

<p>1963 { Oct. 11, 16, 17, 22 1964 { July 29 —</p>	<p>BETWEEN:</p> <p>CHEERIO TOYS AND GAMES } LIMITED }</p> <p style="text-align: center;">AND</p> <p>CHEERIO YO-YO AND BO-LO } COMPANY LTD. }</p>	<p>PLAINTIFF;</p> <p>DEFENDANT.</p>
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Trade Marks—Trade Marks Act, S. of C. 1952-53, c. 49, ss. 7, 47(1) and 49(4) and 10(c)—Injunction—Passing off—Whether permitted use of trade mark distinguishes user's wares sufficiently to support a passing off action—Use of non-registered trade mark—Whether goodwill assigned with trade mark or trade name—Goodwill of company and of trade mark inseparable where trade name includes the trade mark—Whether distinctiveness of trade mark lost through use by affiliated or related companies—Confusion between plaintiff's business and that of defendant—Confusion where plaintiff and defendant dealing in identical wares—Use of slogans—What required to establish passing off with respect to packages, labels and get-up—Unfair competition.

The plaintiff and defendant were respectively the appellant and one of the respondents in the action *Cheerio Toys and Games Limited v. Samuel Dubiner and Cheerio Yo-Yo and Bo-Lo Company Ltd.*, reported *post*, p. 579, and the plaintiff was the defendant in the action *Samuel Dubiner v. Cheerio Toys and Games Ltd.*, reported *ante*, p. 524. In this action the plaintiff seeks an injunction to restrain the defendant, *inter alia*, from doing business under the name, Cheerio Yo-Yo and Bo-Lo Company Ltd., from using, in merchandising its products, certain trade marks, slogans, expressions and packages, and any packages, labels or get-up confusing with those of the plaintiff.

Held: That the use by the plaintiff of trade marks, to the use of which it was entitled only as a registered user, is deemed to be use by the owner and cannot assist the plaintiff in its attempt to establish that

their use by the plaintiff has distinguished its wares from those of others to the point where it could avail itself of a passing off action to protect its rights.

2. That those trade marks, the permitted use of which by the plaintiff had been terminated prior to the commencement of this action, are not available to the plaintiff in the present passing off action.
3. That where the plaintiff relies on a non-registered trade mark, then, in order to sustain its action for passing off, the plaintiff must satisfy the Court that it did use the trade mark in association with its wares, that the trade mark had come to be identified by the public with its wares exclusively and that the use of the trade mark by the defendant was a violation of its common law rights.
4. That under the present *Trade Marks Act* the task of the plaintiff is somewhat lessened due to the fact that much of the common law relating to passing off has been introduced into the statute by s. 7 of the Act as compared to the situation in the United Kingdom where there is no corresponding section.
5. That under the *Trade Marks Act*, s. 47, a trade mark may be assigned with or without the goodwill of the assignor, but a trade name cannot be assigned under the Act without the goodwill attaching thereto.
6. That the goodwill of a company is attached to its trade name and when the trade name includes a trade mark, in this case CHEERIO being included in "Cheerio Toys and Games Limited", the goodwill of the company and of the trade mark are the same and inseparable.
7. That in an action for passing off the plaintiff is required to prove his title to the mark that he claims by evidence that his goods or his business have come to be known by that mark or name, which is tantamount to saying that the goodwill attached to the mark is his.
8. That the distinctiveness of a trade mark is not lost as a result of its use by two companies which are affiliated, related and connected.
9. That whether the plaintiff had a right to the use of the word CHEERIO *per se* or not, would make very little difference as far as the plaintiff's trade name is concerned as it is undeniable that it has a right to its trade name and to the goodwill attached to it or to its business, and any act which would be likely to take that away from it would be one of unfair competition and this would apply whether the trade mark CHEERIO was valid or not.
10. That the defendant, by carrying on business as it did under its trade name, adopted a means of directing public attention to the business carried on under that name as set down in s. 7(b) of the *Trade Marks Act* and, under the circumstances, it makes no difference whether the defendant thought that because it was a registered user of the trade mark it had a right to do so.
11. That the defendant, in using its trade name in carrying on its business and in its advertising, has directed public attention to its business in such a way as to be likely to cause confusion between its business and that of the plaintiff and the plaintiff is therefore entitled to have the use by the defendant of its trade name restrained. In addition, the defendant, by its use of the word CHEERIO, has also directed public attention to its business in such a way as to cause or be likely to cause confusion between its business and that of the plaintiff, contrary to s. 7(b) of the Act.

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12. That the fact that an employee of the post office in readdressing a letter addressed to the defendant, struck out its former address and substituted the plaintiff's address is a clear case of confusion, if one considers that both companies are dealing in identical wares.
13. That since the slogans in issue have been widely used by the plaintiff in all its advertising and on its boxes for many years and have by long and extensive use become two of the badges or symbols of the origin of its wares there can be no doubt that the plaintiff has acquired a reputation for those badges in the market place and that a person paying ordinary attention would be likely to be deceived by the use thereof by the defendant.
14. That the use by the defendant of a slogan used by the plaintiff which is a coined phrase and is in fact complete nonsense cannot be interpreted otherwise than as directing public attention to its wares contrary to the provisions of s. 7 of the Act.
15. That in order to establish a passing off with respect to the use of packages, labels and get-up, which latter means the physical appearance of wares or the packages, their colour, style, etc., a high degree of reputation, akin to a secondary meaning, must be shown.
16. That where instructions appearing on the defendant's containers are similar to those the plaintiff has been using for many years but it is established that they were taken by the plaintiff from a container belonging to another company, the plaintiff cannot complain, for it has no exclusive right, copyright or otherwise to the use thereof.
17. That the defendant has committed a series of acts of unfair competition and passing off, by misappropriating the trade mark CHEERIO, by using a corporate name similar to that of the plaintiff, by its magazine advertising and by copying and using the plaintiff's price list, all of which have been done in violation of the plaintiff's rights.

ACTION for an injunction to restrain defendant *inter alia* from doing business under its corporate name.

The action was tried before the Honourable Mr. Justice Noël at Toronto and Ottawa.

J. C. Osborne, Q.C. and *R. G. McClenahan* for plaintiff.

Donald F. Sim, Q.C. and *W. F. Green* for defendant.

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

NOËL J. now (July 29, 1964) delivered the following judgment:

This is an action in which the plaintiff, Cheerio Toys and Games Limited, seeks an injunction to restrain the defendant, by itself or through its officers, servants or agents or otherwise, from doing business under the name Cheerio Yo-Yo and Bo-Lo Company Ltd. from advertising, distributing or selling toys or games in association with

the trade marks CHEERIO, YO-YO, BO-LO, SPIN-MASTER, with the slogans "if it isn't Cheerio, it isn't Yo-Yo", "cannot cut or burn the axle", with the expression "Uncle Al" or "Uncle Al Gallo", with any packages, labels or get-up confusing with or simulating the packaging, labels and get-up of the plaintiff; from further reproducing any part of the original lettering marks of the plaintiff comprising the instructions for the replacement of strings on tops and its wholesale price list, from advertising or otherwise indicating that ownership of the defendant's tops entitles the owners thereof to all official contests; from directing public attention to its wares and/or business in such a way as to cause or be likely to cause confusion in Canada between its wares and/or business and the wares or business of the plaintiff and from passing off its wares and/or business as and for the wares and/or business of the plaintiff. The plaintiff further seeks an order for the delivery up to it or for the destruction by the defendant under oath of all printed material and any other paraphernalia the use whereof by the defendant would contravene any injunction issued by this Court and, finally, damages in the amount of \$10,000 or an accounting of the defendant's profits as the plaintiff may elect.

This is the third of a trilogy of actions the first and second of which have already been dealt with in two judgments under No. A-1190 (*ante* p. 524) and No. A-1406 (*post* p. 579) respectively of the files of this Court and in the first of which I concluded that the trade mark CHEERIO and another were invalid, but that the rest of a number of trade marks owned by one Samuel Dubiner, including YO-YO and BO-LO were valid. I also held that the plaintiff had, as of December 28, 1962, breached its registered user agreement of September 14, 1955, covering the above Dubiner trade marks.

The trade mark CHEERIO was held invalid under s. 47(2) of the *Trade Marks Act* based on the fact that as a result of a series of transactions between the plaintiff company and the said Samuel Dubiner, there subsisted rights in both parties to the use of confusing trade marks, which rights were exercised by both said parties thus causing the trade mark to lose its distinctiveness. My decision in this regard was also based on the fact that the

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owner of the trade mark CHEERIO by permitting the plaintiff to use its trade name comprising the word CHEERIO as it did, allowed his trade mark to become non-distinctive.

It therefore follows that as the trade marks YO-YO and BO-LO were upheld and that the only title to their use by the plaintiff is as a registered user, any use by the latter of same is deemed use by the owner and cannot, in any way benefit the plaintiff company or assist in establishing that their use by the latter has distinguished its wares from those of others to a point where it could avail itself of a passing off action to protect its rights. Nor can the plaintiff, at this stage, as a registered user of such trade marks under s. 49(4) of the Act avail itself of its right to institute proceedings for infringement in its own name either under the statute or under the common law, firstly because it has not followed the procedure set down in the said section and, secondly, because, as I determined in the first case, from December 28, 1962, it no longer was a permitted user and, consequently, could not, when the present action was instituted, avail itself of any recourse given to a permitted user.

There is, therefore, no doubt that no matter what use the plaintiff may have made of the trade marks YO-YO and BO-LO, they are not available to the plaintiff in the present passing off action.

This leaves us with regard to the matters raised in this action with the remainder of the trade marks, i.e., CHEERIO, SPINMASTER, the slogans "If it isn't Cheerio, it isn't yo-yo", "cannot cut or burn the axle", "Uncle Al" or "Uncle Al Gallo", the get-up packages, labels and lettering marks, the instructions for the replacement of strings on tops and the wholesale price list used by the defendant, and the only evidence to be considered is that which bears on these issues.

I will first deal with the trade mark CHEERIO which is the one that, as we have seen, through a situation created by both the plaintiff company and Samuel Dubiner has become invalid through a loss of distinctiveness.

It would be convenient to repeat here what I have already recited in great detail in a judgment rendered this day under No. A-1190 of the files of this Court (*ante* p. 524) regarding the history of the use of the mark as such an

examination will assist in determining what rights the plaintiff may have, if any, in the present passing off action with regard to the word CHEERIO.

Indeed, as we are dealing with a non-registered trade mark, in order to sustain its action for passing off, the plaintiff must bring evidence to satisfy the Court that it did use the trade mark CHEERIO in association with its wares, that the said trade mark had come to be identified by the public as identifying its wares exclusively and that the use of the trade mark by the defendant was a violation of its common law rights.

I might point out here, however, that under the present Canadian Act, the task of the plaintiff is somewhat lessened due to the fact that much of the common law relating to passing off has been introduced into the statute by way of s. 7 of the Act as compared to the situation existing in the United Kingdom where there is no such corresponding section.

Before going into this section, however, it will be useful to deal with the use of CHEERIO by the plaintiff since its incorporation to date as I am not unaware of the possibility that if, as already determined, the word CHEERIO is no longer distinctive of the wares of the owner of the trade mark as a result of the concurrent use of confusing trade marks it may well be also that it is not or cannot be distinctive either of those of the plaintiff and, of course, if such is the case, this mark cannot be used in this passing off action. From 1938, date of its incorporation, until 1955, a period of seventeen years, it was used exclusively by the plaintiff during which time the ownership of the trade name "Cheerio Toys and Games Limited" and the trade mark CHEERIO being in the same person, i.e., the plaintiff company, the word CHEERIO *per se* distinguished exclusively the wares of the plaintiff from those of others. It was only shortly before a Mr. Krangle took over the plaintiff company in 1955 that the trade mark CHEERIO was transferred to Dubiner after which a registered use was given back to the plaintiff company and it is only for this latter period that use by the permitted user can be deemed to be use by the owner under s. 49 of the Act.

But even during the period starting in 1955, the evidence discloses that although the trade mark CHEERIO was

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used by the plaintiff company on its wares and wrappings, it also reveals that the corporate name "Cheerio Toys and Games Limited" was also sometimes used by the plaintiff in association with its wares, either on the packages, sometimes imprinted on the articles themselves and sometimes in its advertisements and when so used it was used as a trade mark to a point where in the first judgment already referred to, as I already have mentioned, I held the said trade mark invalid on the basis that it was no longer distinctive.

This use by the plaintiff of its trade name as a trade mark was one it had a right to and the fact the owner of the trade mark allowed such use appears to confirm this right. However, whether such use acquiesced to by the owner of the trade mark establishes the plaintiff's right to use his trade name as a trade mark or not, it does appear to me that this course of action was allowed to be taken and in fact operated to distinguish the plaintiff's wares from those of others, during this whole period i.e. from the year 1938 to date, including the period 1955 to the taking of the present proceedings and whether it used it during the latter period by permission of its owner or in its own right, the simple fact remains that during the whole of its existence, i.e., a period of 26 years, it has in fact used this trade mark exclusively in association with its wares and this mark has come to distinguish its wares from those of others.

The evidence of Mr. Hastings of Simpson-Sears, Mr. Gable of Woolworth's and of a Mr. Topp, to the effect that the word CHEERIO without any question identifies the wares and business of the plaintiff and the long extensive and exclusive use of it for 26 years to the degree of use revealed by the evidence, makes it unquestionable that because of this the public recognized the word CHEERIO as identifying a single origin, i.e., the plaintiff. There is indeed no question in my mind but that the plaintiff has used the word extensively on its products and on its advertising and this is fully substantiated by the evidence.

That the use in its own right of the trade name Cheerio Toys and Games Limited as a trade mark could have resulted in distinguishing the wares of the plaintiff from those of others, notwithstanding the permitted use of the trade mark under the registered user agreement from 1955 to the taking of the present action and the deeming of

such use as use of the owner, is not surprising if one considers that when the trade mark CHEERIO was assigned to Mr. Dubiner in 1955, the trade name of the plaintiff was retained as well as the goodwill attached to that trade name, as the assignment of the trade name without the goodwill cannot be effected under our present statute, s. 47(1) permitting only a trade mark to be assigned with or without the goodwill.

Now the goodwill of a company is attached to its trade name and when the latter comprises in its trade name a similar trade mark such as we have here, ("Cheerio" and "Cheerio Toys and Games Limited") the goodwill of the corporation and of the trade mark are the same and inseparable.

The parties in the transactions which took place in 1955 created a situation where a trade mark was assigned but where the trade name comprising the trade mark was not and as the goodwill of the business, as we have seen, remained with the trade name (which as we have seen here is the same and is inseparable from the goodwill of the mark,) it therefore follows that the plaintiff has retained this goodwill and has alone benefited from it consistently and without interruption for 26 years.

As in an action for passing off the plaintiff is required to prove his title to the mark that he claims by evidence that his goods or his business have come to be known by that mark or name which I believe is tantamount to saying that the goodwill attached to the mark is his and, as we have seen, the goodwill in CHEERIO remained in the plaintiff throughout the whole period of 26 years, there can remain no doubt in my mind that regardless of the concurrent use of the trade mark as a permitted use from 1955 to December 28, 1962, the said mark CHEERIO has clearly been distinctive only of the wares of the plaintiff and, therefore, is available to it in the present action.

The fact that the designation "Cheerio Sales" was used as a division of the Dulev Plastics Company, would not, under the present circumstances, as urged by counsel for the defendant, have caused Cheerio to have lost its distinctive character as such use was made by a company, Dulev Plastics, of which "Cheerio Sales" was a division, which was affiliated, related and connected with the plaintiff and in such a case there can be no loss of distinctiveness.

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Having thus determined the plaintiff's right to the word CHEERIO and to whatever goodwill is attached to it, the next matter to be dealt with is whether, as both the plaintiff corporation and the defendant corporation in the course of their business deal in bandalore tops and ball-bats, the use of the names "Cheerio Toys and Games Limited" and "Cheerio Yo-Yo and Bo-Lo Company Ltd.", in carrying on their business is directing public attention to their wares or business in such a way as to be likely to cause confusion between that business and the business of the plaintiff contrary to s. 7 [and particularly s. 7(b)] of the *Trade Marks Act* which reads as follows:

7. No person shall

- (a) make a false or misleading statement tending to discredit the business, wares or services of a competitor;
- (b) direct public attention to his wares, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his wares, services or business and the wares, services or business of another;
- (c) pass off other wares or services as and for those ordered or requested;
- (d) make use, in association with wares or services, of any description that is false in a material respect and likely to mislead the public as to
 - (i) the character, quality, quantity or composition,
 - (ii) the geographical origin, or
 - (iii) the mode of the manufacture, production or performance of such wares or services; or
- (e) do any other act or adopt any other business practice contrary to honest industrial or commercial usage in Canada.

I might say here that whether the plaintiff had a right to the use of the word CHEERIO *per se* or not, would make very little difference as far as the plaintiff's trade name is concerned as it is undeniable that it has a right to its trade name and to the goodwill attached to it or to its business and any act which would be likely to take that away from it would be one of unfair competition and this would apply whether the trade mark CHEERIO was valid or not.

The evidence discloses that the plaintiff has carried on a considerable business extensively in Canada under its corporate name for over 26 years and it appears that the defendant corporation adopted its present name upon incorporation on March 1, 1962 (Ex. 28) for the purpose of

dealing in and with "Yo-yo tops, toys, games and novelties of every kind, nature and description and all other products related or incidental thereto", with head office in Montreal, P.Q. On May 31, 1963, the Registrar of Trade Marks informed the plaintiff that effective March 12, 1963, the defendant was registered as a registered user of the Dubiner trade marks. From its office in Montreal the defendant conducted the business of selling tops and bats until August 14, 1963, when it was enjoined and restrained by an order of this Court until the issue of judgment or other final disposition of this action from directing attention to its wares and more particularly from advertising, distributing or selling bandalore tops in association with a number of trade marks and slogans.

There is no question in my mind that the defendant by carrying on the business as it did under its trade name adopted a means of directing public attention to the business carried on under that name as set down in the above s-s. 7(b) and may I add that whether the defendant thought that because it was a registered user of the trade marks, it had a right to do so, would, in the present circumstances, make no difference in this matter.

This, in my opinion, falls within the principle set down by Luxmoore L.J. in *Office Cleaning Services Ltd. v. Westminster Window and General Cleaners Ltd.*¹ "that no one is entitled to represent his business or goods as being the business or goods of another by whatever means that result may be achieved, and it makes no difference whether the representation be intentional or otherwise."

Section 7(b) of the Act, however, as we have seen, also requires that such "directing of public attention to the business be likely to cause confusion in Canada... between his wares... business and the wares... or business of another".

Now a number of things must be considered in order to determine whether the use of a trade name will likely cause confusion as set down by Lord Simonds on appeal in the above case² such as:

... The nature of the words which are used in the trade name, the circumstances and peculiarities of the trade, the motives, proved or presumed, of the trader who would use the words, all these and many factors must be considered by the judge in determining whether a plaintiff can

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¹ 61 R.P.C. 133.

² 63 R.P.C. 39.

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succeed in his claim. It is a question upon which the judge who has to decide the case has to bring his own mind to bear and which he has to decide for himself.

The particular conditions of the top and bo-lo trade, the manner in which tops and bats are promoted and sold indicate to me that the trade names though somewhat different have, in the circumstances, enough similarity to each other, bearing in mind that both companies deal with toys and principally tops and ball-bats, to constitute a representation that the businesses are connected with one another either through having the same owner or through being in some way allied or connected with each other.

In *Ewing (trading as the Buttercup Dairy Company) v. Buttercup Margarine Company Limited*¹ Lord Cozens Hardy M.R. said at p. 237:

. . . I can see no principle for holding that a trader may not be injured, and seriously injured in his business as a trader by a confusion which will lead people to conclude that the defendants are really connected with the plaintiffs or a branch of the plaintiff's business, or in some way mixed up with them.

In my opinion this is a perfectly clear case, that the defendant in using such a name in carrying out its business, as well as in its advertisements has directed public attention to its business in such a way as to be likely to cause confusion between its business and that of the plaintiff and the latter is therefore entitled to have the use by the defendant of its trade name restrained.

As for the word CHEERIO, from thew ares and get-up put out by the defendant and as evidenced by Ex. 65 (the 29¢ top), Ex. 5 on the examination of Al Gallo (the 39¢ top), Ex. 6 of his examination (the 49¢ top) and Ex. 64 (the 69¢ top), it also appears to me clear that by using this word as it did, it also directed public attention to its business in such a way as to cause or be likely to cause confusion between its business and that of the plaintiff, contrary to s. 7(b) of the Act.

Now, although actual confusion in the market place is not required in order to come to a conclusion, but likelihood only, it follows that if such likelihood is accompanied by actual cases of confusion, this would end the matter.

Such is the situation here where the evidence discloses three sources of misdirected letters, one from Office Supply

¹ (1917) 34 R.P.C. 237.

Company, one from the Husband Transport Company and the third by the Post Office Department, which latter struck out the former address of the addressee Cheerio Yo-Yo and Bo-Lo Company Ltd. and substituted the address of the plaintiff Cheerio Toys and Games Limited; now although when the defendant found out about this it did complain to the Post Office and the latter assured the defendant it would not happen again, it is significant that an employee of the Post Office connected the word CHEERIO to the plaintiff to a point where he took it upon himself to read-dress a letter destined to the defendant itself. This, in my opinion, if one considers that both companies are dealing in identical wares, is a clear case of confusion.

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The same applies to the invoices issued by Office Supply Company and Husband Transport Company, addressed to the Cheerio Yo-Yo and Bo-Lo Company Ltd., at its address on Wellington Street which someone collected and addressed by means of an outside invoice to Cheerio Toys and Games Limited at 13 Church Street, Toronto.

There is also an admittedly flagrant example of passing off in an advertisement of the defendant company which occurred immediately after incorporation in a toys and playthings periodical, dated March/April 1963. The evidence discloses that Mr. Gallo, on behalf of the defendant, supplied the editor or some official of the above magazine with a yo-yo of the plaintiff for the purpose of having a sketch made and it turned out to be practically identical to the plaintiff's product, and contained not only the word CHEERIO but also the same design and the same inscription at the top and at the bottom, i.e., "balanced for two-handed players" and "the kind that the champions use". The advertisement also carried in the centre a statement which can only have been understood by the public as a reference to the activities of the plaintiff who had been conducting its sales precisely in the manner thereunder listed, as this advertisement was one of the first, if not the first one, published by the defendant immediately after incorporation. This statement reads as follows:

"Pre-sold for you by

Television Window displays

Radio Contests

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Magazines Personal demonstrations by Champions"

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There is also, in my opinion, further evidence of passing off to be derived from the use by the defendant of the slogans of the plaintiff on its packing boxes, namely, "If it isn't Cheerio, it isn't a yo-yo" and with reference to the strings "cannot cut or burn the axle". The evidence establishes that these two slogans were widely used by the plaintiff in all its advertising and on its boxes prior and subsequent to 1955 and have by long and extensive use by the plaintiff become two of the badges or symbols of the origin of its product. From using these slogans constantly and over a long period of time, there can be no doubt in my mind that the plaintiff has acquired a reputation for the above badges in the market place and that "a person paying ordinary attention would be likely to be deceived" as set down in *Ogden v. Canadian Expansion Bolt Limited*¹ by the use by the defendant of the plaintiff's above slogans.

The slogan "cannot cut or burn the axle" is absurd as there is no string which can possibly cut or burn the axle. The fact, however, that it is complete nonsense makes it doubly difficult for the defendant to justify its use. Indeed, if it had been a proper description of the functioning of the string and had clearly and accurately described a string such as the defendant has been selling, there might have been some excuse for using it. But to take a coined phrase such as this and apply it to its wares cannot be interpreted otherwise than as directing public attention to its wares contrary to the provisions of s. 7 of the Act.

In the matter of packages, labels and get-up, which latter means the physical appearance of wares or the packages, their colour, style, etc., it is established that a high degree of reputation, akin to a secondary meaning, must be shown in order to establish a passing off.

The defendant has submitted that the packages, labels and get-up of the plaintiff, which should be compared with those of the defendant, are not those put out under the words "Cheerio", "Yo-Yo" and "Bo-Lo" but rather those put out by the plaintiff under the Big C trade mark which it had been using since the beginning of January 1963 and that, if this is done, there is nothing similar between the two.

¹ (1915) 33 O.L.R. 589.

I, however, cannot agree with this suggestion as the Big C tops were not the only ones the plaintiff was dealing in from January 1963 as the other tops under the trade marks CHEERIO, YO-YO and BO-LO remained on the market and were still being sold. As a matter of fact in the first action, already mentioned, I found that the plaintiff had infringed the trade marks BO-LO and YO-YO during the period December 1, 1962 to the taking of the action. It therefore follows that a comparison should be made between the wares, get-up and packages of the plaintiff under the CHEERIO trade mark and not under the Big C trade mark and if this is done by comparing the defendant's exhibits already referred to and those of the plaintiff, i.e., Ex. 46 (29¢ line), Ex. 64 (49¢ line) and Ex. 42, a box corresponding to the 69¢ line, the Glitterspin, it appears that outside of the word CHEERIO there is little similarity between the boxes of the defendant and those of the plaintiff. As a matter of fact, although the colours are the same, red, white and blue, they are not disposed the same way. With regard to the labels, which can be seen by opening the packages, it appears that there are no labels on the defendant's Spinmaster tops (Ex. 65) but an inscription in the plastic; although there are labels on defendant's 49¢ top (Ex. 6 on the examination of Gallo) and on its 69¢ tops (Ex. 7), they are not similar to those of the plaintiff with again, however, the exception of the use of the word or design mark CHEERIO.

It is on this latter basis only that I can hold that the packages, get-up and labels of the defendant are objectionable.

With regard to the use of SPINMASTER by the defendant on its 29¢ tops, which is an unregistered mark which the plaintiff claims as its property, I am not convinced that the use to a limited extent of the above word by the plaintiff admittedly from 1956 until 1958, is a use such that the plaintiff has acquired a reputation from it. Indeed, there was no evidence adduced that anybody had heard of SPINMASTER, that the word SPINMASTER meant to a large portion of the public the plaintiff's product, and consequently, no one could, in my opinion, be misled or confused.

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It should not, therefore, be considered in the present proceedings.

As for the use by the defendant of its string bag, illustrated by Ex. 27, as compared to the plaintiff's string bag, Ex. 8, the appearance of the envelopes containing the strings are different. The instructions to replace the strings which appear on the reverse side of both envelopes are similar, but the evidence discloses that such instructions were taken from those appearing on an envelope which belonged to an American company when the plaintiff started business in 1938, so there can be no exclusive right, copyright or otherwise to the use of these instructions.

As a matter of fact, the only objectionable reasons for the continued use of the defendant's envelopes, Ex. 27, as they now exist, would be the inscription thereon of the word CHEERIO, "cannot cut or burn the axle", the trade name "Cheerio Yo-Yo and Bo-Lo Company Ltd." and the reference to CHEERIO on the reverse side underneath the instructions.

I now come to the words "Uncle Al Gallo" which are used on the defendant's boxes with a picture of Al Gallo, one of the shareholders of the defendant corporation, and its general manager. The plaintiff claims that such use is passing off or an attempt thereto on the basis that such a designation has been used by the plaintiff. The evidence here is to the effect that it was not used in writing on packages or advertising by the plaintiff prior to the defendant's activities in March 1963. The only use made of it by the plaintiff was on a placard in a television station and Krangle stated that he had introduced it into the plaintiff's television scripts. It appears to me that this appellation "Uncle Al" was introduced by the plaintiff not as a means of distinguishing the wares of the plaintiff from those of others but rather as a familiar form of identification of Mr. Gallo in the promotion and advertising of the company. Here again I do not believe that it has been a use such that the plaintiff has acquired a reputation from it and therefore cannot be used in the present action. Furthermore, the fact that the defendant

here, such as on Ex. 64, uses the designation "Uncle Al Gallo" renders remote any possibility of confusion.

With regard to defendant's jewelled satellite four precious stones type of tops, which resemble plaintiff's Glitterspin, I would see no objection to the use of the label if it did not contain the word CHEERIO. As for the four precious stones, there being no high degree of public awareness and recognition of this product as that of the plaintiff, it could not, in my opinion be of use in the present action. Furthermore, Krangle himself, in an affidavit used in support of the interim injunction herein, introduced the Hiker tops which, he said, had been on sale in Canada from time to time during the period under review and this top has the four diamonds in the same location which, of course, would negate any distinctiveness it might have of plaintiff's wares.

I now come to the plaintiff's price list, (Ex. 40), which, according to the evidence, was prepared by Krangle, an officer of the plaintiff company, and which was copied by the defendant. Without attempting to determine whether such use can be considered as an infringement or not of plaintiff's copyright, if a copyright can exist in such a production, it is clear that the defendant should not have used it. It therefore becomes one additional element to be taken into consideration in the present passing off action.

The defendant, in its counterclaim, requests that an order be issued cancelling the registration of the plaintiff as a registered user of the trade marks of Samuel Dubiner identified in paragraphs (iii) and (iv) of the Statement of Defence and which contains all those trade marks dealt with in the first action on the basis that it had breached its user agreement on December 28, 1962 by not giving free access to the owner of the trade marks as it was obligated to and, therefore, was no longer entitled to remain registered as a registered user of the said trade marks. In view of my finding in the first action that because of the manner in which the parties had established a term, or an end, to the permitted use upon refusal of access, which refusal I determined took place on December 28, 1962, and that from that date the plaintiff was no longer

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a permitted user, the matter of cancellation of the registration under s. 49(10)(c) by this Court of the plaintiff's registration becomes a matter of course to which, however, I intend to give effect in the conclusion of this judgment.

It therefore appears to me from the exhaustive examination I have conducted of the activities of the defendant corporation, that there has been here a series of acts of unfair competition and passing off accomplished by misappropriation of the trade mark CHEERIO, the use of a corporate name similar to that of the plaintiff, by the advertisement in the magazine Toys and Playthings, by the use of a number of slogans belonging to the plaintiff, by the copying and use of the plaintiff's price list, all of which have been done in violation of the plaintiff's rights.

I accordingly find that the plaintiff is entitled to an injunction which will issue restraining the defendant company by its servants, agents or workmen, or otherwise, from directing public attention to its business of dealing in toys and games and from passing off its wares and/or business as and for the wares of the plaintiff, by using or trading under the name "Cheerio Yo-Yo and Bo-Lo Company Limited" in connection with the production, distribution or sale of toys and games and particularly return tops and Bat-a-ball bats or in that connection, by using or trading under any name including the word CHEERIO or by the use of or under any other name so similar to the plaintiff's name as to be likely to cause confusion between its business and that of the plaintiff's in Canada; from advertising, distributing or selling toys or games in association with the trade mark CHEERIO, with slogans "If it isn't Cheerio, it isn't yo-yo", "cannot cut or burn the axle" and from further reproducing any part of the original lettering marks of the plaintiff's wholesale price list.

There will also be an order for delivering up to the plaintiff all objectionable printed material or other paraphernalia in the possession or control of the defendant or that the said articles be destroyed by the defendant under oath unless the latter can remove the labels or inscriptions on the said articles in which case the said injunction shall be stayed for one month to enable it to perform this operation. The plaintiff shall be entitled to its costs and as for the

matter of damages or profits, they will be such as the Registrar of this Court may award on a reference to him if the plaintiff elects such reference. As for the defendant's counterclaim, plaintiff's registration as a registered user of the Dubiner trade marks, dated September 14, 1955, is accordingly cancelled. This cancellation being, however, for the reasons already given something that should be performed as a matter of course, there will be no costs.

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Judgment accordingly.