

## HOUSE OF LORDS.

Friday, August 1, 1913.

(Before Earl Loreburn and Lords Shaw,  
Mersey, and Parker.)REGISTRAR OF TRADE MARKS *v.*  
W. & G. DU CROS LIMITED.(ON APPEAL FROM THE COURT OF APPEAL  
IN ENGLAND.)*Trade Mark—Registration—Trade Marks  
Act 1905 (5 Edw. VII, c. 15), secs. 3,  
9 (5), 12, 13—Distinctive Mark—Jurisdiction  
of the Comptroller-General Sitting as  
Registrar of Trade Marks.*

Where respondents sought to register the letters "W & G" as a trade mark, held (1) that the registrar was right in deciding whether the mark was registrable when application for registration was made to him under section 12 of the Trade Marks Act 1905; (2) that the mark was not distinctive in the sense of sub-section 5 of section 9 of that Act.

Judgment of the Court of Appeal (1912, 1 Ch. 644) reversed.

Their Lordships' considered judgment, in which the facts are set out, was delivered as follows:—

LORD SHAW—In this case I have had the pleasure and advantage of reading the judgment about to be pronounced by my noble and learned friend Lord Parker, and with that judgment I concur.

There is, however, one point in the discussion to which I desire particularly to refer. I allude to the view taken by the Court of Appeal with regard to the position and duty of the Registrar of Trade Marks. In my opinion that official, when an application for registration is made, has not only an administrative but also a quasi-judicial function. I think that he has to exercise a discretion, exercising it, of course, in a judicial spirit. To use the words of Lord Herschell in *Eno v. Dunn* (15 A.C. 252), "while he is in certain cases prohibited from registering, a discretion whether to register or not seems in all cases plainly conferred. Of course this discretion must be reasonably and not capriciously exercised."

But in the next place I think that those provisions of the statute to which I am about to refer show that his action is not merely of a preliminary character (passing on the case to the stage when opponents of the registration may appear), but is of the character of a judicial pronouncement on the merits of the application itself.

The case arises in this way. Messrs W. & G. Du Cros, who are manufacturers and users of motor-cars, have made two applications for registration as trade marks of two letters of the English alphabet, linked together by the conjunction "&." The one is in block letters and the other in cursive or script form. These trade marks consist of nothing else than "W & G."

I desire to dissociate myself from the

view which one of their Lordships in the Court of Appeal indicated—that the judgment of the registrar was pronounced on the subject of the registration of letters generally. The registrar took, in my humble opinion, the correct course in dealing with this case, as all such cases must be dealt with—namely, as depending upon its own particular facts. He made no pronouncement, as I read his judgment, with regard to the use of combinations of letters in general, but he made a pronouncement with regard to the one matter before him, namely, the use of "W & G." The importance of that view and of the error or mistake in regard to it is seen by this consideration which I will venture to put before the House. Suppose Messrs W. & G. Du Cros, instead of attempting to appropriate (for that is substantially what it comes to) for their own trade purposes the initials "W & G" had put their own full initials, namely "W. & G. Du C., " the whole action might have had a different complexion, and it is quite possible that the Comptroller might have come to a different conclusion. As it is, for some reason which has not been fully explained, the respondents claim the right to insert in a trade mark nothing else than "W & G"; and it is manifest that "W and G" form the initial letters of numerous firms, amounting, I think, in the view of the registrar, possibly to thousands throughout the country. Accordingly, if a trade mark were granted for "W & G" *simpliciter*, it would disable all those traders who contemplated entering the motor business from attaching to their own goods their own initials except under the peril of infringement. I cannot think that the statute meant to grant any such privilege under the guise of a trade mark.

The action of the registrar was directed properly by section 12 of the Trade Marks Act. I call particular attention to it in order to show that in its various sub-sections, after having provided that the application may be refused, provision is elaborately made for appeal and discussion of the conclusion to which the registrar has come. It is under that provision the present appeal arises. Section 13 goes on to provide for the case of the proceeding by the registrar having taken the form of accepting for registration; and then follows section 14, which provides that the public in general who consider themselves aggrieved, or any member of the public, may enter the field as litiscontendants and argue the matter before the Court.

I think it would be to obliterate, or grievously to weaken, all the provisions for appeal in section 12 if this House were to give any sanction to the view that the action of the registrar under section 12 was of a merely preliminary character. No doubt a decision on section 12 would not foreclose an ultimate decision after others have appeared to oppose, but it appears to me that the registrar was within his rights and performing his correct duty in looking to the particular facts of the application and in taking a wide survey of the effects of a grant, and in doing this for himself and

exercising at that stage his judicial discretion.

It is to that view of the registrar that I now direct your Lordships' attention. He says—"It would, I think, be difficult to say that letters, as a rule, are in any way distinctive. The letters of the alphabet ought to, and should, be open to the general public for use." The registrar is dealing with that as a general rule; he is not excluding any particular or exceptional case; and I think your Lordships are all of opinion that his judgment upon that topic is correct. But he follows on, speaking no doubt from a wide experience, and says—"Possible combinations of the letters of the alphabet are limited, and the present combination, W and G, might, I think, be found to be in many thousands of cases the initials of traders, or used in some way in trade or manufacture. *Prima facie*, therefore, it would appear so far as letters are concerned that they are not *per se* adapted to distinguish the goods of one trader from those of another." And in a later portion of what I may venture to describe as a most admirable judgment and description of the whole situation by this official, he says—"This question should be asked in all such cases—Will the registration of the trade mark cause substantial difficulty or confusion in view of the rights of user by other traders?"

I think that question is justified by the judgment of Lord Moulton in the "*Perfection*" case (*re Joseph Crosfield & Sons, Ltd.*, 1910, 1 Ch. 130, 144); and speaking for myself I should describe the duty of the registrar as this, that examining the particular facts he has also to survey the possible confusions or difficulties which might arise in consequence of the grant of the trade mark, or the possible impairment of the rights of innocent traders to do that which, apart from the grant, would be their natural mode of conducting their business. What could be a more natural mode of conducting business than that a trader whose initials are "W and G" should put these initials upon the goods which he vends or uses? And yet, for some reason, as I say, not disclosed, it is proposed to reserve these initials, which may be initials of hundreds of other traders, as the exclusive property of one person under the guise of a trade mark.

I am aware of the argument that it is open to any person to make application to have a trade mark withdrawn or amended. But I do not think that traders, using innocently their most appropriate modes of carrying on their business, should be put in the position of plaintiffs in any such application, and I do not think that any right which is substantially by way of monopoly should be granted to one particular trader, to use under the guise of a trade mark and for himself alone initials which may be of general use in trade.

I have substantially nothing further to add than this, that I incline to the opinion that the determination of the registrar, which was assented to and confirmed by Eve, J., in the judgment with no word of

which I differ, appears to have been to all intents and purposes also confirmed in the Court of Appeal on its merits. I read the judgments of the Master of the Rolls and Farwell, L.J., in this sense—that they, so to speak, passed the question on its merits on, thinking that it would be properly discussed at a later stage. I feel bound to say that I largely agree with the view which is expressed by Farwell, L.J., when he says with regard to the function of the registrar—"His function is to protect the interests of the public, present and future. The motor trade is still comparatively a young industry, and it may well be that no existing trader may care to contest the matter." Then he says—"I only agree to the applicants being permitted to go on with their case as to these, and not being stopped *in limine* thereon." That was also the view of the Master of the Rolls.

A distinction was made in the Court of Appeal between the two applications—a distinction between a trade mark claimed for the block letters and for those in cursive or script form. I cannot say that I see any substance in that distinction. I have looked at the script form. If the block letters are to be condemned, they are to be condemned in the language of the Master of the Rolls which I am about to read—"In my opinion this is an illegitimate attempt to take exclusive possession of a part of the alphabet to the detriment of future traders who may honestly desire to put their own initials on their own goods." I think that that is also the case with regard to the script. There is nothing peculiar in it; it is an ordinary "W & G" with perhaps an increase of the size of the tail of the "G," and there is an end of all which would make for a distinctive mark. I do not think that language other than that used by the Master of the Rolls could be more appropriately used with regard to both forms. He has used it with regard to the block; I think it could be used also with regard to the script.

I move your Lordships that the orders so far as appealed from be reversed, and that the order of Eve, J., be restored, and that the cross-appeal be dismissed with costs.

LORD MERSEY concurred.

LORD PARKER—I am asked to say that Lord Loreburn concurs in the judgment that I am about to read.

The proper time for considering whether a mark is registrable, or whether, having regard to the interests of the public, it ought to be accepted or rejected, is, in my opinion, when the application for its registration first comes before the registrar under the 12th section of the Act of 1905. If the mark be then allowed to proceed to advertisement under the 13th section, all possibility of considering whether, in the interests of the public or otherwise, it ought to be admitted to registration, may have been lost, for, unless there be private opposition to the registration, the mark must, in default of the intervention of the Board of Trade, be put on the register under the 16th section. In this respect the Court of Appeal appears to have acted under

an erroneous impression as to the true meaning and effect of the Act. They were, in my opinion, bound to determine the question raised before them and could not postpone its determination until after the mark had gone to advertisement.

In the present case there were two applications before the registrar—one for the registration of the mark “W & G” in script and the other for the registration of the same mark printed in block type. The Court of Appeal allowed the former to proceed to advertisement, but rejected the latter. Your Lordships have to determine whether either mark can properly be allowed to proceed to advertisement.

I may say at once that for this purpose both marks appear to me to stand in precisely the same position, for if the written mark were on the register, it is, I think, quite certain that in default of any disclaimer the owners of this mark would be entitled to regard the use of “W & G” in block type as an infringement. If the former mark be registered, there would, therefore, be no reason for rejecting the latter mark, for no one else could use it upon, or in connection with, the goods in respect of which the former mark was registered.

If either mark be registrable, it must be because it is a distinctive mark within the meaning of section 9, sub-section, 5 of the Act. “Distinctive” is defined as meaning “adapted to distinguish the goods of applicant for registration from the goods of other persons.” This definition is found for the first time in the Act of 1905, but the word “distinctive” was, I think, used in all the earlier Acts in the sense of “adapted to distinguish.” The difficulty lies in finding the right criterion by which to determine whether a proposed mark is or is not so adapted. If, as is sometimes suggested, the mark is to be considered on the hypothesis that it will be admitted to registration, and in conjunction with the monopoly of user which such registration confers, I can imagine no mark which would not be adapted to distinguish the goods of the proprietor from those of other persons. Nothing could be better adapted for this purpose than some letter or combination of letters which no one else was at liberty to use. In my opinion, in order to determine whether a mark is distinctive it must be considered quite apart from the effects of registration. The question therefore is, whether the mark itself, if used as a trade mark, is likely to become actually distinctive of the goods of the person so using it. The applicant for registration in effect says—“I intend to use this mark as a trade mark—*i.e.*, for the purpose of distinguishing my goods from the goods of other persons”—and the registrar of the Court has to determine before the mark be admitted to registration whether it is of such a kind that the applicant, quite apart from the effects of registration, is likely or unlikely to attain the object he has in view. The applicant’s chance of success in this respect must, I think, largely depend upon whether other traders are likely, in the ordinary course of

their business and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods. 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 Acts a monopoly in what others may legitimately desire to use. For example, names (unless represented in some special manner) and descriptive words have never been recognised as appropriate for use as trade marks. It is true that they became registrable for the first time under the Act of 1905, but only if distinctive, and they cannot be deemed distinctive without an order of the Board of Trade or the Court. This restriction does not apply to marks consisting of a letter or combination of letters, but before such a mark be accepted the registrar or the Court has to be satisfied that it is adapted to distinguish the goods of the applicants from those of others. It need not necessarily be so adapted, and whether it is or is not so adapted appears to depend largely on whether other traders are or are not likely to desire in the ordinary course of their business to make use in connection with their goods of the particular letter or letters constituting the mark.

There seems no doubt that any individual or firm may legitimately desire in the ordinary course of trade to use a mark consisting of his or their own initials upon, or in connection with, his or their goods. The applicant company’s cars are marked “W & G,” because those are the initial letters of the Christian names of the partners in the firm to whose business the applicant company has succeeded. The use of the initials of an individual or firm on the goods, packing cases, letter paper, and invoices of such individual or firm is common. Individuals whose names were William Green or Wallace Graham, or firms whose names were Weston and Gibbs or Wilcox and Gathorne, might desire to make use in this way of the letters W G or W and G., and it would be a strong thing to deprive them of the right to do so. It is to be observed that initials are even less adapted for trade mark purposes than names, and the latter (unless represented in a special manner) cannot be deemed distinctive without an order of the Board of Trade or the Court. Under these circumstances I cannot think that the mark “W & G,” whether in script or in block type, is in itself distinctive within the meaning of the Act.

There is nothing in the history of trade marks in this country which conflicts with the view above stated. Prior to the Trade Marks Act 1875, which was the first Act dealing with the subject of trade marks, there existed, as, indeed, there still exist, trade marks which, though in fact owing their existence to the application of equitable principles, are sometimes described as common law trade marks, as distinguished from statutory trade marks. Independently

of any trade mark legislation, whenever a person uses upon or in connection with his goods some mark which has become generally known to the trade or the public as his mark, and thus operates to distinguish his goods from the goods of other persons, he is entitled in equity to an injunction against the user of the same or any colourable imitation of the same mark in any manner calculated to deceive the trade or the public. Equity has never imposed any limitation on the kinds of marks entitled to this protection, but in every case it has to be proved that the mark has by user become in fact distinctive of the plaintiff's goods.

The scheme of the Act of 1875 was not, as it might have been, to create a register of all common law marks. On the contrary, the Act specifies certain kinds of mark (somewhat limited in number) which the Legislature considered appropriate for use as trade marks, and allowed anyone, without any previous user thereof, to apply for the registration of any mark of a kind specified, making registration equivalent to user, and granting the registered proprietor a monopoly. Under this Act there could be no registration of a mark consisting of a word or words, a letter or letters, or a numeral or numerals, except that any distinctive word or words, or combination of letters or numerals, used as a trade mark before the passing of the Act might be registered.

The trade mark legislation of 1883 and 1888 left the law unchanged so far as letter marks were concerned. These became registrable for the first time under the Act of 1905, but only if they were distinctive in the sense above referred to. There is, however, a proviso in section 9 to the effect that in determining whether a mark is distinctive in this sense the tribunal may consider the extent to which actual user has rendered the mark in fact distinctive. But the tribunal is not bound to allow registration even if the mark be in fact distinctive. A common law mark is still not necessarily registrable. If the tribunal finds that a mark is anywhere, or among any class of people, in fact, distinctive of the goods of the applicant, it may be influenced by this fact in determining whether it is adapted to distinguish these goods from those of other persons, but distinctiveness in fact is not conclusive, and the extent to which the tribunal will be influenced by it must, in my opinion, depend on all the circumstances, including the area within which and the period during which such distinctiveness in fact can be predicated of the mark in question.

In the present case it appears that the mark "W & G" in script is at the present moment, and in a particular area, in fact distinctive of the cars of the applicants for registration, but the area within which and the time during which such distinctiveness has existed are, in my opinion, insufficient to displace the opinion I have formed on more general grounds.

In my opinion the Attorney-General's appeal succeeds and the cross appeal fails.

Their Lordships allowed the appeal and disallowed the cross appeal.

Counsel for the Appellant—Sir R. Isaacs, K.C. (Attorney-General)—Sir J. Simon, K.C.—Austin Cartmell. Agent—Solicitor to the Board of Trade.

Counsel for the Respondents—Sir R. Finlay, K.C.—Walter, K.C.—Kirby. Agents—John B. & F. Purchase, Solicitors.

## PRIVY COUNCIL.

Thursday, August 7, 1913.

(Before the Right Hons. Lord Atkinson, Shaw, Moulton, and Parker.)

CAMERON v. CUDDY AND ANOTHER.  
(ON APPEAL FROM THE SUPREME COURT OF CANADA.)

*Contract—Arbitration—Failure of Arbitrator to Give Decision—Duty of Court when an Action is Brought on the Contract.*

On failure of an arbitration it is the duty of a court of law in working out a contract of which such an arbitration is part of the practical machinery to supply the defect.

Under a contract for the sale of a business the purchaser was entitled to deduct from the price the amount by which the assets fell short of an agreed standard. The amount of the deficiency was to be ascertained by arbitration. On the failure of the arbitrators to agree upon the amount the seller brought this action for payment of the full contract price.

Held that it was the duty of the Court to take into consideration the arbitration clause and receive evidence as to the alleged deficiency

Appeal by special leave from a judgment of the Supreme Court of Canada (FITZPATRICK, C.J., IDINGTON, DUFF, ANGLIN, and BRODEUR, J.J.) affirming a judgment of the Court of Appeal for British Columbia (MACDONALD, C.J., IRVINE, and GALLAHER, J.J., MARTIN, J., *dissenting*) affirming a judgment of MORRISON, J., at the trial.

The action was brought by the respondents against the appellant for the balance of the purchase price of stock in the Harrison River Mills Timber and Trading Company, Limited, sold by the respondents to the appellant under an agreement dated the 21st September 1903.

The facts are stated in their Lordships' considered judgment, which was delivered by

LORD SHAW—This is an action brought by the respondents, who were vendors of the shares of a certain lumber company. They sue the appellant to recover payment of their purchase money. Judgment was obtained for the sum of 83,532 dollars. This judgment was pronounced in the Supreme Court of British Columbia, and an appeal against it was dismissed by the Court of Appeal for that province. A further appeal to the Supreme Court of Canada by the appellant also failed.