Court of
Canada.

No. 30.
Defendant's
Petition for
Special
Leave to
Appeal—
continued.

years been in common use by manufacturers of non-alcoholic beverages by saying that reference by the public to drinks as Cola drinks showed a tendency to abbreviate marks such as those of Your Petitioners and the Respondents and was due to others seeking a name for their beverages which might follow in the wake of the Respondents successful attempts to popularise their beverage. The learned Judge considered that the latter fact lent weight to the contention that the object of Your Petitioners and the other persons registering such marks was to obtain some commercial advantage from the long acquaintance of the public with the Respondents' beverage.

10

5. That Your Petitioners appealed to the Supreme Court of Canada to which an appeal lies by virtue of Section 82 of the Exchequer Court Act, being Chapter 34 of the Revised Statutes of Canada, 1927. There is no appeal as of right from the Exchequer Court to Your Majesty in Council.

6. That the Supreme Court of Canada held that Your Petitioners had not infringed the Respondents' trade mark, and also held that no order should be made on that part of Your Petitioners' Counterclaim which was in respect of the Respondents' registration of the 29th September, 1932. Mr. Justice Kerwin stated his own reasons for Judgment, and the reasons of the other members of the Court were given by Mr. Justice Davis. 20 He pointed out that of the thirty Canadian registrations from the 11th June, 1896, to the 15th October, 1936, embodying the word "Cola," or "Kola" the first registration of "Coca-Cola" was fifth in order of date (11th November 1905) and of "Pepsi-Cola" eighth (30th November 1906). After citing authority which, in Your Petitioners' humble submission, turned on the question whether a mark was distinctive and which held that a mark might be distinctive although descriptive, the learned Judge reached the conclusion that "if there ever was any legitimate ground for impeaching 30 the 1905 registration of Coca-Cola, there has been such long delay and acquiescence that any doubt must now be resolved in its favour. It would be "a matter of grave commercial injustice to cancel the registration that has "stood since 1905 and which admittedly has become widely used by the "Respondents." Mr. Justice Kerwin, after stating that he was unable to agree with all the reasons of the learned President of the Exchequer Court, agreed in affirming the dismissal of Your Petitioners' Counterclaim so far as concerned the 1905 registration "but solely on the ground that there "is no evidence that would warrant the Court declaring that it was not "registrable or ordering that the registration be cancelled."

7. That Your Petitioners humbly submit that the evidence established that the Respondents' marks were descriptive and not properly registrable; 40 that, whatever effect it might have on a passing-off action, long delay and acquiescence could not cure any original invalidity in the registrations; and that the questions raised by Your Petitioners' Counterclaim are important questions fit to be determined by Your Majesty in Council.

10 Your Petitioners therefore humbly pray that Your Most Gracious Majesty in Council will be pleased to order that Your Petitioners shall have special leave to Appeal by way of Cross-Appeal from the said Judgment of the Supreme Court of Canada dated the 9th day of December, 1939, in so far as it dismissed Your Petitioners' Counterclaim, and that Your Petitioners' Appeal shall be consolidated with the Appeal for which Your Majesty may be graciously pleased to give leave to the Respondents and that both Appeals may be heard with the one record and with one printed case on each side and that Your Majesty may be graciously pleased to make such further or other order as to Your Majesty in Council may appear fit and proper.

In the Privy Council.
 On appeal from the Supreme Court of Canada.
 No. 30.
 Defendant's Petition for Special Leave to Appeal—
continued.

And Your Petitioners will ever Pray, etc.

FRANK GAHAN.

20 **Order in Council granting Special Leave to Appeal and to Cross-Appeal to His Majesty in Council.**

No. 31.
 Order in Council granting Special Leave to Appeal and to Cross-Appeal to His Majesty in Council, 15th January, 1941.

AT THE COURT AT BUCKINGHAM PALACE.

The 15th day of January, 1941.

Present

THE KING'S MOST EXCELLENT MAJESTY.

Lord President.	Captain Crookshank.
Lord Snell.	Colonel Clifton Brown.
Mr. Secretary Morrison.	Sir Walter Womersley.

30 Whereas there was this day read at the Board a Report from the Judicial Committee of the Privy Council dated the 19th day of December, 1940, in the words following, viz. :—

“ Whereas by virtue of His late Majesty King Edward the Seventh's Order in Council of the 18th day of October 1909 there

In the
Privy
Council.

No. 31.
Order in
Council
granting
Special
Leave to
Appeal and
to Cross-
Appeal to
His Majesty
in Council,
15th Janu-
ary, 1941—
continued.

“ was referred unto this Committee a humble Petition of the Coca-
“ Cola Company of Canada Limited in the matter of an Appeal from
“ the Supreme Court of Canada between the Petitioner Appellant
“ and the Pepsi-Cola Company of Canada Limited Respondent
“ setting forth (amongst other matters) that this Action was brought
“ by the Petitioner on the 30th March 1936 in the Exchequer Court
“ of Canada for relief in respect of the infringement of a trade mark
“ which the Petitioner’s predecessor had commenced to use in Canada
“ about 1900 on a non-alcoholic beverage and the syrup therefor
“ and had registered in 1905 : that the Petitioner acquired the 10
“ business in 1923 : that there were at that time twelve branches
“ and bottling plants from which the business was carried on
“ throughout Canada and the number of these subsequently
“ increased to twenty : that the beverage has also been bottled by
“ over eighty bottlers and has been sold at substantially all soda
“ fountains as well as by other distributors at five cents a drink :
“ that the use of the mark complained of began in 1934 when the
“ Respondent Company was organised as a subsidiary of a United
“ States company incorporated in 1931 under a similar name : that
“ this use was on a beverage of the same character and colour as 20
“ that upon which the Petitioner had used its mark and the
“ Respondent’s beverage like the Petitioner’s was sold at a low
“ price : that the Respondent by its Counterclaim attacked the
“ validity of the Petitioner’s registration on the ground that each
“ of the words ‘ coca ’ and ‘ cola ’ was the name of a tropical plant
“ and that the mark was consequently descriptive : that this
“ Counterclaim was dismissed by the Judgment of the Exchequer
“ Court which on this point was affirmed by the Supreme Court :
“ that the learned trial Judge found that ‘ the words comprising
“ ‘ the Plaintiff’s mark were unknown in this country, at least as 30
“ ‘ the name of a beverage, before the Plaintiff’s predecessor in
“ ‘ business came to use the name for that purpose ’ : that of the
“ Judges of the Supreme Court all but Kerwin, J., concurred in a
“ Judgment delivered by Davis, J., in which it is said :—

“ ‘ We doubt if the public who buy and consume the beverage
“ ‘ ever think in terms of either coca leaves or cola nuts,’ and
“ Kerwin, J., held that there was no evidence to warrant a declaration
“ that the mark was not registrable or an order that registration be
“ cancelled : that both Courts were moreover in agreement in
“ rejecting a contention put forward by the Respondent that it was 40
“ entitled to the benefit of a registration made in 1906 of a mark
“ substantially in the same form as that complained of : that it
“ was held by both that the Respondent had failed to establish any
“ title to this registration and that there was no evidence of the use
“ of the Respondent’s mark in Canada before 1934 : that the two
“ Courts differed however on the question whether the use of the

10 “ Respondent’s mark was an infringement of the Petitioner’s rights : In the
 “ that relief was granted to the Petitioner by the Exchequer Court Privy
 “ but on this point the Judgment was reversed on appeal and the Council.
 “ Petitioner’s action was dismissed : that the Petitioner based its No. 31.
 “ right to relief upon the provisions of the Unfair Competition Act Order in
 “ which since 1932 had governed the rights of the owners of registered Council
 “ marks : that the provisions of the Unfair Competition Act 1932 granting
 “ most relevant to the present litigation have no counterpart in the Special
 “ previous legislation in Canada or in the corresponding British Leave to
 “ Statute : that this is the first case in which these provisions have Appeal and
 “ fallen to be construed : that in the Petitioner’s submission the case to Cross-
 “ involves important questions of general interest as to the effect Appeal to
 “ of the Unfair Competition Act in defining the rights of the owner His Majesty
 “ of registered trade marks in Canada and the way in which a in Council
 “ comparison of two marks should be approached under the Statute : 15th Janu-
 “ that the value of the Petitioner’s trade mark is very great : that ary, 1941—
 “ the annual value of the business done under it in Canada and the *continued.*
 “ United States exceeds \$300,000,000.00 : And humbly praying your
 “ Majesty in Council to order that the Petitioner shall have special
 20 “ leave to appeal from the Judgment of the Supreme Court of the
 “ 9th December 1939 in so far as it is thereby adjudged that the use
 “ of the Respondent’s mark in the form in which on the evidence
 “ it appears to have been used did not constitute an infringement
 “ of the rights of the Petitioner by virtue of its registration
 “ No. 43/10433 made on the 11th November 1905 or for such further
 “ or other Order as to Your Majesty in Council may appear fit :

30 “ And Whereas by virtue of the aforesaid Order in Council
 “ there was also referred unto this Committee a humble Petition of
 “ the Pepsi-Cola Company of Canada Limited in the matter of an
 “ Appeal from the said Supreme Court between the Petitioner
 “ Appellant and the Coca-Cola Company of Canada Limited
 “ Respondent setting forth (amongst other matters) that the
 “ Petitioner desires special leave to appeal by way of Cross-Appeal
 “ from the Judgment of the Supreme Court dated the 9th December
 “ 1939 which while allowing the Petitioner’s Appeal and holding
 “ that the Petitioner had not infringed the trade mark of the
 “ Respondent rejected those parts of the Petitioner’s defence which
 “ alleged the invalidity of the trade marks upon which the
 “ Respondent relied and prayed by way of counterclaim for the
 40 “ cancellation of the registrations on the 11th November 1905 and
 “ on the 29th September 1932 of the word ‘Coca-Cola’ in the
 “ Canadian Trade Marks Office : and reciting the course of litigation
 “ between the Parties as set forth in the preceding Petition : And
 “ humbly praying Your Majesty in Council to order that the
 “ Petitioner shall have special leave to appeal by way of Cross-
 “ Appeal from the Judgment of the Supreme Court dated the

In the
Privy
Council.

No. 31.
Order in
Council
granting
Special
Leave to
Appeal and
to Cross-
Appeal to
His Majesty
in Council,
15th Janu-
ary, 1941—
continued.

“ 9th December 1939 in so far as it dismissed the Petitioner’s Counter-
“ claim or for such further or other Order as to Your Majesty in
“ Council may appear fit.

“ The Lords of the Committee in obedience to His late
“ Majesty’s said Order in Council have taken the humble
“ Petitions into consideration and having heard Counsel on behalf
“ of the Parties on both sides Their Lordships do this day agree
“ humbly to report to Your Majesty as their opinion (1) that leave
“ ought to be granted to the Coca-Cola Company of Canada Limited
“ to enter and prosecute its Appeal against the Judgment of the 10
“ Supreme Court of Canada dated 9th day of December 1939 in so far
“ as it was thereby adjudged that the use of the Respondent’s mark
“ in the form in which on the evidence it appears to have been used
“ did not constitute an infringement of the rights of the Petitioner
“ by virtue of its registration number 43/10433 made on the 11th day
“ of November 1905 ; (2) that leave ought also to be granted to the
“ Pepsi-Cola Company of Canada Limited to enter and prosecute its
“ Appeal against the said Judgment of the said Supreme Court dated
“ the 9th day of December 1939 in so far as it dismissed the Counter-
“ claim of the Pepsi-Cola Company of Canada Limited ; (3) that 20
“ each of the Parties ought to deposit in the Registry of the Privy
“ Council the sum of £400 as security for costs ; (4) that the Appeals
“ ought to be consolidated and heard together upon one printed Case
“ on each side ; (5) that the authenticated copy under seal of the
“ Record produced by the Coca-Cola Company of Canada Limited
“ upon the hearing of the Petitions ought to be accepted (subject
“ to any objection being taken by the Pepsi-Cola Company of Canada
“ Limited) as the Record proper to be laid before Your Majesty on
“ the hearing of the consolidated Appeals.”

His Majesty having taken the said Report into consideration was 30
pleased by and with the advice of His Privy Council to approve thereof and
to order as it is hereby ordered that the same be punctually observed obeyed
and carried into execution.

Whereof the Governor-General or Officer administering the Government
of the Dominion of Canada for the time being and all other persons whom
it may concern are to take notice and govern themselves accordingly.

RUPERT B. HOWORTH.

PART II OF THE RECORD OF PROCEEDINGS.

Exhibits.

Plaintiff's
Exhibits.

EXHIBITS.

Plaintiff's Exhibits.

No. 1.

Certified Copy of Trade Mark Registration 43/10433 : word "Coca-Cola" in script form.

DOMINION OF CANADA,
PATENT OFFICE.

No. 1.
Certified
copy of
Trade Mark
Registration
43/10433 :
word
"Coca-
Cola" in
script form,
11th No-
vember,
1905.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific
10 Trade Mark as Registered in The Trade Mark Register No. 43, Folio 10433, in accordance with "The Trade Mark and Design Act," by The Coca-Cola Company, on November 11th, 1905, together with certificate of renewal of said Trade Mark for a period of 25 years from November 11th, 1930, granted April 15th, 1930, and certificates of registration of assignments of said Trade Mark as follows :—by Coca-Cola Company, a Georgia Corporation to Coca-Cola Company, a Delaware Corporation, recorded January 31st, 1922 ; and by The Coca-Cola Company, a Delaware Corporation, to The Coca-Cola Company of Canada, Limited, recorded March 7th, 1930.

AS WITNESS the seal of the Patent Office hereto affixed at the City
20 of Ottawa in the Dominion of Canada this 7th day of April, in the year of our Lord one thousand nine hundred and thirty-four.

J. CHARLES RICHARD,
Commissioner of Patents.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied
to the sale of Beverages and Syrups for the manufacture of such Beverages ;
and which consists of the compound word "COCA-COLA" ; as per the
annexed pattern and application, has been Registered in "The Trade Mark
30 Register No. 43, Folio 10433," in accordance with "The Trade Mark and
Design Act," by .

THE COCA-COLA COMPANY,
of the City of Atlanta, in the State of Georgia,
United States of America,

on the 11th day of November, A.D. 1905.

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.
Department of Agriculture
(Copyright and Trade Mark Branch),
Ottawa, Canada, this 11th day of November, A.D. 1905.

Exhibits.
 Plaintiff's
 Exhibits.

TO THE MINISTER OF AGRICULTURE
 (Trade-Mark and Copyright Branch),
 OTTAWA, CANADA.

No. 1.
 Certified
 copy of
 Trade Mark
 Registration
 43/10433 :
 word
 "Coca-
 Cola" in
 script form,
 11th No-
 vember,
 1905—
continued.

The Coca-Cola Company, a corporation created under and by virtue of the laws of the State of Georgia, of the United States of America, and domiciled and having its principal place of business at the City of Atlanta in the County of Fulton, State of Georgia, hereby furnishes a duplicate copy of a specific Trade-Mark to be applied to Beverages and Syrups for the Manufacture of such Beverages, in accordance with Sections four and nine of "The Trade-Mark and Design Act," which it believes is its, on 10 account of having been the first to make use of the same.

The said specific Trade-Mark consists of the compound word Coca-Cola, and the said, The Coca-Cola Company hereby requests the said specific Trade-Mark to be registered in accordance with law.

The said, The Coca-Cola Company forwards herewith the fee of Twenty-five Dollars in accordance with Section ten of the said Act.

In Testimony whereof, the said, The Coca-Cola Company has signed, in the presence of the two undersigned witnesses at the place and date hereunder mentioned.

Atlanta, Georgia,
 October the 16th, 1905.

THE COCA-COLA Co.,
 By A. SA. J. CAUDLEN,
President of the Coca-Cola Company.

20

Two Witnesses :

J. C. DOBB,
 W. MASKHURN,
 N. A. FULTON, Oa., Ga.



ASSIGNMENT OF TRADE MARK.

Record No. 107849.

The Trade Mark here entered on Folio 10433 of Register No. 43 has been assigned by COCA-COLA COMPANY a Corporation of Georgia, U.S.A., 30 to COCA-COLA COMPANY, a Corporation of Delaware, U.S.A., the 10th day of January, A.D. 1922.

PATENT AND COPYRIGHT OFFICE,
 OTTAWA, the 31st day of January, 1922.

(Sgd.) GEO. F. O'HALLORAN,
Commissioner of Patents.

CANADA.

ASSIGNMENT OF TRADE MARK.

Assignment No. 173,
Record No. 367.

A document purporting to be an assignment of the Trade Mark here entered on Folio 10433, of Register No. 43, by

THE COCA-COLA COMPANY,

a Delaware Corporation, to

THE COCA-COLA COMPANY OF CANADA, LIMITED

10 and dated the 5th day of February, A.D. 1930, has been duly registered this 7th day of March, A.D. 1930.

PATENT AND COPYRIGHT OFFICE
OTTAWA

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.

Exhibits.
—
Plaintiff's
Exhibits.
—
No. 1.
Certified
copy of
Trade Mark
Registra-
tion
43/10433 :
word
"Coca-
Cola" in
script form,
11th No-
vember,
1905—
continued.

CANADA.

RENEWAL OF SPECIFIC TRADE MARK

on the application of

THE COCA-COLA COMPANY OF CANADA, LIMITED.

20. In virtue of Section 17 of "The Trade Mark and Design Act" and the requirements of the said Act having been complied with the Specific Trade Mark as applied to the sale of Beverages and Syrups for the manufacture of such Beverages; and which consists of the compound word:

"COCA-COLA,"

as per application and pattern thereto annexed was Registered on the 11th day of November, A.D. 1905, on Folio 10433, of The Trade Mark Register No. 43, is hereby renewed for a period of 25 years from the 11th day of November, One thousand nine hundred and thirty, the expiring date of the current Term of Registration.

30 PATENT AND COPYRIGHT OFFICE,
OTTAWA, this 15th day of April, A.D. 1930.

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.

Exhibits.

No. 2.

Plaintiff's
Exhibits.**Certified Copy of Trade Mark Registration 257/55268 : word "Coca-Cola."**No. 2.
Certified
copy of
Trade Mark
Registra-
tion
257/55268 :
word
"Coca-
Cola," 29th
September,
1932.DOMINION OF CANADA,
PATENT OFFICE

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark as Registered in The Trade Mark Register No. 257, Folio 55268; in accordance with "The Trade Mark and Design Act," by The Coca-Cola Company of Canada, Limited, on September 29th, 1932, application for which was filed August 11th, 1932.

AS WITNESS the seal of the Patent Office hereto affixed at the City 10 of Ottawa in the Dominion of Canada this 24th day of February, in the year of our Lord one thousand nine hundred and thirty-three.

THOS. L. RICHARD,
Commissioner of Patents.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Beverages and Syrups to be used in the manufacture of such Beverages, and which consists of the compound word :

"COCA-COLA,"

in any and every form or kind or representation ; as per the annexed pattern 20 and application, has been Registered in The Trade Mark Register No. 257, Folio 55268, in accordance with "The Trade Mark and Design Act" by

THE COCA-COLA COMPANY OF CANADA, LIMITED,
of the City of Toronto, Province of Ontario,
on the 29th day of September, A.D. 1932.

IN TESTIMONY WHEREOF I have hereunto set my hand, and caused the Seal of the Patent and Copyright Office to be hereunto affixed at the City of Ottawa, in the Dominion of Canada, this 29th day of September, in the year of Our Lord one thousand nine hundred and 30 thirty-two.

(Sgd.) J. T. MITCHELL,
Acting Commissioner of Patents.

DOMINION OF CANADA.
The Trade Mark and Design Act

APPLICATION FOR REGISTRATION OF A SPECIFIC
TRADE MARK.

Exhibits.
Plaintiff's Exhibits.
No. 2.
Certified copy of Trade Mark Registration
257/55268 : word "Coca-Cola," 29th September, 1932—
continued.

We, The Coca-Cola Company of Canada, Limited, of the City of Toronto in the Province of Ontario, hereby request you to register in the name of The Coca-Cola Company of Canada, Limited, a specific trade mark to be used in connection with the sale of beverages and syrups to be used in the manufacture of such beverages, which we verily believe is ours on
10 account of our having acquired the same from the Coca-Cola Company, a Corporation of the State of Delaware, United States of America, which last-mentioned Company in its turn acquired the same from the Coca-Cola Company, a Corporation of the State of Georgia, United States of America.

WE HEREBY DECLARE that the said specific trade mark was not in use to our knowledge by any other person than ourselves at the time of our adoption thereof.

The said specific trade mark consists of the compound word "Coca-Cola" in any and every form or kind of representation.

A drawing of the said specific trade mark is hereunto annexed.
20 SIGNED at the City of Toronto this 4th day of August, 1932, in the presence of the two undersigned witnesses.

Witnesses :

B. McCLEAVE.
C. M. WARNER.

THE COCA-COLA COMPANY OF CANADA,
LIMITED.

C. DUNCAN,
Secretary.

To the Commissioner of Patents, Ottawa.

157910.

No. 3.

No. 3.

Sample bottle of Pepsi-Cola, physical exhibit.

30

(Not printed).

No. 4.

No. 4.

Photograph showing markings on cases.

(Not printed, copies provided). [In pocket.]

Exhibits.

No. 5.

Plaintiff's Exhibits.

Photograph showing markings on cases.
(Not printed, copies provided). [In pocket.]

No. 5.

No. 6.

No. 6.

Sample bottle of Coca-Cola, physical exhibit.
(Not printed).

Defendant's Exhibits.

Defendant's Exhibits.

A.
Certified copy of Trade Mark Registration 47/11479 : words "Pepsi-Cola" in script form, 30th November, 1906.

Certified copy of Trade Mark Registration 47/11479 : words "Pepsi-Cola" in script form.

10

**DOMINION OF CANADA,
PATENT OFFICE.**

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark "PEPSI-COLA," as registered in The Trade Mark Register No. 47, Folio 11479, in accordance with "The Trade Mark and Design Act," by The Pepsi-Cola Company, on the 30th day of November, A.D. 1906, and renewed as from the 30th day of November, A.D. 1931.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 7th day of April, in the year of our Lord one thousand nine hundred and thirty-six.

20

J. T. MITCHELL,
Commissioner of Patents.

CANADA.

**Renewal of Specific Trade Mark on the application of
THE PEPSI-COLA COMPANY,
of New Bern, State of North Carolina,
United States of America.**

In virtue of Section 17 of "The Trade Mark and Design Act" and the requirements of the said Act having been complied with the Specific Trade Mark as applied to the sale of beverages, and particularly to a non-alcoholic beverage ; and which consists of the hyphenated word :

30

"PEPSI-COLA,"

as per application and pattern thereto annexed, was Registered on the 30th day of November, A.D. 1906, on Folio 11479, of The Trade Mark Register

No. 47, is hereby renewed for a period of 25 years from the 30th day of November, One thousand nine hundred and thirty-one, the expiring date of the current Term of Registration.

IN TESTIMONY WHEREOF I have hereunto set my hand, and caused the Seal of the Patent and Copyright Office to be hereunto affixed at the City of Ottawa, in the Dominion of Canada, this 13th day of November, in the year of our Lord one thousand nine hundred and thirty-one.

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.



10 CERTIFIED to be the Drawings referred to in the Specification hereunto annexed. Washington, D.C., U.S.A. November, -8-06.

Witnesses :

E. C. K. STEWART.
C. WARRINER.

C. D. BRADHAM,
Inventor.

C. A. SNOW & Co.,
Attorneys.

TO THE MINISTER OF AGRICULTURE
(Trade Mark and Copyright Branch),
OTTAWA, CANADA.

20 The Pepsi-Cola Co., a corporation of the United States organized in accordance with the Laws of the State of North Carolina, and of which Caleb D. Bradham is the President, hereby furnishes duplicate copies of a specific trade mark to be applied to the sale of beverages, and particularly to a non-alcoholic beverage, manufactured by the Applicant, in accordance with the Trade Mark and Designs Act of May 15th, 1879, Revised Statutes of 1886, and the Laws of March 26th, 1890, which is verily believed to be the property of the said Company on account of said Company having acquired it from Caleb D. Bradham, who verily believes himself to be the first proprietor thereof.

Exhibits.
—
Defendant's Exhibits.
A.
Certified copy of Trade Mark Registration 47/11479: words "Pepsi-Cola" in script form, 30th November, 1906—
continued.

Exhibits.
 Defendant's Exhibits.
 A.
 Certified copy of Trade Mark Registration 47/11479 : words "Pepsi-Cola" in script form, 30th November, 1906—
continued.

Said trade mark consists of the hyphenated word "Pepsi-Cola," which is shown in the accompanying facsimile, and it is hereby requested that said trade mark be registered in accordance with the law. There is forwarded herewith the fee of \$25 in accordance with Section 12 of the said Act.

IN TESTIMONY WHEREOF, the said Pepsi-Cola Co. has attached its hand and caused its corporate seal to be affixed hereto.

THE PEPSI-COLA COMPANY.
 Countersigned by RICHARD F. BUTLER, 10
 C. D. BRADHAM, Secretary.
President.

Witnesses :
 FRED H. SHIPP.
 ROBT. B. WILLIAMS.

SWORN before me, by Richard F. Butler, Secretary, in New Bern, County of Craven, State of North Carolina, this day of Apr., 1906.

J. R. B. CARRAWAY,
Notary Public.
 Commission Expires May 9th, 1908. 20

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of beverages, and particularly to a non-alcoholic beverage ; and which consists of the hyphenated word :

" PEPSI-COLA,"

as per the annexed pattern and application, has been registered in " The Trade Mark Register No. 47, Folio 11479," in accordance with " The Trade Mark and Design Act, by

THE PEPSI-COLA COMPANY,
 of New Bern, State of North Carolina,
 United States of America, 30

on the 30th day of November, A.D. 1906.

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.

Department of Agriculture
 (Copyright and Trade Mark Branch),
 OTTAWA, Canada, this 30th day of November, A.D. 1906.

B.

Assignment of Trade Mark 47/11479 from the Pepsi-Cola Company (Delaware Corporation) to Pepsi-Cola Company of Canada Limited.

Exhibits.
Defendant's Exhibits.

ASSIGNMENT
(N.S.) No. 1709.

B.
Assignment of Trade Mark 47/11479 from the Pepsi-Cola Company (Delaware Corporation) to Pepsi-Cola Company of Canada Limited, 11th May, 1936.

Trade Mark Registration No. 47/11479.

THE PEPSI-COLA COMPANY
TO
PEPSI-COLA COMPANY OF CANADA, LIMITED.

10 Recorded in the Patent and Copyright Office at Ottawa, Canada, this 15th day of May, 1936, as witness the seal of the Patent and Copyright Office.

J. T. MITCHELL,
Commissioner of Patents.

(Countersigned) E. M. SMITH,
Assignment Clerk.

TO THE COMMISSIONER OF PATENTS,
Trade Mark Branch,
OTTAWA.

20 In consideration of One Dollar (\$1.00) and other good and valuable consideration, PEPSI-COLA COMPANY, a corporation organised and existing under the laws of the State of Delaware and having its principal place of business at Long Island City, in the State of New York, successor to The Pepsi-Cola Company of New Bern, in the State of North Carolina, hereby sells assigns and transfers and confirms unto PEPSI-COLA COMPANY OF CANADA, LIMITED, 1002 de Fleurimont Street, Montreal, Quebec, its successors and assigns, all of its right, title and interest in and to a specific trade mark applied to the sale of beverages and particularly to a non-alcoholic beverage consisting of the hyphenated word "PEPSI-COLA" which said specific trade mark was registered in the Trade Mark Register No. 47, Folio 11479, in accordance with the Trade Mark and Design Act, on the thirtieth day of November, A.D. 1906, and renewed as from the thirtieth day of November, A.D. 1931, and PEPSI-COLA COMPANY does hereby concurrently assign and transmit to the said PEPSI-COLA COMPANY OF CANADA, LIMITED the goodwill of the

Exhibits,
Defendant's Exhibits.

business heretofore carried on by it in Canada in association with the wares for which the said trade mark has been registered.

SIGNED, SEALED and DELIVERED at Long Island City, in the State of New York, U.S.A., this eleventh day of May, 1936.

B.
Assignment of Trade Mark
47/11479
from the Pepsi-Cola Company (Delaware Corporation) to Pepsi-Cola Company of Canada Limited,
11th May, 1936—
continued.

Attest:

C. A. MEHURIN,
Secretary.

PEPSI-COLA COMPANY.
CHARLES G. GUTH,
President.

ACKNOWLEDGMENT.

United States of America |
State of New York. |

10

On the 11th day of May, 1936, before me, personally, came C. A. Mehurin to me known, and being by me duly sworn, did depose and say that he resides in

THAT he is the Secretary of PEPSI-COLA COMPANY, the Delaware corporation described in and which executed the foregoing Assignment ;

THAT he knows the Seal of the said corporation, that said Seal affixed to said instrument is such corporate Seal, that it was affixed by him with due authority, and that he signed his name thereon as an officer of said corporation with like authority, and that the foregoing assignment and sale is the free act and deed of said corporation, and his own free act and deed as the Secretary of said corporation. 20

Henry Eiseman, Jr., Notary Public, Queens County Co. Clerk's No. 395, Reg. No. 4188 Term expires March 30, 1937.

HENRY EISEMAN, JR.,
Notary Public in and for the State of New York, U.S.A.

C.

C.
Certified copy of Trade Mark Registration
208/45439 :
Design of bottle in which Coca-Cola is marketed,
4th January, 1929.

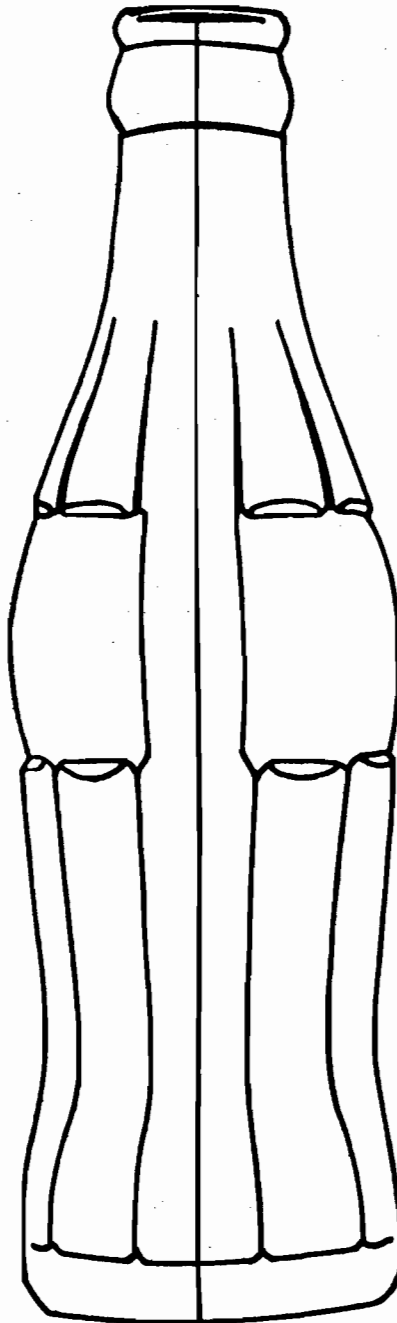
Certified Copy of Trade Mark Registration 208/45439 : Design of bottle in which Coca-Cola is marketed. 30

DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as Registered in The Trade Mark Register No.-208, Folio 45439, in accordance with " The Trade Mark and Design Act," by The Coca-Cola Company of Canada, Limited, on January 4th, 1929.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 22nd day of March, in the year of our Lord one thousand nine hundred and thirty-seven. 40

J. T. MITCHELL,
Commissioner of Patents.



DOMINION OF CANADA.
The Trade Mark and Design Act.
APPLICATION FOR REGISTRATION OF A SPECIFIC
TRADE MARK.

We, The Coca-Cola Company of Canada, Limited of the City of Toronto
in the County of York and Province of Ontario, hereby request you to

Exhibits.

Defendant's
Exhibits.

C.
Certified
copy of
Trade Mark
Registra-
tion
208/45439 :
Design of
bottle in
which Coca-
Cola is
marketed, :
4th Janu-
ary, 1929
—continued

Exhibits. register in the name of The Coca-Cola Company of Canada, Limited a
 Defendant's specific trade mark to be used in connection with the sale of a soft drink
 Exhibits. beverage which we verily believe is ours on account of our having acquired
 C. the same from our predecessors in business, who, we verily believe, were
 the first to make use of the same.

Certified WE HEREBY DECLARE that the said specific trade mark was not
 copy of in use to our knowledge by any other person than ourselves at the time
 Trade Mark of our adoption thereof.

Registration 208/45439 : The said specific trade mark consists of a bottle of circular cross section
 Design of throughout and particular configuration, outline and appearance in that 10
 bottle in the wall of the said bottle gradually broadens or flares out from the neck
 which Coca- thereof to its maximum breadth at a point approximately midway in the
 Cola is length of the said bottle, and then gradually tapers until at a short distance
 marketed, above the base of the said bottle the wall of the said bottle again broadens
 4th Janu- or flares out to the base ; the outer surface of the wall of the said bottle
 ary, 1929 from the shoulder thereof to the base, being ribbed or fluted with ten
 —continued perpendicular convex ribs or flutes of approximately equal width, all but
 two of such ribs or flutes being broken or interrupted somewhat below the
 upper ends thereof to provide two diametrically opposed smooth surfaces
 of panels. 20

A drawing of the said specific trade mark is hereunto annexed.

SIGNED at the City of Toronto this 8th day of December, 1928. in
 the presence of the two undersigned witnesses.

THE COCA-COLA COMPANY OF CANADA, LIMITED.

C. DUNCAN,
Secretary & Assistant Treasurer.

Witnesses :

B. McCLEAVE.
 B. O'NEILL.

To The Commissioner of Patents, Ottawa, Canada.

30

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied
 to the sale of a Soft Drink Beverage, and which consists of a bottle of
 circular cross section throughout and particular configuration, outline and
 appearance in that the wall of the said bottle gradually broadens or flares
 out from the neck thereof to its maximum breadth at a point approximately
 midway in the length of the said bottle, and then gradually tapers until at
 a short distance above the base of the said bottle the wall of the said bottle
 again broadens or flares out to the base ; the outer surface of the wall of
 the said bottle from the shoulder thereof to the base, being ribbed or fluted 40

with ten perpendicular convex ribs or flutes of approximately equal width, all but two of such ribs or flutes being broken or interrupted somewhat below the upper ends thereof to provide two diametrically opposed smooth surfaces or panels; as per the annexed pattern and application, has been registered in The Trade Mark Register No. 208, Folio 45439, in accordance with "The Trade Mark and Design Act," by

THE COCA-COLA COMPANY OF CANADA, LIMITED,

of the City of Toronto, Province of Ontario,

on the 4th day of January, A.D. 1929.

10

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.

Patent and Copyright Office
(Copyright and Trade Mark Branch),
OTTAWA, Canada, this 4th day of January, A.D. 1929.

Exhibits.
Defendant's Exhibit.

C.
Certified copy of Trade Mark Registration 208/45439 : Design of bottle in which Coca-Cola is marketed, 4th January, 1929—
continued.

No. D-1.

Certified Copy of Trade Mark Registration 173/38421 : words "Smith's O'Kola."

DOMINION OF CANADA,
PATENT OFFICE.

20 CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as Registered in The Trade Mark Register No. 173, Folio 38421, in accordance with "The Trade Mark and Design Act," by James A. Smith, on the 31st day of August, A.D. 1925.

D-1.
Certified copy of Trade Mark Registration 173/38421 : words "Smith's O'Kola," 31st August, 1925.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

CANADA.

SPECIFIC TRADE MARK.

30 I, James A. Smith, of the City of Toronto, County of York, Province of Ontario, Canada, hereby request you to register in the name of James A. Smith a Specific Trade Mark to be used in connection with the sale of non-alcoholic beverages which I verily believe is mine on account of having been the first to make use of the same.

Exhibits.
Defendant's Exhibit.

I HEREBY DECLARE that the said Specific Trade Mark was not in use to my knowledge by any other person than myself at the time of my adoption thereof.

D-1.
Certified copy of Trade Mark Registration 173/38421 : words "Smith's O'Kola," 31st August, 1925—
continued.

The said Specific Trade Mark consists of the words SMITH'S O'KOLA. A drawing of the said Specific Trade Mark is hereunto annexed. SIGNED at Toronto, Canada this 20th day of August 1925 in the presence of the two undersigned witnesses.

Witnesses :

A. M. HUA.
C. BAJOS.

{

JAS. A. SMITH.

10

To The Hon. Minister of Trade and Commerce Ottawa, Canada.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Non-alcoholic beverages, and which consists of the words :

" SMITH'S O'KOLA,"

as per the annexed pattern and application, has been Registered in The Trade Mark Register No. 173, Folio 38421, in accordance with " The Trade Mark and Design Act," by

JAMES A. SMITH,

of the City of Toronto, Province of Ontario,

on the 31st day of August, A.D. 1925.

20

(Sgd.) GEO. F. O'HALLORAN,
Commissioner of Patents.

Patent and Copyright Office
(Copyright and Trade Mark Branch),
OTTAWA, Canada, this 31st day of August, A.D. 1925.

D-2.
Certified copy of Trade Mark Registration 140/31921 : words " Rose Cola " and design, 1st September, 1922.

No. D-2.

Certified Copy of Trade Mark Registration 140/31921 : words " Rose Cola " and design.

CANADA.

BUREAU DES BREVETS.

30

CERTIFIÉ ÊTRES UNE COPIE EXACTE ET FIDÈLE de la Marque de Commerce Spéciale, telle qu'enregistrée au Registre des Marques de Commerce No. 140, Folio 31921, conformément a " L'Acte des Marques " de Commerce et Dessins de Fabrique " par P. Guérin Limitée, le 1er jour de septembre, A.D. 1922.

EN FOI DE QUOI j'ai fait apposer le Sceau du Bureau des Brevets, dans le Dominion due Canada, ce 7 ème jour de décembre, en l'an de grace mil neuf cent trente-six.

J. T. MITCHELL,

Commissaire des Brevets.



PROVINCE DE QUEBEC.

DISTRICT DE MONTREAL.

AU COMMISSAIRE DES BREVETS,
OTTAWA.

10 Demande d'enregistrement d'une marque spéciale de commerce par la compagnie : P. GUERIN LIMITEE, corps légalement constitué en vertu de lettres patentes émises par le Lieutenant-Gouverneur de la Province de Québec.

Je, Vasile Rotari, gérant de la compagnie P. Guérin Limitée, corps légalement constitué de Montréal, demeurant au No. 1659 rue Masson, en la cité de Montreal, demande par le présent l'enregistrement au nom de P. Guérin Limitée d'une marque spéciale de commerce qui doit servir en rapport avec la vente d'une liqueur douce non alcoolisée que je crois sincèrement être la propriété de P. Guérin Limitée parce que la dite
20 compagnie a été la première à en faire usage.

Je déclare par le présent que la dite marque spéciale de commerce n'était pas en usage, à ma connaissance, par une autre personne ou compagnie que la compagnie P. Guérin Limitée lors de l'adoption d'icelle.

La dite marque spéciale de commerce consiste en un dessin de forme irrégulière fini d'une ligne bleu sombre ayant une grandeur de trois pouces par trois pouces et divisé en trois parties. La partie supérieure comprend d'abord sur une ligne légèrement bombée le mot Rosemount en lettres

Exhibits.
Defendant's
Exhibit.

D-2.
Certified
copy of
Trade Mark
Registra-
tion
140/31921 :
words
" Rose
Cola " and
design,
1st Sep-
tember,
1922—
continued.

Exhibits.
 —
 Defendant's
 Exhibit.
 —
 D—2.
 Certified
 copy of
 Trade Mark
 Registra-
 tion
 140/31921 :
 words
 " Rose
 Cola " and
 design,
 1st Sep-
 tember,
 1922—
continued.

d'environ un demi-pouce avec les mots un plus bas Trade Mark. Les lettres P et G enlacées séparent les mots Trade Mark. Dans le centre du dit dessin séparé de la partie supérieure et de la partie inférieure par deux lignes bleu sombre sont les mots Rose Cola en lettres d'environ un demi pouce écrites en rouge sur fond rose. La partie inférieure comprend les mots P. Guerin, Lted, en lettres d'environ trois lignes, avec les mots plus bas Made with pure filtered water. Un dessin de la dite marque de commerce ci-joint.

Signé a Montréal, ce Septième jour d'août mil neuf cent vingt-deux, en présence des deux témoins soussignés.

10

Temoins :

T. R. RENAUD.
 GAETAN GUERIN.

VASILE ROTARI, *Gerant.*
 P. GUERIN, *LTEE.*

CANADA.

Les Présentes sont à l'effet de certifier que la Marque de Commerce Spéciale, qui doit servir en rapport avec la vente d'une liqueur douce non alcoolisée, et qui consiste en un dessin de forme irrégulière fini d'une ligne bleue sombre ayant une grandeur de trois pouces par trois pouces et divisé en trois parties ; la partie supérieure comprend d'abord sur une ligne légèrement bombée le mot : " ROSEMOUNT " en lettre d'environ un demi- 20 pouce avec les mots un peu plus bas, " Trade Mark " ; les lettres " P G " enlacées séparent les mots : " Trade Mark " dans le centre du dit dessin séparé de la partie supérieure et de la partie inférieure par deux lignes bleu sombre sont les mots " Rose Cola " en lettres d'environ un demi pouce écrites en rouge sur fond rose ; la partie inférieure comprend les mots " P. GUERIN LTED " en lettres d'environ trois lignes avec les mots plus bas " Made with Pure Filtered Water " ; tel qu'il appert par la demande et le patron ci-contre a été enregistrée au Registre des Marques de Commerce No. 140, Folio 31921, Conformément à " L'Acte des Marques de Commerce et Dessins de Fabrique " par 30

P. GUERIN LIMITEE,
 de la Cité de Montréal, Province de Québec,
 ce 1er jour de septembre, A.D. 1922.

(Sgé) GEO. F. O'HALLORAN,
Commissaire des Brevets.

Bureau des Brevets et des Droits d'Auteur
 (Branche des Marques de Commerce et Droits d'Auteur),
 Ottawa, Canada, ce 1er jour de septembre, A.D. 1922.

No. D-3.

Certified Copy of Trade Mark Registration 142/32323 : "Orange Kola" and design.

Exhibits.
Defendant's Exhibit.

DOMINION OF CANADA
PATENT OFFICE.

D-3.
Certified copy of Trade Mark Registration 142/32323 : words "Orange Kola" and Design, 2nd November, 1922.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 142, Folio 32323, in accordance with "The Trade Mark and Design Act," by Stevenson & Howell, Limited, on the 2nd day of November, A.D. 1922.

10 AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.



DOMINION OF CANADA.

The Trade Mark and Design Act.

APPLICATION FOR REGISTRATION OF A SPECIFIC TRADE MARK.

We, Stevenson & Howell, Limited, of Standard Works, 95a, Southwark Street, London, S.E., England; Manufacturing Chemists, hereby request you to register in our name a Specific Trade Mark to be used in connection

Exhibits...
 Defendant's
 Exhibit.

D-3.
 Certified
 copy of
 Trade Mark
 Registra-
 tion
 142/32323 :
 words :
 "Orange
 Kola" and
 Design, 2nd
 November,
 1922—
continued.

with the sale of a Non-excisable Aerated Beverage, which we verily believe is ours on account of having been the first to make use of the same.

We hereby declare that the said Specific Trade Mark was not in use to our knowledge by any other person at the time of our adoption thereof.

The said Specific Trade Mark consists of:—The distinctive words "Orange Kola" in association with the distinctive words "Orana Brand." These features are usually arranged as represented in the accompanying facsimile in which the words are printed upon a label of oval shape with an orange coloured background, the words "Orange Kola" being represented one under the other in a central position in white letters, the letters being heavily shaded in black, the words "Orana Brand" being printed in smaller letters on the left of the words "Orange Kola," which latter words are preceded by the word "Sparkling." 10

A drawing of the said Specific Trade Mark is hereunto annexed.

Signed at London, England, this 12th day of October, 1922.

Witnesses :

STEVENSON & HOWELL, LTD.

A. BASKINGS,

H. C. CLEMENTS,

Commercial Clerk to

Director.

Stevenson & Howell, Ltd.

A. N. NARROWAY,

Shipping Clerk,

Southwark St. S.E.

20

To the Registrar of Trade Marks, Ottawa.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of a Non-excisable Aerated Beverage, and which consists of the words: "ORANGE KOLA" and "ORANA BRAND" printed upon an oval label with an orange coloured background, the words: "ORANGE KOLA" being represented one under the other in a central position in white letters, the letters being heavily shaded in black, the words: "ORANA BRAND" being printed in small letters on the left of the words: "ORANGE KOLA," which latter words are preceded by the word: "SPARKLING"; as per the annexed pattern and application, has been Registered in The Trade Mark Register No. 142, Folio 32323, in accordance with "The Trade Mark and Design Act," by 30

STEVENSON & HOWELL, LIMITED,

Of Standard Works, 95a, Southwark Street,

London, S.E., England,

on the 2nd day of November, A.D. 1922.

(Sgd.) GEO. F. O'HALLORAN,

Commissioner of Patents.

40

Patent and Copyright Office

(Copyright and Trade Mark Branch),

OTTAWA, Canada, this 2nd day of November, A.D. 1922.

No. D-4.

Certified Copy of Trade Mark Registration 143/32403 : words " O'Keefe's Cola."

Exhibits.

Defendant's Exhibit.

DOMINION OF CANADA
PATENT OFFICE.

D-4.
Certified copy of Trade Mark Registration 143/32403 : words " O'Keefe's Cola," 17th November, 1922.

10 CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 143, Folio 32403, in accordance with " The Trade Mark and Design Act," by O'Keefe's Beverages Limited, on the 17th day of November, A.D. 1922 ; New Owner by Assignment dated 20 September, 1935 :—Consolidated Beverages Limited, Recorded 27 September, 1935.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this third day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

27 September, 1935 :—New owner : Consolidated Beverages Limited, Toronto, Ontario. (Assignment dated 20 September, 1935). N.S. No. 1383—G.C. 9358.

TO THE MINISTER OF AGRICULTURE,
OTTAWA, ONT.

20

O'Keefe's Beverages Limited, of the City of Toronto, hereby request you to register in the name of O'Keefe's Beverages Limited a Specific Trade Mark to be used in connection with the sale of a beverage which we verily believe is ours on account of having been the first to make use of the same.

We hereby declare that the said Specific Trade Mark was not in use to our knowledge by any other person or corporation at the time of our adoption thereof.

30 The said Specific Trade Mark consists of the words " O'KEEFE'S KOLA," and a drawing of the said Trade Mark is annexed hereto.

Signed at Toronto this 20th day of September, A.D. 1922, and the Corporate Seal affixed in the presence of the two undersigned witnesses.

Witnesses :

E. A. BUTE.
C. McCABE.

W. T. KERNAHAN,
Managing Director.
FRED T. MARSH,
Sec'y-Treas.

Exhibits.

CANADA.

Defendant's Exhibit. THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of a Beverage, and which consists of the words :

" O'KEEFE'S COLA,"

D-4. as per the annexed pattern and application,
Certified copy of Trade Mark Registration 143/32403 : has been registered in The Trade Mark Register No. 143, Folio 32403, in accordance with " The Trade Mark and Design Act," by
" O'Keefe's Cola," 17th November, 1922—
continued. on the 17th day of November, A.D. 1922.

(Sgd.) GEO. F. O'HALLORAN,
Commissioner of Patents.

10

Patent and Copyright Office
(Copyright and Trade Mark Branch),
Ottawa, Canada, this 17th day of November, A.D. 1922.

No. D-5.

Certified Copy of Trade Mark Registration 5/N.S.2123 : word " Kolade."

DOMINION OF CANADA,
PATENT OFFICE.

D-5.
Certified Copy of Trade Mark Registration 5/N.S.2123 : word " Kolade," 6th December, 1933.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Trade Mark, as registered in The Trade Mark Register No. 5, Folio N.S. 2123, in accordance with " The Unfair Competition Act, 1932," by The Knox Company, on the 6th day of December, A.D. 1933—Recorded July 7, 1934.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

20

CANADA.

THIS IS TO CERTIFY that the Trade Mark identified on the Register Sheet attached and forming part of this Certificate has been registered in The Trade Mark Register, under the number and date, in the name of the person, and for use in association with the wares within specified.

IN TESTIMONY WHEREOF I have hereunder set my hand, and caused the Seal of the Patent Office to be hereunto affixed at the City of Ottawa, in the Dominion of Canada, this 7th day of July, in the year of Our Lord one thousand nine hundred and thirty-four.

(L.S.) (Sgd.) THOS. L. RICHARD,
Commissioner of Patents, Registrar.

30

APPLICATION FOR REGISTRATION OF A TRADE MARK BY A COMPANY

Exhibits.

Defendant's Exhibit.

D-5.
 Certified Copy of Trade Mark Registration 5/N.S.2123 : word "Kolade," 6th December, 1933—
continued.

We, The Knox Company, of the City of Toronto, County of York, Province of Ontario, in the Dominion of Canada, and of Kansas City, State of Missouri, in the United States of America, commercially concerned with the manufacture and sale of Pharmaceutical and Medicinal Preparations, and doing business at 193 Spadina Avenue, Toronto, Ontario, Canada, and 112 West Ninth Street, Kansas City, State of Missouri, United States of America, have adopted and continuously used the accompanying Word Mark in connection with the manufacture and sale of Pharmaceutical and Medicinal Preparations, from September 16th, 1933 to date in Canada, and from February 1st, 1933, in the United States, hereby request you to register in the name of THE KNOX COMPANY, a Word Mark applied to the manufacture and sale of the abovesaid wares.

We consider that having regard to the provisions of the Unfair Competition Act, 1932, we were and are entitled to adopt and use the Trade Mark in Canada in connection with the wares described.

The Trade Mark is used principally in Canada and the United States.

The said Word Mark is imprinted or otherwise applied to the wares or packages or containers within which the wares are marketed and consists of the word "KOLADE."

SIGNED at the City of Toronto, Ontario, Canada, this 20th day of November 1933, in the presence of the two undersigned witnesses.

THE KNOX COMPANY,
 By A. J. A. DENNISON,

Attorney.

Witnesses :

ISOBEL HUGHES.

EDITH HERON..

To The Commissioner of Patents, Ottawa, Ontario.

TRADE MARK No. N.S. 2123.

REGISTER 5.

Registrant : THE KNOX COMPANY,
 Address : Toronto, Ontario, Canada, and of Kansas City, Missouri, United States of America.

Date of Registration : 6 December, 1933. Date of First Use : 1 February, 1933.

Application Serial No. 163,378. Filed : 6 Dec. 1933.

Agent for Service :

Mark : "KOLADE."

Wares : Pharmaceutical and Medicinal Preparations.

Change of Ownership :

Other actions affecting rights in Registration :

Exhibits.

No. D-6.

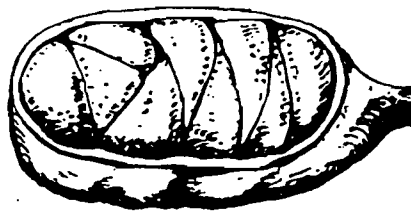
Defendant's
Exhibit.**Certified Copy of Trade Mark Registration 98/23483 : word "Kelo" and
representaton of Kola pod.**D-6.
Certified
Copy of
Trade Mark
Registra-
tion
98/23483 :
word
"Kelo"
and repre-
sentation of
Kola pod,
20th April,
1918.DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific
Trade Mark, as registered in The Trade Mark Register No. 98, Folio 23483,
in accordance with "The Trade Mark and Design Act," by Joseph Reid,
on the 20th day of April, A.D. 1918.

AS WITNESS the seal of the Patent Office hereto affixed at the City 10
of Ottawa in the Dominion of Canada this fourth day of December, in the
year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

KELO



TO THE MINISTER OF AGRICULTURE
(Trade Mark and Copyright Branch),
OTTAWA.

I, Joseph Reid, of the City of Buffalo, in the County of Erie and State
of New York, having a place of business at No. 124 East Eagle Street, in
the said city of Buffalo, hereby furnish a duplicate copy of a Specific Trade 20
Mark, to be applied to the sale of Tonics, in accordance with Sections 4 and 9
of "The Trade Mark and Design Act" which I verily believe is mine on
account of having been the first to make use of the same. I hereby declare
that the said Specific Trade Mark was not in use to my knowledge by any
other person than myself at the time of my adoption thereof.

The said Specific Trade Mark consists of the word KELO, — in connection with the representation of a kola pod having its side removed so as to show the beans therein.

The drawing of said Specific Trade Mark is hereunto annexed.

Signed at Buffalo, New York, this 28th day of March, 1918, in the presence of the two undersigned witnesses.

Witnesses :

THEO. L. ROBB.
EMMA M. GRAHAM.

JOSEPH REID.

Exhibits.
Defendant's Exhibit.

D-6.
Certified Copy of Trade Mark Registration 98/23483 : word " Kelo " and representation of Kola pod, 20th April, 1918—
continued.

10

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Tonics, and which consists of the word " KELO " in connection with the representation of a Kola pod having its side removed so as to show the beans therein, as per the annexed pattern and application, has been registered in " The Trade Mark Register No. 98, Folio 23483," in accordance with " The Trade Mark and Design Act," by

JOSEPH REID,
of the City of Buffalo, State of New York,
United States of America,

20 on the 20th day of April, A.D. 1918.

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.

Department of Agriculture
(Copyright and Trade Mark Branch),
Ottawa, Canada, this 20th day of April, A.D. 1918.

No. D-7.

Certified Copy of Trade Mark Registration 59/14473 : words " Kola-Cardinette " in partial script.

DOMINION OF CANADA,
PATENT OFFICE.

30

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as Registered in The Trade Mark Register No. 59, Folio 14473, in accordance with " The Trade Mark and Design Act," by The Palisade Manufacturing Company, on the 17th day of February, A.D. 1910, Renewed as from the 17th day of February, A.D. 1935.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

40

D-7.
Certified Copy of Trade Mark Registration 59/14473 : words " Kola-Cardinette " in partial script, 17th February, 1910.

Exhibits.

Defendant's
Exhibit.D-7.
Certified
Copy of
Trade Mark
Registra-
tion
59/14473 :
words
" Kola-
Cardin-
ette " in
partial
script, 17th
February,
1910—
continued.

THIS IS TO CERTIFY that the registration of Trade Mark No. 14473/59 dated February 17, 1910, expiring the 17th day of February, 1935, has been renewed for a further period under the terms of Section 50 of the Unfair Competition Act, 1932. (The renewal fee has been paid the 2nd day of January, 1935).

G.C. 8282.

(Sgd.) J. T. MITCHELL,
Acting Commissioner of Patents.



CERTIFIED to be the drawing referred to in the specification hereunto 10
annexed. 1910.

THE PALISADE MFG. Co.,
Proprietors.

Witnesses :

D. PETRI-PALMEDO.
A. HITZUAGER.

By SCHREITER & MATHEWS,
Their Attorneys.

TO THE HON. MINISTER OF AGRICULTURE,
Department of Trade-Marks and Copyrights,
OTTAWA, CANADA.

The undersigned, THE PALISADE MANUFACTURING CO., a 20
copartnership association domiciled in Yonkers, County of Westchester and
State of New York, U.S.A., does hereby request you to register in its name,
a specific trade-mark, " KOLA-CARDINETTE," now used and to be used
in connection with the sale of a medical preparation, which trade-mark
we verily believe is ours, the same having been assigned to us by our
predecessor in this business, Mr. Frederick W. R. Eschmann, who has
adopted it, and used this trade-mark, since about July 15, 1894.

The said specific trade-mark, a drawing of which is hereunto annexed,
consists of the word-symbol " KOLA-CARDINETTE," produced in 30
suitable type, either by blowing it, or impressing it in the glass bottles,
containing the preparation, or printed upon labels with suitable description
or advertising matter, and then pasting such labels upon such bottles. It
is also usually applied to the packing vessels (boxes or cartons) by means
of such labels, or of stencils.

AND WE HEREBY DECLARE, that the said specific trade-mark was not in use to our best knowledge and belief by any other person, firm or corporation, at the time of its adoption by our aforesaid predecessor, Frederick W. R. Eschmann; that it has been used in his business, and subsequently in ours, since about July 15, 1894 continuously, and that the use of this trade-mark by our predecessor and ourselves, was exclusive, to our best knowledge and belief.

SIGNED at New York, County and State of New York, this 21st day of January, 1910, in the presence of the two subscribing witnesses.

Witnesses :

MINA HELMKE.
VERONICA BRAUN.

THE PALISADE MANUFACTURING CO.
By F. W. R. ESCHMANN,
Member of the Firm.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of a Medical Preparation, and which consists of the word-symbol "KOLA-CARDINETTE" as per the annexed pattern and application, has been Registered in "The Trade Mark Register No. 59, Folio 14473," in accordance with "The Trade Mark and Design Act," by

20 THE PALISADE MANUFACTURING COMPANY,
of the City of Yonkers, State of New York,
United States of America,

on the 17th day of February, A.D. 1910.

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.

Department of Agriculture
(Copyright and Trade Mark Branch),
OTTAWA, Canada, this 17th day of Feb. A.D. 1910.

No. D-8.

30 Certified Copy of Trade Mark Registration 45/11028 : words "Noxie-Kola."

DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as Registered in The Trade Mark Register No. 45, Folio 11028, in accordance with "The Trade Mark and Design Act," by Frank B. Perkins, on June 28th, 1906.

Exhibits.
Defendant's Exhibit.
D-7.
Certified Copy of Trade Mark Registration 59/14473 : words "Kola-Cardinette" in partial script, 17th February, 1910—
continued.

D-8.
Certified Copy of Trade Mark Registration 45/11028 : words "Noxie-Kola," 28th June, 1906.

Exhibits.

Defendant's
Exhibit.D-8.
Certified
Copy of
Trade Mark
Registra-
tion
45/11028 :
words
" Noxie-
Kola," 28th
June,
1906—
continued.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 11th day of August, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

NOXIE-KOLA

TO THE MINISTER OF AGRICULTURE
(Trade Mark and Copyright Branch),
OTTAWA.

I, Frank B. Perkins of the Town of Waterloo in the County of Shefford, 10
Province of Quebec, Canada, hereby furnish a duplicate Copy of a Specific
Trade Mark, to be applied to the sale of a certain beverage, a temperance
drink—nerve tonic—and blood purifier in accordance with sections 4 and 9
of " The Trade Mark and Design Act " which I verily believe is mine, on
account of having been the first to make use of the same.

The said Specific Trade Mark Consists of the Compound word or
words " Noxie-Kola " in Capital letters—united by a hyphen:—and
I hereby request the said Specific Trade Mark to be registered in accordance
with the law.

I forward herewith the fee of \$25.00 in accordance with section 10, 20
of the said Act.

In testimony hereof, I have signed, in the presence of the two
undersigned witnesses at the place and date hereunder mentioned.

Waterloo, P.Q., June 25, 1906.

Witnesses :

C. D. DUMINY.
LILLIAN BOOTH.

F. B. PERKINS.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied
to the sale of a certain beverage, a temperance drink—nerve tonic—and 30
blood purifier ; and which consists of the compound word or words :

" NOXIE-KOLA,"

in capital letters united by a hyphen, as per the annexed pattern and
application, has been registered in " The Trade Mark Register No. 45,
Folio 11028," in accordance with " The Trade Mark and Design Act," by

FRANK B. PERKINS,

of the Town of Waterloo, Province of Quebec,
on the 28th day of June, A.D. 1906.

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture. 40

Department of Agriculture
(Copyright and Trade Mark Branch),
Ottawa, Canada, this 28th day of June, A.D. 1906.

No. D-9.

Certified Copy of Trade Mark Registration 27/6454 : words "Clarke's Kola Compound for Asthma."

Exhibits.

Defendant's Exhibit.

DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 27, Folio 6454, in accordance with "The Trade Mark and Design Act," by Griffiths and McPherson, on the 7th day of April, A.D. 1898 ; Assigned to :—
10 The Griffiths and MacPherson Company, Limited, November 24, 1899—
Recorded February 4, 1902.

D-9.
Certified
Copy of
Trade Mark
Registra-
tion
27/6454 :
words
"Clarke's
Kola Com-
pound for
Asthma,"
7th April,
1898.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

In virtue of an Instrument produced accompanied by the fee, the whole in accordance with the "Trade Mark and Design Act," the Trade Mark here entered on Folio, 6454, of Register No. 27, has been Assigned
20 by the proprietors thereof:—W. A. Griffiths and Chas. H. Cowen, of Toronto, Province of Ontario, carrying on business in the name of The Griffiths and MacPherson Company, to The Griffiths and MacPherson Company, Limited, for the consideration, as it appears in the said instrument, of the sum of One (\$1.00) on the 24th day of November, A.D. 1899.

(Sgd.) A. L. JARVIS,
Acting Deputy of the Min. of Agr.

Department of Agriculture,
Ottawa, Canada, this 4th day of February, A.D. 1902.

See Record No.

30 TO THE MINISTER OF AGRICULTURE,
(Trade Mark and Copyright Branch),
OTTAWA.

We, Messrs. Griffiths and MacPherson, of the City of Vancouver, District of Vancouver, Province of British Columbia, Druggists, hereby furnish a duplicate copy of a Specific Trade-mark to be applied to the sale

Exhibits.
 ———
 Defendant's
 Exhibit.

D-9.
 Certified
 Copy of
 Trade Mark
 Registra-
 tion
 27/6454 :
 words
 "Clarke's
 Kola Com-
 pound for
 Asthma,"
 7th April,
 1898—
continued.

of a Medical Compound in accordance with Sections 4 and 9 of the "Trade-mark and Design Act," which we verily believe is ours, on account of having acquired it from W. A. Griffiths and Co. of Vancouver, aforesaid, whom we verily believe to be the original proprietors thereof.

The said Specific Trademark consists in the words "Clarke's Kola Compound for Asthma." And we hereby request the said Specific Trademark to be registered in accordance with the law.

We forward herewith a fee of \$25, in accordance with Section 10 of the said Act.

In testimony thereof, we have signed, in the presence of the two 10 undersigned witnesses at the place and date hereunder mentioned.

Dated at the Town of Niagara Falls, in the County of Welland this 6th day of April, 1898.

Signature of the two witnesses :

MINNIE M. PAGE.

GRIFFITHS & MACPHERSON.

F. W. GRIFFITHS.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of a Medical Compound and which consists of the words :

"CLARKE'S KOLA COMPOUND FOR ASTHMA,"

20

as per the annexed application,

has been Registered in "The Trade Mark Register No. 27, Folio 6454," in accordance with "The Trade Mark and Design Act," by

GRIFFITHS AND McPHERSON,

of the City of Vancouver, Province of British Columbia, on the 7th day of April, A.D. 1898.

(Sgd.) W. B. SCARTH,

Deputy of the Minister of Agriculture.

Department of Agriculture

(Copyright and Trade Mark Branch),

Ottawa, Canada, this 7th day of April, A.D. 1898.

30

No. D-10.

D-10.
 Certified
 Copy of
 Trade Mark
 Registra-
 tion
 32/7690 :
 word
 "Laxa-
 kola" and
 design, 11th
 March,
 1901.

Certified Copy of Trade Mark Registration 32/7690 : word "Laxakola" and design.

DOMINION OF CANADA,

PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 32, Folio 7690, in accordance with "The Trade Mark and Design Act," by The Laxakola 04 Company, on March 11th, 1901.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this twenty-fourth day of June, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,

Commissioner of Patents.



CERTIFIED to be the drawing referred to in the specification hereunto annexed. January 31st, 1901.

Witnesses :

10 J. D. CLINGER.
M. B. SEHLOY.

Proprietors :

THE LAXAKOLA COMPANY,
by WM. G. HENDERSON,
its Attorney.

TO THE MINISTER OF AGRICULTURE,
(Trade Mark and Copyright Branch),
OTTAWA, CANADA.

20 THE LAXAKOLA COMPANY, a corporation duly organized under the laws of the State of West Virginia, U.S.A., with its principal places of business at 132 Nassau Street, in the City of New York, in the State of New York, and also at 356 Dearborn Street, in the City of Chicago, State of Illinois, U.S.A., hereby furnishes a duplicate copy of a Specific Trade Mark, to be applied to the sale of a Laxative Preparation, as a medicine, in accordance with Sections 4 and 9 of "The Trade Mark and Design Act," which said Corporation verily believes to be its own, on account of having acquired it from Charles Austin Bates who acquired it from the YPSILANTI DRUG COMPANY, said Corporation verily believing the said YPSILANTI DRUG COMPANY to be the original proprietor thereof.

The said Specific Trade Mark consists of the arbitrary word or symbol composed of letters forming the word "LAXAKOLA." It has generally been arranged as shown in the accompanying facsimile—that is, the word

Exhibits.

Defendant's Exhibit.

D-10.

Certified Copy of Trade Mark Registration

32/7690 :

word

"Laxakola" and design, 11th March, 1901—

continued.

Exhibits. " LAXAKOLA " arranged in a curved line, the letters preferably being of
 Defendant's within an ornamental scroll-border, as illustrated, while below the word
 Exhibit. is a portrait of Dr. Davis, and beneath the portrait are the words, The
 D-10. GREAT TONIC LAXATIVE. There usually accompanies the trade mark
 Certified a statement of the complaints or ailments for which the preparation is a
 Copy of cure or medicine. The style and colour of the letters, however, may be
 Trade Mark varied at will, and the letters may be differently arranged and other matter
 Registra- may be added, and the portrait shown may be omitted, as may also the
 tion 10
 32/7690 : words THE GREAT TONIC LAXATIVE, without materially affecting the
 word character of the trade mark, the essential of which is the word LAXA-
 " Laxa- KOLA. Nevertheless, said corporation does not in any wise relinquish,
 kola " and curtail, or abridge its right to any one or more of the features shown and
 design, 11th described, the essential as stated being so distinguished only to the end
 March, that there may be no misconception, as to the scope of the specification.
 1901—
continued.

It is the practice to print the mark upon a label which is then affixed
 to a bottle or vessel containing the preparation ; also to print the mark
 upon a carton in which the bottle containing the preparation is placed.
 It is also blown into the bottle containing the preparation. It may however
 be used in any other manner that may suggest itself or prove either desirable 20
 or convenient.

Said corporation requests the said Specific trade mark to be registered
 in accordance with the law ; and the fee of Twenty-five dollars in accordance
 with said Act is forwarded herewith.

In testimony thereof, said corporation has had its name and seal
 affixed hereto by an officer thereof in the presence of the two undersigned
 witnesses, at the City of New York, in the State of New York, U.S.A., this
 31st day of January, 1901.

Witnesses :

FRANK R. DYKES.

BEN. B. HAMPTON.

THE LAXAKOLA CO.,
 by CHARLES AUSTEN BATES,
Prest. 30

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied
 to the sale of a Laxative Preparation, as a medicine ; and which consists
 of the word :

" LAXAKOLA,"

as per the annexed pattern and application,
 has been registered in " The Trade Mark Register No. 32, Folio 7690,"
 in accordance with " The Trade Mark and Design Act," by

THE LAXAKOLA COMPANY,

of the City and State of New York, United States of America, on the
 11th day of March, A.D. 1901. 40

(Sgd.) A. L. JARVIS,

Acting Deputy of the Minister of Agriculture.

Department of Agriculture
 (Copyright and Trade Mark Branch),
 Ottawa, Canada, this 11th day of March, A.D. 1901.

No. D-11.

Certified Copy of Trade Mark Registration 36/8605 : " Kola Tonic Wine " " The Hygiene Kola Co."

Exhibits.
Defendant's Exhibit.

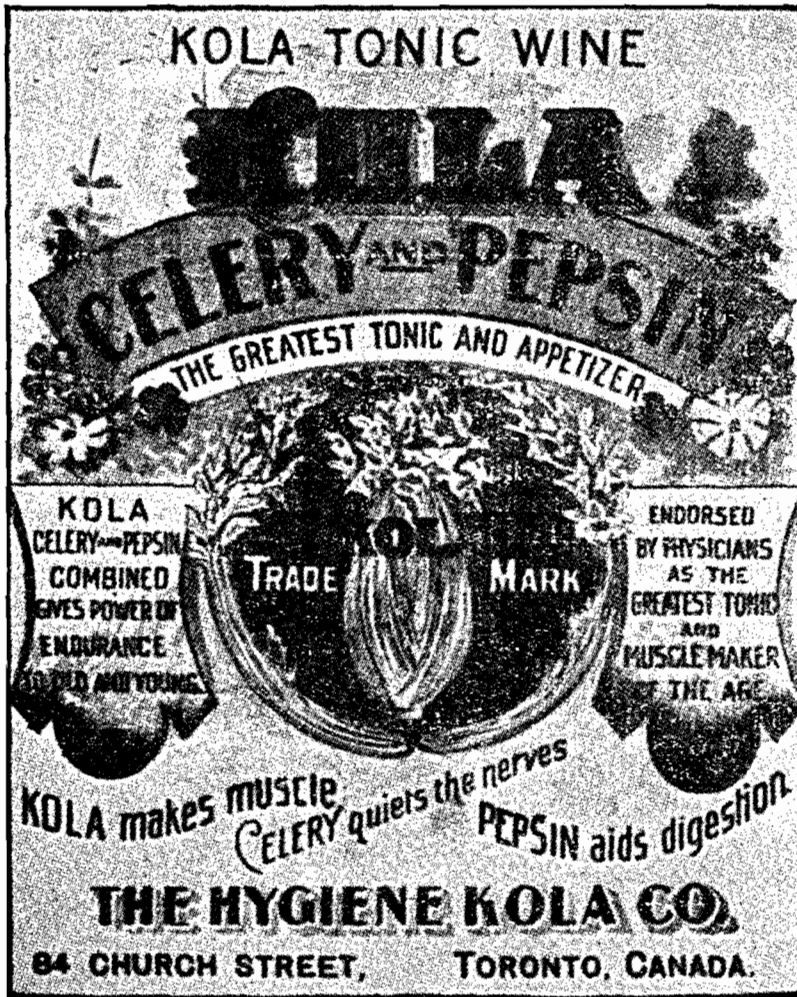
DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 36, Folio 8605, in accordance with " The Trade Mark and Design Act," by Edward James Cobean, on the 22nd day of November, A.D. 1902 ; Assigned to Hygiene Kola Company, Limited, for Manitoba, Saskatchewan and Alberta only,
10 May 13, 1907—Recorded May 20, 1907.

D-11.
Certified Copy of Trade Mark Registration 36/8605 : " Kola Tonic Wine," " The Hygiene Kola Co.", 22nd November, 1902.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL, *Commissioner of Patents.*



Exhibits.
 —
 Defendant's
 Exhibit.
 —

The Trade Mark here entered on Folio 8605 of Register No. 36 has been assigned by E. J. Cobean, of Toronto, Ontario, to Hygiene Kola Company Limited, for Manitoba, Saskatchewan and Alberta only, the 13th day of May, A.D. 1907.

D-11.
 Certified
 Copy of
 Trade Mark
 Registration
 36/8605 :
 " Kola
 Tonic
 Wine,"
 " The
 Hygiene
 Kola Co.,"
 22nd No-
 vember,
 1902—
continued.

Department of Agriculture,
 Ottawa, the 20th day of May, 1907.
 Record No. 59118.

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.

I, Edward James Cobean, of the City of Toronto in the County of 10
 York and Province of Ontario, Manufacturer, hereby furnish a duplicate
 copy of a specific trade mark to be applied to the sale of Kola Celery and
 Pepsin Tonic Wine in accordance with Sections 4 and 9 of "The Trade
 Mark and Design Act," which I verily believe to be mine on account of
 having been the first to make use of the same. The said specific trade
 mark consists of—

1. A circle intended to represent two stalks of celery with a figure
 in centre representing a stalk of celery with the word "Kola" written
 across said circle over last mentioned stalk with the word "trade" written
 inside said circle to the left of last mentioned stalk and with the letter 20
 or word "mark" written inside said circle to the right of last mentioned
 stalk and having the following words above circle—namely—Kola Tonic
 Wine, Kola, Celery and Pepsin, The greatest tonic and appetizer, and
 having placed thereon to the left of said circle, the words "Kola Celery
 "and Pepsin Combined gives power of endurance to old and young" and
 having placed thereon to the right of said circle the words "Endorsed by
 "Physicians as the Greatest tonic and Muscle Maker of the Age," and
 having placed underneath said circle the words "Kola makes muscle,
 "Celery quiets the nerves, Pepsin aids digestion" "THE HYGIENE
 "KOLA CO., 84 Church Street, Toronto, Canada." 30

And I hereby give the said specific trade mark to be registered in
 accordance with the law.

I forward the fee, twenty-five dollars, herewith, in accordance with
 Section 10 of the said Act.

IN TESTIMONY thereof I have signed in the presence of the two
 undersigned witnesses at the place and date hereunder mentioned.

Dated at Toronto this 19th day of November A.D. 1902.

Signed in the presence of:

G. M. GLAD^NER.

CORA R. MACKAY.

EDWARD JAMES COBEAN. 40

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Kola Celery and Pepsin Tonic Wine, and which consists of a distinctive label, as per the annexed pattern and application, has been Registered in "The Trade Mark Register No. 36, Folio 8605," in accordance with "The Trade Mark and Design Act," by
 EDWARD JAMES COBEAN,
 of the City of Toronto, Province of Ontario,
 on the 22nd day of November, A.D. 1902.

10

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.

Department of Agriculture
 (Copyright and Trade Mark Branch),
 Ottawa, Canada, this 22nd day of November, A.D. 1902.

Exhibits.
 Defendant's Exhibit.
 D-11.
 Certified copy of Trade Mark Registration 36/8605 : "Kola Tonic Wine," "The Hygiene Kola Co." 22nd November, 1902—
continued.

No. D-12.

Certified Copy of Trade Mark Registration 235/50822 : word "Klair-Kola" in script.

DOMINION OF CANADA,
 PATENT OFFICE.

20

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 235, Folio 50822, in accordance with "The Trade Mark and Design Act," by Claire Fontaine Ltd., on the 27th day of October, A.D. 1930 ; renewed as from the 27th day of October, A.D. 1955.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this third day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

D-12.
 Certified Copy of Trade Mark Registration : 235/50822 : word "Klair-Kola" in script, 27th October, 1930.

30

CANADA.

RENEWAL OF SPECIFIC TRADE MARK
 on the application of
 CLAIRE FONTAINE LTD.,
 of the City of Quebec, Province of Quebec.

In virtue of Section 17 of "The Trade Mark and Design Act" and the requirements of the said Act having been complied with, the Specific Trade

Exhibits. Mark as applied to the sale of Carbonated Beverages, and which consists of the hyphenated word :

Defendant's Exhibit.

D-12.
Certified Copy of Trade Mark Registration 235/50822 : word "Klair-Kola" in script, 27th October, 1930—
continued.

" KLAIR-KOLA,"

in which the two " K's " are featured in enlarged type to emphasise each group of small letters as distinctly included with its own capital ; as per application and pattern thereto annexed was Registered on the 27th day of October, A.D. 1930, on Folio 50822, of The Trade Mark Register No. 235, is hereby renewed for a period of 25 years from the 27th day of October, one thousand nine hundred and fifty-five, the expiring date of the current Term of Registration.

10

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the Seal of the Patent and Copyright Office to be hereunto affixed at the City of Ottawa, in the Dominion of Canada, this 29th day of July, in the year of our Lord one thousand nine hundred and thirty-two.

J. T. MITCHELL,
Acting Commissioner of Patents.



TO THE COMMISSIONER OF PATENTS,
OTTAWA.

We, Claire Fontaine Ltd., of the City of Quebec, in the Province of Quebec, in the Dominion of Canada, hereby request you to register in the name of ourselves a Specific Trade Mark to be used in connection with the sale of Carbonated Beverages, which we verily believe is ours on account of having been the first to make use of the same.

20

We hereby declare that the said Specific Trade Mark was not in use to our knowledge by any other person than ourselves at the time of our adoption thereof.

The said Specific Trade Mark consists of the hyphenated word :

" KLAIR-KOLA,"

in which the two K's are featured in enlarged type to emphasise each group of small letters as distinctly included with its own capital.

30

A drawing of the said Specific Trade Mark is hereunto annexed.
Signed at Montreal, Canada, this 15th day of September 1930, in
the presence of the two undersigned witnesses.

Witnesses :

J. MILLER.

L. W. SAHS.

CLAIRE FONTAINE LIMITED,

By E. J. FETHERSTONHAUGH,

Att'y.

CANADA.

10 THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied
to the sale of Carbonated Beverages, and which consists of the hyphenated
word :

“ KLAIR-KOLA,”

in which the two “ K’s ” are featured in enlarged type to emphasize each
group of small letters as distinctly included with its own capital ; as per
the annexed pattern and application,
has been registered in The Trade Mark Register No. 235, Folio 50822 in
accordance with “ The Trade Mark and Design Act,” by

CLAIRE FONTAINE LTD.,

of the City of Quebec, Province of Quebec,

20 on the 27th day of October, A.D. 1930.

(Sd.) THOS. L. RICHARD,

Commissioner of Patents.

Patent and Copyright Office

(Copyright and Trade Mark Branch),

Ottawa, Canada, this 27th day of October, A.D. 1930.

No. D-13.

Certified Copy of Trade Mark Registration 194/42621 : words “ Royal-Cola ” and
design.

CANADA.

30

BUREAU DES BREVETS.

CERTIFIÉ ÊTRE UNE COPIE EXACTE ET FIDÈLE de la Marque
de Commerce Spéciale, telle qu'enregistrée au Registre des Marques de
Commerce No. 194, Folio 42621, conformément à “ La loi des Marques de
“ Commerce et Dessins de Fabrique ” au nom de Athanasian Bros.,
le 15ème jour d'octobre, A.D. 1927.

Exhibits.

Defendant's
Exhibit.

D-12.

Certified
Copy of
Trade Mark

Registra-
tion

235/50822 :
word

“ Klair-
Kola ” in

script,
27th Oc-

tober,
1930—

continued.

D-13.

Certified
Copy of
Trade Mark

Registra-
tion

194/42621 :
words

“ Royal-
Cola ” and

design, 15th
October,

1927.

Exhibits.

Defendant's
Exhibit.

D-13.
Certified
Copy of
Trade Mark
Registration
194/42621 :
words
" Royal-
Cola " and
design, 15th
October,
1927—
continued.

EN FOI DE QUOI j'ai fait apposer le Sceau du Bureau des Brevets,
dans le Dominion du Canada, ce 7ème jour de décembre, en l'an de grâce
mil neuf cent trente-six.

J. T. MITCHELL,
Commissaire des Brevets.



DOMINION DU CANADA.

Loi des Marques de Commerce et Dessins de Fabrique.

Demande d'enregistrement d'une marque spéciale de commerce.

Nous, Athanasiou Bros., de Montréal, dans le district de Montréal, demandons par les présentes l'enregistrement au nom de Athanasiou 10 Bros. d'une marque spéciale de commerce qui doit servir en rapport avec la vente d'un breuvage Royal Cola que nous croyons sincèrement être le nôtre parce que nous avons été les premiers à en faire usage.

NOUS DÉCLARONS par les présentes que la dite marque spéciale de commerce n'était pas en usage à notre connaissance par une autre personne que nous lors de notre adoption d'icelle. La dite marque spéciale de commerce consiste en un écusson sur lequel les mots " Royal Cola, King of the Drinks, Manufactured by Athanasiou Bros., 2377 Notre-Dame West, Montréal," sont écrits, lequel écusson, est surmonté d'une couronne flanquée de deux guirlandes et appuyée sur une base où sont dessinés des grappes 20 de raisins et autres fruits.

Un dessin de la dite marque spéciale de commerce est ci-joint.

SIGNE en double à Montréal ce 15ème jour de juillet 1927.

ATHANASIOU BROS.

Per LYSIMACHUS ATHANASIOU.

Temoin :

FRS. FAUTEUX,
97, St. Jacques, Montréal.
CECILE RHEAUME,
97, St. Jacques, Montréal.

CANADA.

LES PRESENTES SONT À L'EFFET DE CERTIFIER que la
 Marque de Commerce Spéciale qui doit servir en rapport avec la vente d'un
 breuvage, et qui consiste en un écusson sur lequel les mots " Royal Cola,
 " King of the Drinks, Manufactured by Athanasian Bros., Montreal," sont
 inscrits, lequel écusson est surmonté d'une couronne flanquée de deux
 guirlandes et appuyée sur une base où sont dessinés des grappes de raisins
 et autres fruits ; tel qu'il appert par la demande et le patron ci-contre, a
 été enregistrée au Registre des Marques de Commerce No.-194, Folio 42621,
 10 Conformément à " La loi des Marques de Commerce et Dessins de Fabrique "
 au nom de

ATHANASIAN BROS.,
 de la Cité de Montréal, Province de Quèbec,

(Sgé) THOS. L. RICHARD,
Commissaire des Brevets

Interimaire.

ce 15ème jour d'octobre, A.D. 1927.

Bureau des Brevets et des Droits d'Auteurs
 (Branche des Marques de Commerce et Droits d'Auteurs),

20 OTTAWA, Canada, ce 15ème jour d'octobre, A.D. 1927.

Exhibits.

Defendant's
 Exhibit.

D-13.

Certified
 copy of
 Trade Mark
 Registra-
 tion

194/42621 :
 words

" Royal-
 Cola " and
 design,
 15th

October,
 1927—
continued.

No. D-14.

Certified Copy of Trade Mark Registration 177/39376 : " Fruta-Kola."

CANADA.

BUREAU DES BREVETS.

CERTIFIÉ ÊTRE UNE COPIE EXACTE ET FIDÈLE de la Marque
 de Commerce Spéciale, telle qu'enregistrée au Registre des Marques de
 Commerce No. 177, Folio 39376, conformément à " Loi des Marques de
 Commerce et Dessins de Fabrique " par Constantin Frères Limitée, le
 19ème jour de février, A.D. 1926, accompagnée de trois certificats de transfert
 relatifs à la marque en question.
 30

EN FOI DE QUOI j'ai fait apposé le Sceau du Bureau des Brevets,
 dans le Dominion du Canada, ce 7ème jour de décembre, en l'an de grace
 mil neuf cent trente-six.

J. T. MITCHELL,

Commissaire des Brevets.

D-14.

Certified
 Copy of
 Trade Mark
 Registra-
 tion

177/39376 :

" Fruta-
 Kola," 19th
 February,
 1926.

Exhibits.

CESSION DE MARQUE DE COMMERCE.

Defendant's
Exhibit.

(1188)

Dossier No. 3413.

D-14.
Certified
Copy of
Trade Mark
Registra-
tion
177/39376 :
"Fruta-
Kola," 19th
February,
1926—
continued.

Un document ayant pour objet la cession de la Marque de Commerce ici inscrite au folio 39376, du registre No. 177, par C. ROBILLARD & CIE LIMITEE, de Montréal, Québec, a FRUTA KOLA INC., de Montréal, Québec, en date du 13ème jour de novembre, A.D. 1931, a été dument enregistré ce 16 ème jour de novembre, A.D. 1931.

(Sgé.) THOS. L. RICHARD,
Commissaire des Brevets. 10

Bureau des Brevets et des Droits d'Auteurs, Ottawa.

CESSION DE MARQUE DE COMMERCE.

Dossier No. 145330.

Un document ayant pour objet la cession de la Marque de Commerce ici inscrite au folio 39376, du registre 177, par Théodore Constantin, Kiriarkos Constantin et Anasthase Constantin, "CONSTANTIN FRÈRES ENREGISTRÉE," a G. ROBILLARD & Compagnie Limitée, Montréal, Québec, en date du 22 jour de décembre, A.D. 1928, a été dument enregistré ce 9ème jour de janvier, A.D. 1929.

(Sgé.) THOS. L. RICHARD, 20
Commissaire des Brevets.

Bureau des Brevets et des Droits d'Auteurs, Ottawa.

CESSION DE MARQUE DE COMMERCE.

Dossier No. 130,036.

Un document ayant pour objet la cession de la Marque de Commerce ici inscrite au folio 39376, du registre No. 177, par CONSTANTIN FRÈRES LIMITÉE, de la Cité de Montréal, Province de Québec, à CONSTANTIN FRERÈS ENREGISTRÉE, de la Cité de Montréal, Province de Québec, en date du 1er jour de juin., A.D. 1926, a été dument enregistré ce 10ème jour de juin, A.D. 1926. 30

(Sgé.) THOS. L. RICHARD,
Commissaire des Brevets Interimaire.

Bureau des Brevets et des Droits d'Auteurs, Ottawa.

MONTREAL, 17 Février, 1926. Exhibits.

DOMINION DU CANADA.

Defendant's
Exhibit.

Nous Constantin Frères Limitée, de la cité de Montreal, Province de Québec, demande par la l'enregistrement au nom de "Constantin Frères Limitée" d'une marque spéciale de commerce, qui doit servir en rapport avec la vente de Breuvages non alcooliques, et sirop de fruits, que nous croyons sincèrement être la notre parce que nous avons été les premiers à en faire usage.

D-14.
Certified
Copy of
Trade Mark
Registra-
tion
177/39376 :
"Fruta-
Kola," 19th
February,
1926—
continued.

10 Nous d'éclarons par les présentes que la dite marque spéciale de commerce n'était pas en usage à notre connaissance par nulle autre personne que nous lors de notre adoption d'icelle.

La dite marque spéciale de commerce consiste dans les mots :—
"FRUTA-KOLA"

Un dessin de la dite marque spéciale de commerce est ci-joint.

Signé a Montréal, ce 17ième jour de février 1926, en présence des deux témoins soussignés.

Temoins :

PAUL MARTEL.
A. PAPINAEU MATHIEU.

CONSTANTIN FRERES LIMITEE,
Par THEODORE CONSTANTIN.

20

CANADA. .

Les Présentés sont a l'effet de Certifier que la Marque de Commerce Spéciale qui doit servir en rapport avec la vente de breuvages non alcooliques, et sirop de fruits, et qui consiste dans les mots :

"FRUTA-KOLA" ;

tel qu'il appert par la demande et le patron ci-contre, a été enregistrée au Registre des Marques de Commerce No. 177, Folio 39376, Conformément a "La Loi des Marques de Commerce et Dessins de Fabrique" par

CONSTANTIN FRÈRES LIMITÉE,
de la Cité de Montréal, Province de Québec,

30 ce 19ème jour de février, A.D. 1926.

(Sge.) THOS L RICHARD,
Commissaire des Brevets Interimaire.

Bureau des Brevets et des Droits d'Auteur,
Branche des Marques de Commerce et Droits d'Auteur,
Ottawa, Canada, ce 19ème jour de février, A.D. 1926.

Exhibits:

Defendant's
Exhibit.

No. D-15.

Certified Copy of Trade Mark Registration 178/39482 : words "Kola-Fiz."

D-15.
Certified
Copy of
Trade Mark
Registra-
tion
178/39482 :
words
"Kola-
Fiz," 9th
March,
1926.

DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 178, Folio 39482, in accordance with "The Trade Mark and Design Act," by Charles A. Leduc, on the 9th day of March, A.D. 1926.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the 10 year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

DOMINION OF CANADA.

The Trade Mark and Design Act.

I, Charles A. Leduc, of the City of Ottawa, in the Province of Ontario, hereby request you to register in the name of Charles A. Leduc, a Specific Trade Mark to be used in connection with the sale of Soft Drinks and Syrups, which I verily believe is mine on account of having been the first 20 to make use of the same.

I HEREBY DECLARE that the said Specific Trade Mark was not in use to my knowledge by any other person than myself at the time of my adoption thereof.

The said Specific Trade Mark consists of the words
"KOLA-FIZ."

A drawing of the said Specific Trade Mark is hereunto annexed.

SIGNED at Ottawa, this 24th day of February, A.D. 1926, in the presence of the two undersigned witnesses.

Witnesses :

W. DESJARDINS.
J. EMILE PARE.

CHAS. A. LEDUC.

30

To the Commissioner of Patents, Ottawa.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Soft Drinks and Syrups, and which consists of the word :

“ KOLA-FIZ ” ;

as per the annexed pattern and application, has been registered in The Trade Mark Register No. 178, Folio 39482, in accordance with “ The Trade Mark and Design Act,” by

CHARLES A. LEDUC,

of the City of Ottawa, Province of Ontario,

10 on the 9th day of March, A.D. 1926.

(Sgd.) THOS. L. RICHARD,

Acting Commissioner of Patents.

Patent and Copyright Office
(Copyright and Trade Mark Branch,
OTTAWA, Canada, this 9th day of March, A.D. 1926.

Exhibits.

Defendant's
Exhibit.

D-15.

Certified
Copy of
Trade Mark
Registra-
tion

178/39482 :
words

“ Kola-
Fiz,” 9th

March,
1926--

continued.

No. D-16.

Certified Copy of Trade Mark Registration 189/41701 : word “ Ketra Kola ” in
script.

DOMINION OF CANADA,
PATENT OFFICE.

20

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 189, Folio 41701, in accordance with “ The Trade Mark and Design Act,” by Theodore Constantin, on the 17th day of June, A.D. 1927.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this third day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,

Commissioner of Patents.

D-16.

Certified
Copy of
Trade Mark
Registra-
tion

189/41701 :
word

“ Ketra-
Kola ” in

script, 17th
June, 1927.

Ketra Kola

Exhibits.

DOMINION OF CANADA.

Defendant's
Exhibit.D-16.
Certified
Copy of
Trade Mark
Registration
189/41701 :
word
"Ketra-
Kola" in
script,
17th June,
1927—
continued.

I Theodore Constantin, of the City of Montreal, in the Province of Quebec, hereby request you to register in the name of Theodore Constantin a Specific Trade Mark to be used in connection with the sale of Non-Alcoholic, Maltless Beverages, sold as soft drinks, which I verily believe is mine on account of having been the first to make use of the same.

I hereby declare that the said Specific Trade Mark was not in use to my knowledge by any other person than myself at the time of my adoption thereof.

The said Specific Trade Mark consists of the word

"KETRA KOLA."

A drawing of the said Specific Trade Mark is hereunto annexed.

Signed at Ottawa, Ont., this 6th day of June, 1927, in the presence of the two undersigned witnesses.

Witnesses :

J. H. GRAVIS.

THEODORE CONSTANTIN.

EUG. DUNGEAIN.

To the Commissioner of Patents, Ottawa.

10

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Non-Alcoholic, Maltless Beverages, sold as soft drinks, and which consists of the word :

"KETRA KOLA,"

as per annexed pattern and application, has been registered in The Trade Mark Register No. 189, Folio 41701, in accordance with "The Trade Mark and Design Act," by

THEODORE CONSTANTIN,

of the City of Montreal, Province of Quebec,

on the 17th day of June, A.D. 1927.

(Sgd.) THOS. L. RICHARD,
Acting Commissioner of Patents.

30

Patent and Copyright Office
(Copyright and Trade Mark Branch,
Ottawa, Canada, this 17th day of June, A.D. 1927.

D-17.
Certified
Copy of
Trade Mark
Registration
201/44152 :
words
"Kali
Kola" and
design of a
bottle, 25th
June, 1928.

No. D-17.

Certified Copy of Trade Mark Registration 201/44152 : words "Kali Kola" and design of a bottle.

CANADA,

BUREAU DES BREVETS.

CERTIFIÉ ÊTRE UNE COPIE EXACTE ET FIDÈLE de la Marque de Commerce (Spéciale), telle qu'enregistrée au Registre des Marques de Commerce No. 201, Folio 44152, conformément a "La Loi des Marques

40

“ de Commerce et Dessins de Fabrique,” au nom de Calixte Goulet, le 25ème le jour de juin, A.D. 1928.

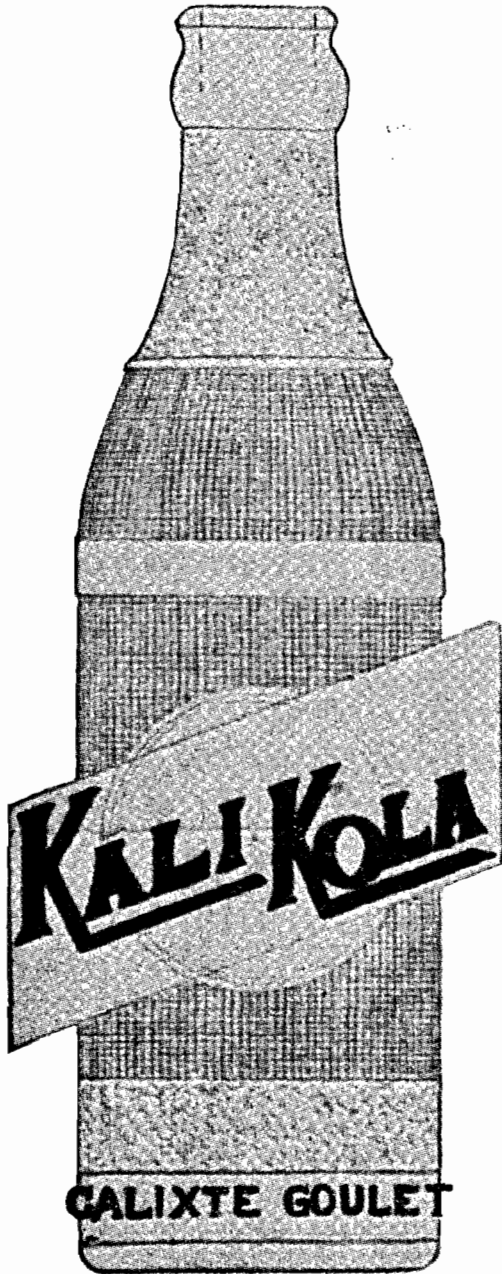
EN FOI DE QUOI j'ai fait apposer le Sceau du Bureau des Brevets, dans le Dominion du Canada, ce 7ème jour de décembre, en l'an de grace mil neuf cent trente-six.

J. T. MITCHELL,
Commissaire des Brevets.

Exhibits.

Defendant's Exhibit.

D-17.
Certified Copy of Trade Mark Registration 201/44152 : words “ Kali-Kola ” and design of a bottle, 25th June, 1928—
continued.



ORANGETTE

MONTREAL

DOMINION DU CANADA.

Exhibits.

Defendant's
Exhibit.

D-17.
Certified
Copy of
Trade Mark
Registra-
tion
201/44152 :
words
" Kali-
Kola " and
design of a
bottle, 25th
June,
1928—
continued.

Je Calixte Goulet, de la Cité de Montréal, dans la Province de Québec, demande par le présent l'enregistrement au nom de Calixte Goulet, d'une marque spéciale de commerce, qui doit servir en rapport avec la vente de Breuvages non alcooliques, Ginger Ale, Soda, Eaux Gazeuses, que je crois sincèrement être la mienne parce que j'ai été le premier à en faire usage.

Je déclare par le présent que ladite marque spéciale de commerce n'était pas en usage a ma connaissance par nulle autre personne que moi lors de nom adoption d'icelle.

Ladite marque spéciale de commerce consiste dans la représentation 10 d'une Bouteille dont l'épaule et le corps sont recouverts de très petites dépressions carrées, et dont le col et la bande du fond sont de verre dépoli. Le col et l'épaule sont séparés par un petit anneau de verre ordinaire et l'épaule est séparé du corps par un anneau plus large du même genre. Au centre du corps de la bouteille se trouvent, opposés l'un a l'autre, deux parallélogrammes avec cercle dans le centre de chacun d'eux. Les mot " KALI KOLA " apparaissant dans l'un des parallélogrammes en découpant le cercle, et le mot " ORANGETTE " apparait dans le parallélogrammes opposé en découpant aussi le cercle. Au bas de ladite bouteille apparaissent les noms " Calixte Goulet, Montreal " et sue le fond 20 de cette bouteille les lettres " C.G. " au milieu, et les mots " Contient 6½ ozs. ", et " Dessin Enrg. 1928 " autour.

Un dessin de ladite marque spéciale de commerce est ci-joint.

Signé a Montréal, Qué., ce 12ème jour de juin, 1928, en présence des deux témoins soussignés.

Temoins :

ADRIEN GOULET.

CALIXTE GOULET.

ALBERT GOULET.

Au Commissaire des Brevets, Ottawa.

CANADA.

30

LES PRESENTES SONT A L'EFFET DE CERTIFIER que la Marque de Commerce (Spéciale) qui doit servir en rapport avec la vente de Breuvages non alcooliques, Ginger Ale, Soda, Eaux Gazeuses, et qui consiste dans la représentation d'une Bouteille dont l'épaule et la corps sont recouverts de très petites dépressions carrées, et dont le col et la bande de fond sont de verre dépoli. Le col et l'épaule sont séparés par un petit anneau de verre ordinaire et l'épaule est séparé du corps par un anneau plus large du même genre. Au centre du corps de la bouteille se trouvent, opposés l'un a l'autre, deux parallélogrammes avec cercle dans le centre de chacun d'eux. Les mots " KALI KOLA " apparaissent 40

dans l'un des parallélogrammes en découpant le cercle, et le mot "ORANGETTE" apparit dans le parallélogrammes opposé en découpant aussi le cercle. Au bas de ladite bouteille apparaissent les noms "Calixte Goulet, Montréal," et sur le fond de cette bouteille les lettres "C.G." au milieu, et les mots "Contient 6½ ozs.", et "Dessin Enrg. 1928" autour; tel qu'il appert par la demande et le patron ci-contre, a été enregistrée au Registre des Marques de Commerce No. 201, Folio 44152, Conformément à "La loi des Marques de Commerce et Dessins de Fabrique" au nom de.

CALIXTE GOULET,

10 de la Cité de Montréal, Province de Québec,
ce 25ème jour de juin, A.D. 1928.

(Sgé) THOS. L. RICHARD,
Commissaire des Brevets.

Bureau des Brevets et des Droits d'Auteurs
(Branche des Marques de Commerce et Droits d'Auteurs),
Ottawa, Canada, ce 25ème jour de juin, A.D. 1928.

Exhibits.
Defendant's Exhibit.
D-17.
Certified Copy of Trade Mark Registration 201/44152 : words "Kali-Kola" and design of a bottle, 25th June, 1928—
continued.

No. D-18.

Certified Copy of Trade Mark Registration 230/49838 : words "Celery-Kola."

DOMINION OF CANADA,
PATENT OFFICE.

20

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark as registered in The Trade Mark Register No. 230, Folio 49838, in accordance with "The Trade Mark and Design Act," by The Drewrys Limited, on the 3rd day of July, A.D. 1930.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

D-18.
Certified Copy of Trade Mark Registration 230/49838 : words "Celery-Kola," 3rd July, 1930.

30

DOMINION OF CANADA.

The Trade Mark and Design Act.

APPLICATION FOR REGISTRATION OF A SPECIFIC
TRADE MARK.

The Drewrys Limited, a Company duly incorporated under "The Companies' Act" of the Province of Manitoba, hereby request you to register in the name of The Drewrys Limited with Head office at Winnipeg in Manitoba, a Specific Trade Mark to be used in connection with the manufacture and sale of beverages, which we verily believe is ours on account of having been the first to make use of the same.

Exhibits.
 ———
 Defendant's
 Exhibit.
 ———

We hereby declare that the said Specific Trade Mark was not in use to our knowledge by any other person than ourselves at the time of the adoption thereof.

The said Specific Trade Mark consists of the composite word "Celery-Kola."

D-18.
 Certified
 Copy of
 Trade Mark
 Registration
 230/49838 :
 words
 "Celery-
 Kola," 3rd
 July,
 1930—
continued.

In Witness Whereof the Corporate Seal of The Drewrys Limited is hereto affixed verified by the signatures of the proper officers in that behalf at Winnipeg in Manitoba, this twenty-fourth day of April, A.D. 1930.

Witnesses :

NORA BOYCE.
 E. H. YOUNG

THE DREWRY'S LIMITED. 10
 G. M. BLACK, *President.*
 A. C. JEFFREYS, *Secretary.*

To the Commissioner of Patents, Ottawa, Ontario.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Beverages, and which consists of the composite word :

"CELERY-KOLA" ;

as per the annexed application, has been registered in The Trade Mark Register No. 230, Folio 49838 in accordance with "The Trade Mark and Design Act," by

THE DREWRY'S LIMITED 20

of the City of Winnipeg, Province of Manitoba, on the 3rd day of July, A.D. 1930.

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.

Patent and Copyright Office
 (Copyright and Trade Mark Branch),
 Ottawa, Canada, this 3rd day of July, A.D. 1930.

No. D-19.

D-19.
 Certified
 Copy of
 Trade Mark
 Registration
 232/50286 :
 word
 "Mexic-
 ola," 27th
 August,
 1930.

Certified Copy of Trade Mark Registration 232/50286 : word "Mexicola."

DOMINION OF CANADA,
 PATENT OFFICE. 30

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as Registered in The Trade Mark Register No. 232 Folio 50286, in accordance with "The Trade Mark and Design Act." by Stewart, Dupuis Limited, on August 27th, 1930, and assigned to Frank A. Dupuis & Co.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 9th day of July, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents. 40

July 16, 1935. New Owner : Frank A. Dupuis & Co., Montreal, Que.
 (Ass't 1306-NS)—G.C.-8758.

Exhibits.
 Defendant's
 Exhibit.

May 16-30.

Patent & Copyright Office,
 Copyright & Trade Mark Branch,
 Ottawa, Ont.

D-19.
 Certified
 Copy of
 Trade Mark
 Registra-
 tion
 232/50286 :
 word
 " Mexi-
 cola," 27th
 August,
 1930—
continued.

DOMINION OF CANADA.
 The Trade Mark and Design Act.

APPLICATION FOR REGISTRATION OF A SPECIFIC
 TRADE MARK.

10

We, Stewart, Dupuis Limited, of the City of Montreal, Province of
 Quebec, hereby request you to register in our name a Specific Trade Mark
 to be used in connection with the sale of Soft Drinks, Syrups and Extracts ;
 which we verily believe is ours on account of having been the first to make
 use of the same.

WE HEREBY DECLARE that the said specific Trade Mark was
 not in use to our knowledge by any other persons than ourselves at the
 time of our adaption thereof.

20

The said specific trade mark consists of the word " Mexicola."
 SIGNED at Montreal this 16th day of May 1930 in the presence of
 two undersigned witnesses.

STEWART, DUPUIS LIMITED.

A. T. STEWART,
President.

Witnesses :

J. A. ST. PIERRE
 A. A. BELLMAN

F. A. DUPUIS,
Vice-President.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied
 to the sale of Soft Drinks, Syrups and Extracts, and which consists of the
 word :

30

" MEXICOLA,"

as per the annexed application,
 has been registered in The Trade Mark Register No. -232, Folio 50286, in
 accordance with " The Trade Mark and Design Act," by
 STEWART, DUPUIS LIMITED,
 of the City of Montreal, Province of Quebec,
 on the 27th day of August, A.D. 1930.

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.

Patent and Copyright Office
 (Copyright and Trade Mark Branch),
 OTTAWA, Canada, this 27th day of August, A.D. 1930.

40

Exhibits.

No. D-20.

Defendant's **Certified Copy of Trade Mark Registration 235/50985 : word "Oxola" and design.**
Exhibit.

D-20.
Certified
Copy of
Trade Mark
Registration
235/50985 :
word
"Oxola"
and design,
20th No-
vember,
1930.

DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. -235, Folio 50985, in accordance with "The Trade Mark and Design Act," by Tennants Limited, on November 20th, 1930.

AS WITNESS the Seal of the Patent Office hereto affixed at the City 10 of Ottawa in the Dominion of Canada this 11th day of February, in the year of our Lord one thousand nine hundred and thirty-seven.

J. T. MITCHELL,
Commissioner of Patents.



We, Tennants Limited, of the town of Amherst, Province of Nova Scotia in the Dominion of Canada hereby request you to register in the name of ourselves a Specific Trade Mark to be used in connection with the sale of Non-Alcoholic Beverages, which we verily believe is ours on account of having been the first to make use of the same.

WE HEREBY DECLARE that the said Specific Trade Mark was not in use to our knowledge by any other person than ourselves at the time of our adoption thereof.

The said Specific Trade Mark consists of the word OXOLA associated with a fanciful picture of a blood corpuscle under a three cornered figure enclosed in a circle and coloured red, other wording of a descriptive nature being shown on the same label containing the word and figure aforesaid.

A drawing of the said specific Trade Mark is hereunto annexed.

SIGNED at Ottawa, Canada, this 21st day of July 1930, in the presence of the two undersigned

TENNANTS LIMITED.

By E. J. FETHERSTONHAUGH,
Attorney.

Witnesses :

20 F. W. STILLE.
M. DESJARDINS.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Non-Alcoholic Beverages, and which consists of the word :

“ OXOLA ”

associated with a fanciful picture of a blood corpuscle under a three cornered figure enclosed in a circle ; other wording of a descriptive nature being shown on the same label containing the word and figure aforesaid ; as per the annexed pattern and application, has been registered in The Trade Mark Register No. 235, Folio 50985, in accordance with “ The Trade Mark and Design Act,” by

TENNANTS LIMITED,

of the Town of Amherst, Province of Nova Scotia,
on the 20th day of November, A.D. 1930.

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.

Patent and Copyright Office,
(Copyright and Trade Mark Branch),
OTTAWA, Canada, this 20th day of November, A.D. 1930.

Exhibits.
—
Defendant's
Exhibit.
—

D-20.
Certified
Copy of
Trade Mark
Registra-
tion
235/50985 ;
word
“ Oxola ”
and design,
20th No-
vember,
1930—
continued.

Exhibits.

No. D-21.

Defendant's **Certified Copy of Trade Mark Registration 24/5665 : words "Bromo-Kola" in Exhibit. the form of a cross.**

D-21.
Certified
Copy of
Trade Mark
Registra-
tion
24/5665 :
words
"Bromo-
Kola" in
the form of
a cross, 11th
June, 1896.

DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as Registered in The Trade Mark Register No. 24, Folio 5665, in accordance with "The Trade Mark and Design Act," by The Kola Medicine Company Limited, on the 11th day of June, A.D. 1896.

AS WITNESS the seal of the Patent Office hereto affixed at the City 10 of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

REMEDIES FOR NERVOUS TROUBLES AND HEADACHES.

**Ko
mo
Br
O
la**

Signature of Proprietors :

KOLA MEDICINE CO., LTD.,
W. H. ALLEN, *Sect'y.*

Witnesses :

CHAS. L. WILLIAMS
C. D. McMANUS

TO THE MINISTER OF AGRICULTURE.
(Trade-Mark and Copyright Branch),
OTTAWA.

20

We, The Kola Medicine Company Limited of the City of Detroit in the County of Wayne and State of Michigan, hereby furnish a duplicate copy of a Specific Trade-Mark to be applied to the sale of a specific and remedy for nervous troubles and headaches in accordance with Sections 4 and 9 of "Trade-Mark and Design Act" which we verily believe is ours on account of having been the first to make use of the same.

The said specific trade-mark consists of the word "Bromo-Kola" arranged crossing at an angle with the letter "O" of "Kola" and the 30

first letter "O" of "Bromo" formed by a single letter "O" located centrally of the device. Exhibits.

As shown in the accompanying drawing the two words "Bromo" and "Kola" forming together the word "Bromo-Kola" are arranged obliquely and the central letter "O" relatively greatly enlarged. Defendant's Exhibit.

The mark is printed in black ink. The style of lettering may be altered. The relative size of the letters may be changed. The central letter "O" may be made of different size and the colour may be changed to suit the will of the proprietor and the relative position of the letters surrounding the central letter "O" may be changed so that the portion inclined downwards will read "Bromo" and the portion inclined upwards will read "Kola" the central letter "O" always remaining fixed as indicated. D-21. Certified Copy of Trade Mark Registration 24/5665 : words "Bromo-Kola" in the form of a cross, 11th June, 1896—
continued.

The essential feature of the trade mark is the words or word "Bromo-Kola" arranged crossing at an angle with the first letter "O" of "Bromo" and the letter "O" of the latter formed by a single letter "O" located centrally of the device.

And we hereby request the said Specific Trade Mark to be registered in accordance with the law.

20 We forward herewith the fee of \$25.00 in accordance with Section 10 of the said Act.

In testimony thereof we have signed in the presence of the two undersigned witnesses at the place and date hereunder mentioned.

Detroit, Michigan, 6th June, 1896.

Witnesses :

CHAS. L. WILLIAMS.
C. D. McMANUS.

KOLA MEDICINE CO., LTD.
W. H. ALLEN, *Sect'y.*

CANADA.

30 THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of a Specific and Remedy for Nervous Troubles and Headaches, and which consists of the compound word : "BROMO-KOLA," arranged crossing at an angle with the first letter "O" of "BROMO" and the letter "O" of "KOLA" formed by a single letter "O" located centrally of the device, as per the annexed pattern and application, has been Registered in "The Trade Mark Register No. 24, Folio 5665," in accordance with "The Trade Mark and Design Act," by

THE KOLA MEDICINE COMPANY LIMITED

of the City of Detroit, State of Michigan, United States of America, on the 11th day of June, A.D. 1896.

(Sgd.) W. B. SCARTH,
Deputy of the Minister of Agriculture.

40 Department of Agriculture,
(Copyright and Trade Mark Branch),
Ottawa, Canada, this 11th day of June, A.D. 1896.

Exhibits.

No. D-22.

Defendant's
Exhibit.

Certified Copy of Trade Mark Registration 46/11265 : words "Tona-Cola" in script form.

D-22.
Certified
Copy of
Trade Mark
Registra-
tion
46/11265 :
words
"Tona-
Cola" in
script form,
3rd Octo-
ber, 1906.DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark "TONA-COLA" as registered in The Trade Mark Register No. 46, Folio 11265, in accordance with "The Trade Mark and Design Act," by J. J. McLaughlin, Limited, on the 3rd day of October, A.D. 1906, assigned to J. J. McLaughlin, Limited, on the 12th day of April, 1924; 10
Change of Name to Canada Dry Ginger Ale, Limited, dated the 28th day of September, A.D. 1928, recorded the 30th day of April, A.D. 1929; and renewed as of the 3rd day of October, 1931.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 23rd day of April, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

CANADA.

Renewal of Specific Trade Mark on the Application of
CANADA DRY GINGER ALE, LIMITED,
of the City of Toronto, Province of Ontario. 20

In virtue of Section 17 of "The Trade Mark and Design Act" and the requirements of the said Act having been complied with, the Specific Trade Mark as applied to the sale of Beverages, Syrups &c.; and which consists of the words :

"TONA-COLA,"

connected by a hyphen, arranged on a panel running diagonally across an oblong yellow label, enclosed by a border, the letters being white upon a red background, 30

as per application and pattern thereto annexed, was Registered on the 3rd day of October, A.D. 1906, on Folio 11265, of The Trade Mark Register No. 46, is hereby renewed for a period of 25 years from the 3rd day of October, one thousand nine hundred and thirty-one, the expiring date of the current Term of Registration.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the Seal of the Patent and Copyright Office to be hereunto affixed at the City of Ottawa, in the Dominion of Canada, this 22nd day of September, in the year of Our Lord one thousand nine hundred and thirty-one.

(Sgd.) THOS. I. RICHARD, 40
Commissioner of Patents.

CHANGE OF NAME.

The name J. J. McLAUGHLIN, LIMITED, was changed to CANADA DRY GINGER ALE, LIMITED, by order of the Secretary of State of the Province of Ontario, dated the 28th day of September, A.D. 1928.

(Sgd.) THOS. L. RICHARD,
Commissioner of Patents.

Patent and Copyright Office,
Copyright and Trade Mark Branch,
10 Ottawa, Canada, this 30th day of April, A.D. 1929.

No. 11265-46.

Record No. 146872.

Exhibits.
Defendant's Exhibit.
D-22.
Certified Copy of Trade Mark Registration
46/11265 : words "Tona-Cola" in script form, 3rd October, 1906--
continued.

CANADA.

ASSIGNMENT OF TRADE MARK.

Record No. 118,336.

A document purporting to be an assignment of the Trade Mark here entered on Folio 11265, of Register No. 46, by J. J. McLAUGHLIN, LIMITED, to J. J. McLAUGHLIN, LIMITED, a Company duly incorporated under The Ontario Companies Act by Letters Patent dated the 10th day of April, A.D. 1924, and dated the 12th day of 20 April, A.D. 1924, has been duly registered this 13th day of May, A.D. 1924.

Patent and Copyright Office,
Ottawa.

(Sgd.) GEO. F. O'HALLORAN,
Commissioner of Patents.



Specific Trade Mark as applied to Beverages, Syrups, &c.

J. J. McLAUGHLIN, LIMITED.
Proprietors,

Exhibits.
 Defendant's
 Exhibit.

TO THE MINISTER OF AGRICULTURE,
 (Trade Mark and Copyright Branch),
 OTTAWA.

D-22.
 Certified
 Copy of
 Trade Mark
 Registration
 46/11265 :
 words
 "Tona-
 Cola" in
 script form,
 3rd Octo-
 ber, 1906—
continued.

J. J. McLaughlin, Limited, with head office at the City of Toronto, in the Province of Ontario, Canada, hereby furnish a duplicate copy of a Specific Trade Mark, to be applied to the sale of beverages, syrups and the like, in accordance with Sections 4 and 9 of "The Trade Mark and Design Act," which the said J. J. McLaughlin, Limited, verily believe is theirs, on account of having been the first to make use of the same.

The said Specific Trade Mark consists of the words "Tona-Cola" 10 connected by a hyphen, arranged on a panel running diagonally across an oblong yellow label, enclosed by a border, the letters being white upon a red background.

The said J. J. McLaughlin, Limited, forward herewith the fee of \$25.00 in accordance with Section 10 of the said Act.

IN TESTIMONY THEREOF the said Company has signed, in the presence of the two undersigned witnesses, at the place and date hereunder mentioned.

Toronto, Ont., September 1st, A.D. 1906.

Signed in the presence of:

A. E. MILLS.
 THEO. J. VOLLMAR.

J. J. McLAUGHLIN LIMITED
 J. J. McLAUGHLIN,
President.

20

\$25.00.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Beverages, Syrups, &c., and which consists of the words:

"TONA-COLA,"

connected by a hyphen, arranged on a panel running diagonally across an oblong yellow label, enclosed by a border, the letters being white upon a red 30 background; as per the annexed pattern and application, has been registered in "The Trade Mark Register No. 46, Folio 11265," in accordance with "The Trade Mark and Design Act," by

J. J. McLAUGHLIN, LIMITED,

of the City of Toronto, Province of Ontario,
 on the 3rd day of October, A.D. 1906.

(Signed) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.

Department of Agriculture,
 (Copyright and Trade Mark Branch),
 Ottawa, Canada, this 3rd day of October, A.D. 1906.

40

No. D-23.

Certified Copy of Trade Mark Registration 49/11853 : word "La-Kola" in script form.

Exhibits.
Defendant's Exhibit.

DOMINION OF CANADA,
PATENT OFFICE.

D-23.
Certified Copy of Trade Mark Registration 49/11853 : word "La-Kola" in script form, 9th April, 1907.

10 CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 49, Folio 11853, in accordance with "The Trade Mark and Design Act," by Lawson A. Kirkland, on April 9th, 1907.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 24th day of June, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,

Commissioner of Patents.



TO THE MINISTER OF AGRICULTURE,
(Trade Mark and Copyright Branch),
OTTAWA.

20 I, Lawson A. Kirkland of the City of Toronto, in the County of York, Manufacturer, do hereby furnish a duplicate copy of a Specific Trade Mark to be applied to the sale of all kinds of soft drinks or drinks, being non-intoxicants, made from carbonated water and flavoured with the extract of the Kola Nut in accordance with Sections 4 and 9 of "The Trade Mark and Design Act" which I verily believe is mine on account of having been the first to make use of the same.

The said Specific Trade Mark consists of the name "La-Kola" as shown on the pattern hereto attached and I hereby request the said Specific Trade Mark to be registered in accordance with the Law.

30 I forward herewith the fee of Twenty-five Dollars in accordance with Section 10 of the Act.

Exhibits. IN TESTIMONY thereof I have signed in the presence of the two
 Defendant's undersigned witnesses at the place and date hereunder mentioned.
 Exhibit. Toronto, the 5th day of April, 1907.

D-23.
 Certified
 Copy of
 Trade Mark
 Registration
 49/11853 :
 word "La-
 Kola" in
 script form,
 9th April,
 1907—
continued.

Witnesses :

S. W. MCKEOWN,
 of Toronto, Barrister-at-Law.

L. A. KIRKLAND.

M. S. JONES,
 of Toronto, Stenographer.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied 10
 to the sale of all kinds of soft drinks or drinks, being non-intoxicants,
 made from carbonated water and flavoured with the extract of the kola nut ;
 and which consists of the name :

" LA-KOLA,"

as per the annexed pattern and application,
 has been registered in The Trade Mark Register No. 49, Folio 11853, in
 accordance with " The Trade Mark and Design Act," by

LAWSON A. KIRKLAND,

of the City of Toronto, Province of Ontario,

on the 9th day of April, A.D. 1907.

(Sgd.) GEO. F. O'HALLORAN,

Deputy of the Minister of Agriculture.

20

Department of Agriculture
 (Copyright and Trade Mark Branch),
 Ottawa, Canada, this 9th day of April, A.D. 1907.

No. D-24.

D-24.
 Certified
 Copy of
 Trade Mark
 Registration
 49/11906 :
 word
 " Cola-
 Claret " in
 script form,
 23rd April,
 1907.

**Certified Copy of Trade Mark Registration 49/11906 : word " Cola-Claret " in
 script form.**

DOMINION OF CANADA,
 PATENT OFFICE.

30

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade
 Mark, as registered in The Trade Mark Register No. 49, Folio 11906, in
 accordance with " The Trade Mark and Design Act," by The Dr. T. A.
 Slocum, Limited, on April 25th, 1907.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this 24th day of June, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.



TO THE MINISTER OF AGRICULTURE
(Trade Mark and Copyright Branch),
OTTAWA, ONTARIO.

Dear Sir :—

10 We, the Dr. T. A. Slocum, Limited, of the City of Toronto, in the County of York and the Province of Ontario, hereby furnish a duplicate of the Specific Trade Mark to be applied to the sale of "Cola-Claret," a drink to be put up in syrup for use at Soda Fountains and in connection with other carbonated and aerated methods of preparing drinks and also in carbonated form in bottles, in accordance with Sections 4 and 9 of the "Trade Mark and Design Act," which we verily believe is ours on account of having been the first to make use of the same.

20 The said Specific Trade Mark consists of the words "Cola-Claret," used in the form of a compound word joined together by a hyphen, the words to be used in Script Type as in the accompanying form on an upward inclined plane of about $22\frac{1}{2}$ degrees, from left to right, with the words "Quenches Thirst" on a horizontal line under the right hand side of the said compound word, "Cola-Claret"; and the words "Delightful, Satisfying, Healthful," in the upper left hand corner; and across the bottom of the design the words "5c. at all Fountains"; and we hereby request the said Specific Trade Mark to be registered in accordance with the law.

We forward herewith the fee of \$25.00 in accordance with Section 10 of the said Act.

Exhibits.
—
Defendant's Exhibit.

—
D-24.
Certified Copy of Trade Mark Registration 49/11906 : word "Cola Claret" in script form 23rd April, 1907.—
continued.

Exhibits. In testimony whereof we have signed, in the presence of the two
 Defendant's undersigned witnesses, at the place and date hereunder mentioned.
 Exhibit. Toronto, April 23rd, 1907.

Witnesses : DR. T. A. SLOCUM, LIMITED,
 ELIZABETH E. RAY. STEYUN STEWART,
 MARION A. MORGAN. Secretary-Treasurer.

D-24.
 Certified
 Copy of
 Trade Mark
 Registra-
 tion
 49/11906 :
 word
 " Cola-
 Claret " in
 script, form
 23rd April,
 1907—
 continued.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied
 to the sale of Cola Claret, a drink to be put up in syrup for use at soda
 fountains and in connection with other carbonated and aerated methods 10
 of preparing drinks and also in carbonated form in bottles; and which
 consists of the words " COLA-CLARET," used in the form of a compound
 word joined together by a hyphen, the words to be used in script type
 on an upward inclined plane of about 22½ degrees, from left to right, with
 the words " QUENCHES THIRST " on a horizontal line under the right
 hand side of the said compound word, " COLA-CLARET "; and the words
 " DELIGHTFUL, SATISFYING, HEALTHFUL," in the upper left hand
 corner; and across the bottom of the design the words " 5c. at all
 Fountains," as per the annexed pattern and application, has been registered 20
 in The Trade Mark Register No. 49, Folio 11906, in accordance with " The
 Trade Mark and Design Act," by the Dr. T. A. Slocum, Limited, of the
 City of Toronto, Province of Ontario, on the 25th day of April, A.D. 1907.

(Sgd.) GEO. F. O'HALLORAN,
 Deputy of the Minister of Agriculture.

Department of Agriculture,
 (Copyright and Trade Mark Branch),
 Ottawa, Canada, this 25th day of April, A.D. 1907.

No. D-25.

Certified Copy of Trade Mark Registration 70/17278 : words " Cocktail Kola
 Secrestat " on a label. 30

D-25.
 Certified
 Copy of
 Trade Mark
 Registra-
 tion
 70/17278 :
 words
 " Cocktail
 Kola Secre-
 stat " on a
 label,
 23rd July,
 1921.

CANADA.
 BUREAU DES BREVETS.

CERTIFIÉ ÊTRE UNE COPIE EXACTE ET FIDÈLE de la Marque
 de Commerce (Spéciale), telle qu'enregistrée au Registre des Marques de
 Commerce No. 70, Folio 17278, conformément a " L'acte des Marques de
 Commerce et Dessins de Fabrique," par les Héritiers de J. Hre Sécrestat
 Aîné, le 18ème jour de juillet, A.D. 1912, accompagnée d'un certificat de
 transfert de la dite marque en faveur de la Maison J. Hre Sécrestat Aîné,
 enregistré le 23 ème jour de juillet, A.D. 1921.

EN FOI DE QUOI j'ai fait apposer le Sceau du Bureau des Brevets, en la ville d'Ottawa, dans le Dominion du Canada, ce 5ème jour de décembre, en l'an de grâce mil neuf cent trente-six.

J. T. MITCHELL,
Commissaire des Brevets.

Record No. 105545.

CESSION DE MARQUE DE COMMERCE.

La Marque de Commerce inscrite au Folio 17278, du Registre No. 70, a été transférée par LES HERITIERS DE J. HRE. SECRESTAT AINE, 30 rue Notre Dame, Bordeaux, France, à MAISON J. HRE. SECRESTAT AINE, 40 à 56, Cours du Médoc, à Bordeaux, France, ce 15ème jour de juin, 1921.

(Sgé.) P. E. RITCHIE,
Commissaire des Brevets.

Bureau des Brevets et des Droits d'Auteur,
(Branche des Marques de Commerce et Droits d'Auteur),
Ottawa, Canada, ce 23ème jour de juillet, 1921.

Exhibits.
Defendant's Exhibit.

D-25.
Certified Copy of Trade Mark Registration 70/17278 : words "Cocktail Kola Secrestat" on a label, 23rd July, 1921—
continued.



Exhibits.

DOMINION DU CANADA.

Defendant's
Exhibit.

Loi des Marques de commerce et Dessins de fabrique.

Demande d'Enregistrement d'une Marque Speciale de commerce
(faite en double).

D-25.

Certified

Copy of
Trade Mark
Registra-
tion70/17278 :
words"Cocktail
Kola Secre-
stat" on a
label, 23rd
July,1931—
continued.

Je soussigné, Joseph Antoine George Front, Secrestat-Escande, membre de la Société "HERITIERS DE J. Hré SECRESTAT Ainé," Négociants, 30, rue Notre Dame, a Bordeaux, France, demande par le présent l'Enregistrement au nom des HERITIERS DE J. Hré SECRESTAT Ainé d'une Marque Speciale de commerce qui doit servir en rapport avec la vente d'un Elixir, que je crois sincèrement être la propriété de la dite 10 société parce qu'elle a été la première a en faire usage.

Je déclare par la présent que ladite Marque Spéciale de commerce n'était pas en usage, a ma connaissance, par nulle autre personne ou société que la susdite société lors de son adoption d'icelle.

Cette Marque Spéciale de commerce consiste en une étiquette de forme rectangulaire, impressions polychrome, en tête de laquelle on lit la dénomination du produit "COCKTAIL KOLA SECRESTAT" suivie de la mention "Délicieux Elixir"; la partie inférieure droite porte le nom et la signature "V. Gaboriaud" ainsi que la formule et le cachet de législation de ladite signature; au bas de l'étiquette on lit les nom et adresse des déposants; 20 un filet rectangulaire encadre cette étiquette qui se fait en toutes dimensions et en toutes couleurs et s'appose sur la panse des bouteilles contenant le produit.

Un dessin de la dite Marque Spéciale de commerce est ci-joint.
Signé a Bordeaux, 18 Avril 1911, en présence, des deux témoins soussignés.

HERITIERS DE J. HRE. SECRESTAT AINE,
l'un des membres de la Société.

A. G. SECRESTAT-ESCANDE,

l'un des membres de la Société. 30

Temoins :

1.—P. ROY, propriétaire, 5 Rue Cornai, Bordeaux.

2.—VICTOR CROZATIER, propriétaire,
31 Cours du xxx Juillet, Bordeaux.

A Monsieur le Ministre de l'Agriculture, Ottawa (Canada).

CANADA.

Les Présentes sont à l'effet de certifier que la Marque de Commerce (Spéciale) qui doit servir en rapport avec la vente d'un Elixir; et qui consiste en une étiquette de forme rectangulaire, impressions polychrome, en tête de laquelle on lit la dénomination du produit "Cocktail Kola 40 Sécrestat" suivie de la mention "Délicieux Elixir"; la partie inférieure

Exhibits.

Defendant's
Exhibit.D-26.
Certified
Copy of
Trade Mark
Registra-
tion
86/21170 :
words
" Mint-
Kola " in
script, 18th
October,
1915—
*continued.*TO THE MINISTER OF AGRICULTURE,
OTTAWA.

I, Smith A. Hoag of the City of Niagara Falls, in the County of Welland, Manufacturer, hereby request you to register the name " MINT KOLA " a specific trade mark to be used in connection with the manufacture and sale of aerated waters.

I HEREBY DECLARE that the specific trade mark is not in use or has been in use to my knowledge by any other person than myself in connection with the manufacture and sale of aerated waters. The said specific trade mark consists of an impression of a " Green Mint Leaf " 10 with the words " MINT KOLA " in red ink on its surface (a copy or impression is hereto attached).

For use on Crown tops for bottles and for use on a Label on the said bottles.

SIGNED at Niagara Falls this Ninth day of October in the presence of the two undersigned witnesses.

Witnesses :

JAMES MARTIN.
T. V. CASHAM.

SMITH A. HOAG.

CANADA.

20

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of Aerated Waters, and which consists of an impression of a " Green Mint Leaf " with the words " MINT KOLA " in red ink on its surface as per the annexed pattern and application, has been registered in " The Trade Mark Register No. 86, Folio 21170 " in accordance with " The Trade Mark and Design Act," by

SMITH A. HOAG,

of the City of Niagara Falls, Province of Ontario,
on the 18th day of October, A.D. 1915.

(Sgd.) GEO. F. O'HALLORAN, 30
Deputy of the Minister of Agriculture.

Department of Agriculture,
(Copyright and Trade Mark Branch),
OTTAWA, Canada, this 18th day of October, A.D. 1915.

D-27.
Certified
Copy of
Trade Mark
Registra-
tion
86/21197 :
word " Kel-
Ola " in
script, 29th
October,
1915.

No. D-27.

Certified Copy of Trade Mark Registration 86/21197 : word " Kel-Ola " in script.

DOMINION OF CANADA,
PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific
Trade Mark, as Registered in The Trade Mark Register No. 86, Folio 21197, 40

in accordance with "The Trade Mark and Design Act," by Edward Francis Kelly, on the 29th day of October, A.D. 1915, Assigned to Francis A. Dupuis, January 25, 1917, and to Kel-Ola Company, Limited, October 7, 1921.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.

Exhibits.
—
Defendant's
Exhibit.

D-27.
Certified
Copy of
Trade Mark
Registra-
tion
86/21197 :
word "Kel-
Ola" in
script, 29th
October,
1915—
continued.

10

CANADA.
ASSIGNMENT OF TRADE MARK.

Record No. 115,660.

A document purporting to be an assignment of the Trade Mark here entered on Folio 21197, of Register No. 86, by
FRANCIS A. DUPUIS,
of the City of Montreal, Province of Quebec, to
KEL-OLA COMPANY, LIMITED,
and dated the 7th day of October, A.D. 1921, has been duly registered this 13th day of August, A.D. 1924.

20 PATENT AND COPYRIGHT OFFICE,
OTTAWA.

(Sgd.) THOS. L. RICHARD,
Acting Commissioner of Patents.

The Trade Mark here entered on Folio 21197 of Register No. 86 has been assigned by E. F. Kelly, of Montreal, P.Q., to Francis A. Dupuis, the 25th day of Jany. A.D. 1917.

(Sgd.) GEO. F. O'HALLORAN,
Deputy of the Minister of Agriculture.

Department of Agriculture,
OTTAWA, the 30th day of Jany. 1917.
R. 89576.



Exhibits.
 Defendant's
 Exhibit.

I, E. F. Kelly of the City of Montreal in the Province of Quebec, do hereby request you to register in the name of Edward Francis Kelly, a Specific Trade Mark to be used in connection with the sale of a "Soft-Drink Beverage" which I verily believe is mine on account of having been the first to make use of the same.

D-27.
 Certified
 Copy of
 Trade Mark
 Registration

I HEREBY DECLARE that the said Specific Trade Mark was not in use, to my knowledge, by any other person than myself at the time of my adoption thereof. The said Specific Trade Mark consists of the name "KEL-OLA"

86/21197 :
 word "Kel-
 Ola" in
 script, 29th
 October,
 1915—
 continued.

A drawing of the said Specific Trade Mark is hereunto annexed. 10
 SIGNED at Montreal this twenty-first day of October, 1915, in the presence of the two undersigned witnesses.

Witnesses :

F. A. DUPUIS.
 THEODORE KELLY.

EDWARD F. KELLY,
 496 Chateaubrinad Ave.

To The Minister of Agriculture, Ottawa.

CANADA.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of a Soft-Drink Beverage, and which consists of the name, 20
 "KEL-OLA,"

as per the annexed pattern and application, has been Registered in "The Trade Mark Register No. 86, Folio 21197," in accordance with "The Trade Mark and Design Act," by EDWARD FRANCIS KELLY, of the City of Montreal, Province of Quebec, on the 29th day of October, A.D. 1915.

(Sgd.) GEO. F. O'HALLORAN,
 Deputy of the Minister of Agriculture.

Department of Agriculture, 30
 (Copyright and Trade Mark Branch),
 OTTAWA, Canada, this 29th day of October, A.D. 1915.

D-28.
 Certified
 Copy of
 Trade Mark
 Registration
 108/25440 :
 words
 "Kuna-
 Kola" and
 design, 21st
 November,
 1919.

No. D-28.

Certified Copy of Trade Mark Registration 108/25440 : words "Kuna-Kola" and design.

DOMINION OF CANADA,
 PATENT OFFICE.

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Specific Trade Mark, as registered in The Trade Mark Register No. 108, Folio 25440, 40

in accordance with "The Trade Mark and Design Act," by The Reid Press, Limited, on the 21st day of November, A.D. 1919.

AS WITNESS the seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fourth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents.



DOMINION OF CANADA.

THE TRADE MARK AND DESIGN ACT.

10 Application for registration of a Specific Trade Mark.

We, The Reid Press, Limited of the City of Hamilton in the County of Wentworth, Province of Ontario, hereby request you to register in the name of The Reid Press, Limited, a Specific Trade Mark to be used in connection with the sale of a Non-Intoxicating Beverage, which we verily believe is ours on account of having been the first to make use of the same.

We hereby declare that the said Specific Trade Mark was not in use to our knowledge by any other person than ourselves at the time of our adoption thereof. The said Specific Trade Mark consists of the word "Kuna-Kola," which is the name of the above-mentioned Non-Intoxicating
20 Beverage, and which is shown in connection with a figure of a boy in a typical Canadian costume.

A drawing of the said Specific Trade Mark is hereunto annexed.

Signed at Hamilton this 20th day of September, 1919, in the presence of the two undersigned witnesses.

Witnesses :

F. SYMMERS.

E. M. TRUXOTT.

REID PRESS, LIMITED,

Per C. M. ELLIOTT.

To the Minister of Trade & Commerce, Ottawa.

Exhibits.

Defendant's
Exhibit.

D-28.
Certified
Copy of
Trade Mark
Registra-
tion
108/25440 :
words
" Kuna
Kola " and
design, 21st
November,
1919—
continued.

Exhibits.

CANADA.

Defendant's
Exhibit.

THIS IS TO CERTIFY that this Trade Mark (Specific) to be applied to the sale of a Non-Intoxicating Beverage, and which consists of the word :
" KUNA-KOLA,"

D-28.
Certified
Copy of
Trade Mark
Registra-
tion
108/25440 :
words
" Kuna-
Kola " and
design, 21st
November,
1919—
continued.

in connection with the figure of a Boy in a typical Canadian costume, as per the annexed pattern and application, has been registered in The Trade Mark Register No. 108, Folio 25440, in accordance with " The Trade Mark and Design Act," by
THE REID PRESS, LIMITED,
of the City of Hamilton, Province of Ontario,
on the 21st day of November, A.D. 1919.

10

(Sgd.) GEO. F. O'HALLORAN,
Commissioner of Patents.

Patent and Copyright Office,
(Copyright and Trade Mark Branch),
Ottawa, Canada, this 21st day of November, A.D. 1919.

No. D-29.

D-29.
Certified
Copy of
Trade Mark
Registra-
tion
19/N.S.
5636 :
words
" Vita-
Kola," 30th
November,
1935.

Certified Copy of Trade Mark Registration 19/N.S. 5636 : words " Vita-Kola."

DOMINION OF CANADA,
PATENT OFFICE.

20

CERTIFIED TO BE A TRUE AND CORRECT COPY of a Trade Mark, as registered in The Trade Mark Register No. 19, Folio N.S. 5636, in accordance with " The Unfair Competition Act, 1932," by Stewart Hall Company Limited, on the 30th day of November, A.D. 1935—
Recorded October 15, 1936.

AS WITNESS the Seal of the Patent Office hereto affixed at the City of Ottawa in the Dominion of Canada this fifth day of December, in the year of our Lord one thousand nine hundred and thirty-six.

J. T. MITCHELL,
Commissioner of Patents. 30

CANADA.

THIS IS TO CERTIFY that the Trade Mark identified on the Register Sheet attached and forming part of this Certificate has been registered in The Trade Mark Register, under the number and date, in the name of the person, and for use in association with the wares within specified.

In TESTIMONY WHEREOF I have hereunto set my hand, and caused the Seal of the Patent Office to be hereunto affixed at the City of

Ottawa, in the Dominion of Canada, this 15th day of October, in the year of Our Lord one thousand nine hundred and thirty-six.

AMÉDÉE LANGLOIS,
Acting Commissioner of Patents.

(L.S.)

Registrar.

Exhibits.
—
Defendant's Exhibit.

D-29.
Certified Copy of Trade Mark Registration 19/N.S. 5636 : words " Vita-Kola," 30th November, 1935—
continued.

UNFAIR COMPETITION ACT, 1932.

APPLICATION FOR REGISTRATION OF TRADE MARK.

10 The undersigned, Stewart Hall Company Limited a corporation organized under the laws of the Province of Ontario and having its principal office at Toronto, Canada, hereby applies for the registration of the trade mark hereinafter described pursuant to the Unfair Competition Act, 1932.

The mark of which registration is desired is a word mark consisting of the following letters in the following groups, namely :— Vita-Kola.

Applicants have used the said mark since the sixteenth day of October, 1933, on wares ordinarily and commercially described by the applicants as a beverage. Such use by the applicants has been principally in the following countries, namely the Dominion of Canada.

20 In addition to wares of the kind described, the applicants are commercially concerned with wares ordinarily and commercially described as grocery specialties, flavours, extracts and health foods.

The applicants consider that, having regard to the provisions of the statute aforesaid, they were and are entitled to adopt and use the mark in Canada in association with the wares which they have used it as above set out.

DATED at Toronto this 27th day of November 1935.

STEWART HALL COMPANY LIMITED,
Per S. W. HALL.

30

TRADE MARK NO. N.S. 5636.

REGISTER 19.

Registrant : STEWART HALL COMPANY LIMITED.

Address : Toronto, Ontario, Canada.

Date of Registration : 30 November, 1935. Date of First Use : 16 October, 1933.

Application Serial No. 167,289. Filed : 30 November, 1935.

Agent for Service :

Mark : " VITA-KOLA."

Wares : A Beverage.

40

Change of Ownership :

Other actions affecting rights in Registration :

Exhibits.

Defendant's Exhibit.

D-30. Certified Copy of Trade Mark Registration 124/28685 : words "Kola Astier" on label, 11th July, 1921.

No. D-30.

Certified Copy of Trade Mark Registration 124/28685 : words "Kola Astier" on label.

CANADA.

BUREAU DES BREVETS.

CERTIFIÉ ÊTRE UNE COPIE EXACTE ET FIDÈLE de la Marque de Commerce (Spéciale), telle qu'enregistrée au Registre des Marques de Commerce No. 124, Folio 28685, conformément à "L'acte des Marques de Commerce et Dessins de Fabrique," par Pierre Paul Placide Astier, le 11ème jour de juillet, A.D. 1921.

EN FOI de Quoi j'ai fait apposer le Sceau du Bureau des Brevets, en la ville d'Ottawa, dans le Dominion du Canada, ce 7ème jour de décembre, en l'an de grâce mil neuf cent trente-six.

10

J. T. MITCHELL, Commissaire des Brevets



DOMINION DU CANADA.

Loi des Marques de commerce & Dessins de fabrique.
Demande d'Enregistrement d'un Marque SPECIALE
de commerce (faite en double).

Exhibits.

Defendant's
Exhibit.

D-30.

Certified
Copy of
Trade Mark
Registration124/28685 :
words"Kola-
Astier" on
label, 11th
July,
1921—*continued.*

Le soussigné, Astier, Pierre, Paul, Placide, fabricant de produits pharmaceutiques, demeurant : 45, rue du Docteur Blanche à Paris (France), demande par le present l'enregistrement au nom de lui-même d'une Marque Speciale de commerce qui doit servir en rapport avec la vente de produits pharmaceutiques, qu'il affirme sincerement être la sienne, parce qu'il a
10 été le premier à en faire usage.

IL DECLARE par le présent que ladite Marque speciale de commerce n'était pas en usage, à sa connaissance, par nulle autre personne ou société que lui-même lors de son adoption d'icelle.

Ladite Marque Spéciale de commerce consiste en des étiquettes bande cachet et papier d'enveloppe servant au conditionnement du produit ; l'étiquette, la bande et le cachet portent comme éléments essentiels la dénomination "KOLA ASTIER" et le fac-similé de la signature "P. Astier" ; le papier d'enveloppe est caractérisé par un dessin figurant des cellules avec noyau.

20 Un dessin de ladite Marques Speciale de commerce est ci-joint.

Signé a Paris, le 24 Mars 1921 en présence des deux temoins soussignés.

Temions : LUMBE.

P. ASTIER.

POELS NAUNCE.

A Monsieur le Ministre de l'Agriculture, Ottawa, Canada.

CANADA.

LES PRESENTES SONT à l'effet de Certifier que la Marque de Commerce (Spéciale) qui doit servir en rapport avec la vente de Produits Pharmaceutiques, et qui consiste en des étiquette, bande, cachet et papier d'enveloppe servant au conditionnement du produit : l'étiquette, la bande
30 et le cachet portent comme éléments essentiels la dénomination : "KOLA ASTIER" et le facsimilé de la signature : "P. Astier" ; le papier d'enveloppe est caractérisé par un dessin figurant des cellules avec noyau, tel qu'il appert par la demande et le patron ci-contre, a été enregistrée au "Registre des Marques de Commerce No. 124, Folio 28685," Conformément à "L'acte des Marques de Commerce et Dessins de Fabrique" par

PIERRE PAUL PLACIDE ASTIER,

45, rue du Docteur Blanché, à Paris, France,

ce 11ème jour de juillet, A.D. 1921.

(Sgé.) P. E. RITCHIE,

Commissaire des Brevets en office.

40

Bureau des Brevets et des Droits d'Auteur,
(Branche des Marques de Commerce et Droits d'Auteur),
OTTAWA, Canada, ce 11ème jour de juillet, A.D. 1921.

In the Privy Council.

No. 14 of 1941.

ON APPEAL FROM THE SUPREME COURT
OF CANADA.

BETWEEN
THE COCA-COLA COMPANY OF
CANADA LIMITED (*Plaintiff*) *Appellant*
AND
PEPSI-COLA COMPANY OF
CANADA LIMITED (*Defendant*) *Respondent*.

AND ON CROSS-APPEAL

BETWEEN
PEPSI-COLA COMPANY OF
CANADA LIMITED (*Defendant*) *Appellant*
AND
THE COCA-COLA COMPANY OF
CANADA LIMITED (*Plaintiff*) *Respondent*.
(*Consolidated Appeals.*)

RECORD OF PROCEEDINGS.

WARREN, MURTON, FOSTER & SWAN,
45 Bloomsbury Square,
London, W.C.1,
*Solicitors for THE COCA-COLA COMPANY
OF CANADA LIMITED*

PARKER, GARRETT & CO.,
St. Michael's Rectory,
Cornhill, E.C.3,
*Solicitors for PEPSI-COLA COMPANY OF
CANADA LIMITED.*