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 Oct. 2
 Nov. 21
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BETWEEN:

PEGGY SAGE INC. AND NORTHAM-
 WARREN LIMITED

PLAINTIFFS;

(No. 15240)

AND

SIEGEL KAHN COMPANY OF CAN- }
 ADA LIMITED

DEFENDANT.

Trade Marks—Petition to expunge—Calculated to deceive—Isolated cases of confusion not sufficient to warrant direction that trade mark be expunged—Evidence.

Peggy Sage Inc., owner of the trade-mark "Peggy Sage," whose goods had been sold in Canada since 1920, though the trade-mark had not been registered in Canada until June, 1933, sought to have expunged from the register the trade-mark "Peggy Royal," registered by the defendant in June, 1932, on the ground that at the time of registration it was calculated to deceive or mislead the public.

Held: That the trade-marks in question are not so similar as to be likely to cause confusion.

2. That there must be a reasonable probability of deception or confusion, and that isolated cases of confusion are not in themselves sufficient to warrant the direction that a registered trade-mark, in substantial use, be expunged.
3. That evidence of witnesses purporting to give their opinions as to whether deception or confusion was calculated to occur by reason of the concurrent use of the names as trade-marks in connection with the goods in question is not permissible and must be rejected, since such evidence involves the precise point which the Court has to decide.

ACTION by the plaintiffs asking that defendant's trade mark be expunged from the register of Trade Marks.

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

W. L. Scott, K.C. and *Cuthbert Scott* for plaintiffs.

R. S. Smart, K.C. for defendant.

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

The PRESIDENT, now (November 21, 1934) delivered the following judgment:

This proceeding is taken by the plaintiffs, the first named of which is the registered owner of the trade mark "Peggy Sage," to expunge from the register the trade mark "Peggy Royal," registered by the defendant, on the ground that at the time of its registration it was calculated to deceive or mislead the public, which was a ground for the refusal

of registration of a trade mark under sec. 11 (c) of the Trade Mark and Design Act, Chap. 201, R.S.C. 1927.

In 1917, one Peggy Sage established in New York City what is described, in an exhibit, as a "beauty parlour business," which business she conducted under the name of "Peggy Sage" and concurrently, it would appear, she commenced the manufacture of and sale of manicure preparations and specialties, and other toilet and pharmaceutical preparations and specialties. This business Peggy Sage carried on under her own name until 1930 when the same was acquired by the plaintiff, Peggy Sage Inc. It is pleaded that at the inception of this business Peggy Sage adopted as a specific trade mark her own name, and that she applied her name as a trade mark to the articles manufactured and sold by her, by applying the same to the goods themselves, or their containers. The trade mark Peggy Sage was not registered in the United States until July, 1932, and not in Canada till June, 1933, but the goods manufactured by Peggy Sage have been sold in Canada, since 1920, and my recollection is that such goods were first advertised in Canada in 1920. The invented mark "Peggy Royal" was registered by the defendant in Canada, in June, 1932, as a specific trade mark to be applied to the sale of toilet articles other than brushes and soap. So in point of fact the defendant was the first to register in Canada, but the Peggy Sage goods were the first to be put on the Canadian market.

There is a preliminary observation which I cannot avoid making, though it is not quite relevant in view of my intended disposition of the case. Under sec. 26 of the Unfair Competition Act, the name of a person, firm or corporation is not registrable, though by sec. 29 (1) such a mark, may, in certain circumstances, be registered upon order of the Court. The repealed Trade Mark and Design Act contained no specific prohibition of such a registration, though applications for such registration might of course be refused; probably there have been few such registrations in the history of trade mark law in Canada, and I think such applications should always be refused except when accompanied by an unusual state of facts. Names of persons have not been registrable in England since 1875, except in the special circumstances provided by the trade

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mark legislation there. It follows, I think, that an invented name of a person should be refused registration on any ground justifying a refusal of registration of the name of any actual person. While it has been pleaded that the name Peggy Sage had been used in Canada prior to its registration as a trade mark, still there is no evidentiary proof of this. The agreement of sale between Peggy Sage and Peggy Sage Inc. states that the vendor, Peggy Sage, had adopted her name as a trade mark, yet I doubt if that is proof of the fact. The name of Peggy Sage, as the manufacturer of the goods mentioned, no doubt appeared on all containers in which her goods were sold, but it is, I should think, open to doubt if such a use of the name of a manufacturer of goods is sufficient of itself to constitute its adoption as a trade mark. The name of Peggy Sage is not now the name of a person carrying on business in connection with the class of goods in question; that name as a trade mark is now used to denote the goods of the first named plaintiff and not that of Peggy Sage. However, the two marks here in question were registered before the coming into force of the Unfair Competition Act, and whether or not either or both of such marks should have been refused registration on the ground just suggested, was not raised at the trial, and I do not therefore propose pronouncing any opinion upon the point.

Another preliminary point is this: To three of the plaintiffs' witnesses, Mr. Scott, their counsel, directed the question as to whether or not in their opinion deception or confusion was calculated to occur by reason of the concurrent use of Peggy Sage and Peggy Royal as trade marks, in connection with the goods in question. This question was objected to by Mr. Smart on the ground that the answers to the questions involved the precise point which the Court had to decide, but I allowed the same subject to objection, and reserved the right of striking out such questions and answers if I later concluded to do so. I am under the impression that questions of this character have been allowed in similar cases in this Court, but possibly without objection being taken. The point is one of general importance and I may be pardoned a brief reference to it. The exact point is concisely discussed by Kerley in his text book on Trade Marks, 6th

Edition, at page 290 *et seq.* The author there points out that the evidence of persons who were well acquainted with the trade concerned was formerly constantly, that is in England, tendered by the parties to show that in the opinion of such persons, as experts, the alleged resemblance between the conflicting marks was or was not, calculated to deceive, and such evidence was formerly constantly admitted, although Judges often expressed much impatience of evidence of this class. He points out that this class of evidence is subject to objection because in general it consists of opinions formed after the dispute has arisen; not upon any judicial balance of the opposing contentions, but upon a scrutiny of the subject directed to discover what can be said in favour of one side only. And, he observes, where the question is directed as to the degree of resemblance between two words or designs, or as to whether a difference in particular parts of two contrasted labels is substantial or immaterial, reasons can rarely be found by the witnesses to recommend an opinion to anyone who has not conceived it for himself without their assistance. Since the decision of the House of Lords in *North Cheshire Brewery Co. v. Manchester Brewery Co.*, (1) Kerley states that Judges in England have in many cases refused to allow to be put to a witness or have disapproved the question whether the public would be, or would not be, likely to be deceived. In that case Lord Halsbury said:

Is this name so nearly resembling the name of another firm as to be likely to deceive? That is a question upon which evidence of course, might be given as to whether or not there was another brewery either in one place or in the other, or whether there were several breweries nearly resembling it in name; what the state of the trade was and whether there was any trade name. All those are matters which are proper to be dealt with upon evidence; but upon the one question which your Lordships have to decide, whether the one name is so nearly resembling another as to be calculated to deceive, I am of the opinion that no witness would be entitled to say that, and for this reason: that that is the very question which your Lordships have to try.

But it appears to be permissible from the authorities assembled by Kerley, to ask a witness whether he himself would be deceived, but as pointed out by Farwell J., in *Bourne v. Swan and Edgar Ltd.* (2), it is extremely difficult to get any such evidence on behalf of a plaintiff. Trade witnesses would not usually be deceived except in

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(1) (1899) A.C. p. 83.

(2) (1903) 1 Ch. 211; 20 R.P.C. 105.

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a case of grossly fraudulent imitation. Evidence of ordinary members of the public who are not acquainted with the usages of the trade involved, that they think they would or would not be deceived by the resemblance of one mark to another, is of little assistance in the determination of questions of alleged deceptive similarity.

Once objection is taken to questions of the nature mentioned, one is at once impressed with the difficulty of confuting it. The reasoning of Lord Halsbury in the case mentioned is I think conclusive upon the point, and expresses, I think, the proper rule in such cases. I therefore am of the opinion that the questions which I have mentioned as having been put to the plaintiffs' witnesses were not permissible, and they along with the answers given there-to are rejected.

Coming now to the precise question for decision. The evidence in the case is very meagre indeed. There is no evidence of any person ever having purchased Peggy Royal when the intended purchase was Peggy Sage. No witness has said that he has been deceived, and no witness has gone so far as to say that he or she would be deceived. The plaintiffs' witnesses were of the opinion that the word "Peggy" was the dominant word in both marks, the one most easily remembered, and that therefore the public was liable to be deceived or confused by reason of the fact that the first word in both marks is the same. Mrs. Kennedy, proprietor of Kennedy's Beauty Salon, Toronto, who since 1931 has been using and selling Peggy Sage goods, testified that prior to 1931 she had had customers mention to her that Peggy Sage goods were being sold at Eaton's Departmental Store, and wishing on one occasion to recall the full name under which such goods were sold she found she could not remember the last word, "Sage," and was obliged to telephone a particular person at Eaton's to ascertain the same. Mrs. Kennedy also testified that occasionally customers would inquire, usually by telephone, for the complete name "Peggy Sage" remembering only the first word. Another of the plaintiffs' witnesses, Arbuckle, who sells Peggy Sage goods, stated Peggy Sage goods were usually asked for by customers by that name, and it was only "the odd time" the word Peggy alone would be used. Another witness, Horlick, testified to the same effect as Arbuckle. I am not inclined

to attach any particular weight to this contention, or to the evidence given in support of it. I think this is a case where we must consider whether the totality of the marks in question, and not a portion of the same, are likely to result in confusion. Had the defendant adopted the mark "Dorothy Sage" I fancy that the plaintiffs would be just as insistent that it be expunged. At any rate, according to the plaintiffs' witnesses it was only the odd persons who asked for Peggy Sage goods by the name of "Peggy." There is nothing peculiar about persons forgetting, partially or wholly, the trade name of an article they require but that does not mean that they are confusing what they want with another article of the same character, and also sold under a trade mark name. Then it was urged upon me that the Peggy Sage goods are very much more expensive than Peggy Royal goods, the latter being sold largely, if not entirely, as I understand it, in so-called chain stores, at prices ranging from ten cents to twenty-five cents, while the price of Peggy Sage goods generally runs from seventy-five cents to two dollars, and that therefore this contrast in prices precluded the probability of confusion; this fact possibly accounts for the absence of concrete evidence of confusion, but I do not think, that by itself, much weight can be attached to this contention. However, the proprietors of the marks are apparently appealing for patronage to different sections of the purchasing public, presently at least, and this is quite obvious from an examination of the cartons and labels used by each, along with the prices charged by each. I should point out that the labels on the bottles or containers of Peggy Royal goods are of quite a different colour from the labels used in the case of Peggy Sage goods, and the former labels contain the printed name of the defendant company as well. The get-up of the cartons and labels used by each, and even the bottles, are considerably in contrast. It is also to be mentioned that there is no evidence before me suggesting that the defendant acted in bad faith in adopting its mark.

The assistance to be derived from the evidence, in reaching a conclusion in this matter, is slight. In the conclusion which I am about to express it would be but pure affection to say that I am absolutely free from doubt as to its correctness. My conclusion is that the plaintiffs

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have not made out a case to expunge the defendant's mark and must fail. I cannot upon the facts before me hold the marks in question here are so similar as to be likely to cause confusion. I am inclined to think that there is not a reasonable probability of any considerable section of the purchasing public—a discriminating public in this case, young girls and women—being deceived; I should think if there were any probability of this occurring there would have been some concrete evidence of it by this time. There must be a reasonable probability of deception or confusion, and isolated instances of confusion are not in themselves, I think, sufficient to warrant the direction that a registered trade mark, in substantial use, be expunged. In this case, each mark produces I think a different impression on any person who has seen both at different times. It is not the proper rule to compare the two marks from the point of view of a person looking at the marks side by side, but from the standpoint of one who sees one mark in the absence of the other and who has only a general recollection of what the nature of the other mark was. Looking at the totality of each of the two marks in question, and taking the evidence before me, I cannot hold that there is such a reasonable probability of the interested public being confused as would justify interference with a mark that has had a very considerable public use for nearly two years. Any doubt in the matter should, I think, at this stage, be resolved in favour of the defendant.

Marks which are registered without limitation of colour are deemed to be registered for all colours. If I have power to direct a limitation as to colour, or as to the formation of the letters of the words of the respective marks, I shall be pleased to hear counsel for either party on the point, on the settlement of the minutes, that is, if they or either of them so desire. The possible liability of confusion arising between the two marks might be minimized or eliminated in some such way. I would observe that the lettering of the word "Peggy," in the defendant's mark, does not appear to correspond with the formation of the letters of that word supplied to the Commissioner of Patents in its application for registration.

The defendant will have its costs of the action.

Judgment accordingly.