

W. J. CROTHERS COMPANY (DEFEND- } APPELLANT;
 ANT) }
 AND
 WILLIAMSON CANDY COMPANY } RESPONDENT.
 (PLAINTIFF) }

1925
 *Mar. 6, 9.
 *Mar. 27.

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

Trade-mark—Registration in United States—Advertising in Canada—Same mark and purpose—Action to expunge—“Person aggrieved”—R.S.C. [1906] c. 71, s. 42.

The W.C. Co., manufacturers of confectionery in the United States had the words “Oh Henry” registered in the Patent Office at Washington as a trade-mark for chocolate bars and advertised it extensively in American papers and magazines having a substantial circulation in Canada but made no use of it there. The C. Co. in the same business in Kingston, Ont., registered these words in Canada as its own trade mark for the same goods.

Held, affirming the judgment of the Exchequer Court ([1924] Ex. C.R. 183) Idington J. dissenting, that the W.C. Co., while the Canadian registration stands, is prevented from making any use of said words in Canada in connection with the sale of their product, and is deprived of the benefit here of their extensive advertising; it is, therefore, “a person aggrieved” within the meaning of sec. 42 of The Trade Mark and Design Act and entitled to bring an action to have them expunged from the Canadian registry.

Held also, that the trade-mark of the C. Co. was “calculated to deceive and mislead the public” and should be expunged from the Canadian registry.

APPEAL from the judgment of the Exchequer Court of Canada (1) ordering the appellant’s trade-mark to be expunged from the registry.

The facts of this case are sufficiently stated in the above head-note.

Geo. F. Henderson K.C. for the appellant. Prior user is not a condition precedent to registration. *Spilling Bros v. Ryall* (2); *In re Hudson’s Trade-Mark* (3) per Cotton L.J.

The appellant is proprietor of the mark if no one else in Canada has a better title. Prior user out of Canada does not affect his position. *In re Meeus Application* (4); *Smith v. Fair* (5).

*PRESENT:—Anglin C.J.C. and Idington, Duff, Mignault, Newcombe and Rinfret JJ.

(1) [1924] Ex. C.R. 183.

(3) 3 Cut. P.C. 155.

(2) 8 Ex. C.R. 195.

(4) [1891] 1 Ch. 41.

(5) 14 O.R. 729.

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There can be no protection where no goods have been sold. *Maxwell v. Hogg* (1) at page 314; *Batt & Co. v. Dunnett* (2).

As to appellant's registration being calculated to deceive or mislead see *In re Imperial Tobacco Company's Trade-Mark* (3) at page 45.

Smart for the respondent. The appellant had not used the trade-mark prior to registration nor did he adopt it in good faith. Consequently he was not the proprietor. See *Wellcome v. Thompson* (4); *Bayer v. American Druggists' Syn.* (5); *Gorham Mfg. Co. v. Weintraub* (6) at page 961.

The rights in a trade-mark are universal. See *J. P. Bush Mfg. Co. v. Hanson* (7); *In re Munch's Application* (8) at page 13.

The Canadian registration was calculated to deceive. Though the respondent did not use it in this country its extensive advertising may be considered an equivalent. *In re European Blair Camera Co.* (9); *In re Poiret* (10).

The judgment of the majority of the court (the Chief Justice and Mignault, Newcombe and Rinfret JJ.) was delivered by

THE CHIEF JUSTICE.—This action is brought for the expunging of the trade-mark "Oh! Henry" registered by the defendant appellant.

Jurisdiction is conferred on the Exchequer Court by s. 42 of the Trade-Mark and Designs Act (R.S.C., c. 71) "at the suit of any person aggrieved * * * by any entry made without sufficient cause" in the register of trade-marks to "make such order for * * * expunging or varying any entry in such register as the court thinks fit." Section 23 of the Exchequer Court Act (R.S.C., c. 140) imports the like jurisdiction.

The plaintiff company are large manufacturers of confectionery. In 1921 they applied for, and, in 1922, were granted registration in the United States Patent Office of the words "Oh! Henry" as a trade-mark for chocolate bars which they produced. This trade-mark they adver-

(1) 2 Ch. App. 307.

(2) 16 Cut. P.C. 411.

(3) [1915] 2 Ch. 27.

(4) [1904] 1 Ch. 736.

(5) [1924] S.C.R. 558.

(6) 196 Fed. R. 957.

(7) 2 Ex. C.R. 557.

(8) 50 L.T. 12.

(9) 13 Cut. P.C. 600.

(10) 37 Cut. P.C. 177.

tised extensively in magazines and newspapers having a substantial circulation in Canada as well as in the United States.

In May, 1922, an officer of the defendant, a manufacturing confectioner at Kingston in Canada, attended a confectioners' convention in Chicago. He then learned of the plaintiff's trade-mark and of its great vogue and success. The defendant promptly applied for registration of the words "Oh! Henry" as a specific trade-mark in Canada for chocolate bars and biscuits made by it, and its application was granted on the 15th of June, 1922. In making the application there was filed a declaration of one of the defendant company's officers, in the form prescribed by s. 13 of the statute, that the trade-mark, registration of which was applied for,

was not in use to his knowledge by any person other than himself at the time of his adoption thereof.

The existence of the plaintiff's United States trade-mark and its user by them appears not to have been disclosed. A subsequent application by the plaintiffs for registration in Canada was refused.

Section 11 of the statute provides:

11. The Minister may refuse to register any trade-mark,—

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

(b) if it appears that the trade-mark is calculated to deceive or mislead the public;

Although it may be that the failure of the plaintiffs to apply for registration in Canada within the time provided for by s. 49 of the statute (13-14 Geo. V, c. 28) and the defendant's adoption and user of the words "Oh! Henry" as its trade-mark will prove an obstacle to the plaintiffs' obtaining registration for themselves of those words as a trade-mark even if the defendant's registration should be expunged, that registration, while it stands, prevents the plaintiffs making any use of these words in Canada in connection with the sale of their product and deprives them of the benefit in this country of their extensive advertising. In our opinion it is obvious that they are persons whose legal rights would or might be limited by the appellant's trade-mark remaining on the register and they are, accordingly, "persons aggrieved" within s. 42 of the Trade-Mark and Design Act and have a status to maintain this action

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In re Powell (1); *In re Apollinaris Co.* (2); *De Kuyper v. Van Dulken* (3); *In re Vulcan Trade-Mark* (4).

The learned President of the Exchequer Court regards the exercise of the discretion given the Minister by s. 11 of the Act as subject to review by the Exchequer Court for the purpose of the jurisdiction conferred by s. 42 of the Trade-Mark and Designs Act. In this view we agree. *In re Vulcan Trade-Mark* (4).

The learned President has held that the defendant's trade-mark as registered "is calculated to deceive and mislead the public." That finding has not been successfully impeached. The evidence warrants it. It in turn fully supports the order made by the Exchequer Court that the defendant's trade-mark should be expunged as a trade-mark which the Minister in the exercise of his discretion could properly have refused to register.

We find it unnecessary to express any opinion on the further grounds on which the learned President rested his order, viz., that the defendant was not "the first to use the mark to his knowledge" within the meaning of s. 13 of the statute, and that it was not the proprietor of the trade-mark of which it obtained registration.

It follows that the appeal fails and should be dismissed with costs.

IDINGTON J. (dissenting).—The respondent carried on the business of manufacturing and distributing confections and candy in Chicago, Illinois, and, in connection therewith, adopted and used the trade-mark "Oh! Henry." On the 6th July, 1921, it applied for, and, on the 28th of February, 1922, was granted registration of said trade-mark in the United States Patent Office, but never at any time carried on said business in Canada.

The appellant carried on business in Kingston, Ontario, as candy manufacturers and sellers thereof and of other confections, and obtained, on the 15th of June, 1922, the following certificate of registration of a specific trade-mark:—

CANADA

This is to certify that this trade-mark (specific) to be applied to the sale of Chocolate Bars and Biscuits, and which consists of the words "Oh

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| (1) [1894] A.C. 8; [1893] 2 Ch. 388. | (3) [1895] 24 Can. S.C.R. 114, 133. |
| (2) [1891] 2 Ch. 186, 224. | (4) [1915] 51 Can. S.C.R. 411, 413-4. |

Henry!" as per the annexed pattern and application, has been registered in The Trade-Mark Register No. 137, Folio 31320, in accordance with "The Trade-Mark and Design Act" by

The W. J. Crothers Company, Limited, of the city of Kingston, province of Ontario, on the 15th day of June, A.D. 1922.

Patent and Copyright Office (Copyright and Trade-Mark Branch).

Ottawa, Canada, this 15th day of June, A.D. 1922.

GEO. F. O'HALLORAN,

Commissioner of Patents.

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The respondent instituted this action against appellant in the Exchequer Court of Canada by a statement of claim filed on the 1st day of September, 1923, and alleged many things denied by appellant as defendant, and not proven, seeking to have the appellant restrained from using said trade-mark, and to have said trade-mark "Oh! Henry" registered by it (the respondent) in Canada.

The contention throughout has been that the respondent never did carry on any business in Canada, and never attempted to do so, or to register the said trade-mark until long after the appellant's registration thereof.

I am unable to understand how it can claim any right to bring this action even if the grounds upon which the learned President of the said court proceeds in his judgment, now appealed from, might have (if the action had been brought by way of information by the Attorney General of Canada) led to expunging the appellant's registration, and, therefore, I confine anything I have to say to that single issue.

I submit that the Trade-Mark and Design Act never was intended to be for the benefit of any one who never carried on business in Canada, as respondent never clearly did, unless by advertising in American newspapers and magazines—the circulation of which was certainly not (unless we make a travesty of words) a carrying on of business in Canada.

Its course of business as indicated thereby would seem to have been to the disturbance instead of benefit of Canada.

The amendments to the said Trade-Mark and Design Act by 13-14 George V, chapter 28, assented to 13th June, 1923, demonstrate, I most respectfully submit, that Parliament had an entirely different conception of the then existing state of the law from that upon which the learned trial judge proceeded herein: else why, especially, were the fol-

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lowing sections, by the third section of said amending Act, added?

49. An application for the registration of a trade-mark or industrial design filed in this country by any person who has, previously, regularly filed an application for the registration of the same trade-mark or industrial design in a foreign country which by treaty, convention or law affords similar privilege to citizens of Canada, shall have the same force and effect as the same application would have if filed in this country on the date on which the application for the registration of the same trade-mark or industrial design was first filed in such foreign country; provided the application in this country is filed within four months from the earliest date on which any such foreign application was filed.

50. Any trade-mark the proprietor of which is an association, the existence of which is not contrary to the law of the country to which such association belongs, even if such association does not possess an industrial or commercial establishment, may be registered under this Act upon compliance with the requirements thereof, and on such particular conditions as may be established by regulations to be made by the Minister with the approval of the Governor in Council.

Surely the imperative assumption or implication of these recent amendments is that the foreigner not carrying on in Canada any branch of its business had, until said amendments, no rights to registration in Canada and only can acquire them under such conditions as defined thereby, and by pursuing the method therein described.

Whether or not such relations exist between Canada and the United States, as the fundamental requirements of said conditions specify, I know not. But evidently the time for respondent exercising the rights thus offered such as similarly situated, had expired before enactment and it is hereby excluded.

I imagine from the reasoning of the learned trial judge in regard to the justice of some such recognition by reason of neighbourhood and intimate business relations without referring to said legislative amendments to the Act, that his attention had not been called to said amendments and the limitations defining the conditions upon which, and the consequent methods by which, such rights might be asserted had been overlooked.

These amendments had been enacted a year before his delivery of judgment herein.

Of the numerous authorities cited by counsel in relation to the rights of non-resident foreigners acquired by this carrying on business abroad and using there their personal trade-marks, I may refer to the following cases as demon-

strating that they had not acquired rights to register either in England or Canada by reason of such like facts.

In re Munch's Application (1), held that foreign user alone could not entitle the applicant to registration in England.

In the case of *Jackson, etc. v. Napper* (2), Sterling J. says:—

It is said and I think rightly that in order to entitle you to register, there being a similar mark already on the register, you must make out that there was a user of the mark in England before that date.

In re Meeus' Application (3), it was held that the whole trade-mark as used must be that upon which application must rest and that its use for importation and for transportation purposes only, is not a sufficient user to acquire a title in England.

See cases cited, besides these, in Kerly (5th ed.) on Trade-Marks, at page 238, and note thereto.

See also Smart on Trade-Marks and Designs, page 42, where the author expresses the opinion "that the weight of opinion supports the view that the statute refers to use in Canada."

See also as to persons aggrieved the case of *In re Riviere and Company's Trade-Mark* (4).

These are dicta of a converse nature, as to the possibilities under the English Act but no case I have seen expressly decides the point that way.

I respectfully submit that the amendments I have quoted to our Act, enacted before this action brought, put the question beyond doubt and prevent the respondent from claiming any right of action herein as a party aggrieved in law.

Sentimental grievances many people have, or suppose they have, which furnish no foundation for an action at law.

For example, the use of a pen name such as "Oh! Henry" may have been offensive to the personal representatives of the late writer, who assumed the name "O. Henry" for his short stories.

It looks to me as if the gentlemen contending herein may both have been offenders against good taste.

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(1) [1884] 50 L.T. 12.

(2) 4 Cut. P.C. 45.

(3) [1891] 1 Ch. D. 41.

(4) [1883] 53 L.J. Ch. 455.

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I would allow the appeal herein with costs but if necessary without prejudice to the right of the Attorney General to take such action, if any, as he may be advised.

Appeal dismissed with costs.

Solicitors for the appellant: *Henderson & Herridge.*

Solicitors for the respondent: *Featherstonhaugh & Co.*
