

BETWEEN

THE BILLINGS AND SPENCER }
 COMPANY, OF HARTFORD, } PETITIONERS;
 CONNECTICUT, U.S..... }

1921

February 28.

AND

CANADIAN BILLINGS AND SPEN-
 CER, LIMITED, AND CANADIAN
 FOUNDRIES AND FORGINGS,
 LIMITED.

OBJECTING PARTIES.

*Trade-Mark—Petition to expunge—Effect of misrepresentation in appli-
 cation for Trade-Mark.*

Held: In the interests of trade, public order, and the purity of the Register of Trade-marks, the Court will exercise its discretion by ordering the removal from the register of any entry made thereon under misrepresentation and "without sufficient cause."

2. Where a trade-mark is registered upon the statement of the applicants that they verily believe the same to be theirs "on account of having been the first to make use of the same," such statement being a misrepresentation of fact the court should order that such trade-mark be expunged.

Quaere? Will the fact that a trade-mark has been simultaneously used by two persons, each having knowledge of the user by the other, amount to a dedication of the mark to the public?

THIS WAS A PETITION for an Order expunging trade-mark registered by the objecting party from the Canadian Register of Trade-marks.

January 7th, 8th, and 10th, 1921.

The matter was now heard before the Honourable Mr. Justice Audette at Ottawa.

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Russel S. Smart and J. L. McDougall for petitioners.

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A. W. Anglin K.C. and J. A. Hutchison for Object-
ing Parties.

v.

CANADIAN
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AND SPENCER,
LIMITED, AND
CANADIAN
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AND
FORGINGS,
LIMITED.

The facts are stated in the reasons for judgment.

AUDETTE J. now (28th February, 1921) delivered
judgment.

Reasons for
Judgment.

Audette J.

This is an application, by the petitioners, to expunge from the Canadian Register of Trade-marks the above mentioned specific trade-mark, as applied to the manufacture and sale of machinery, tools and forgings, and registered in Canada, on the 27th February, 1907. This court is given jurisdiction over such matters both under section 23 of the Exchequer Court Act, and under section 42 of the Trade-mark and Design Act.

It appears from the evidence that the petitioners for many years prior to the date of such registration—for a period extending as far back as 1871—were the proprietors of this mark, and made use of it throughout Canada and the United States, in respect of the class of goods above mentioned. They had a large business connection in Canada, and their goods had acquired a large and valuable repute.

In the view I take of the case, based as it is upon the terms of the statute, it will be sufficient without more to say that, notwithstanding the negotiations which took place between the officers of the companies, so far as the evidence before me discloses, there was no formal embodiment in writing of any sale or assignment of the trade-mark along with the good will.

The registration of the trade mark was duly made, in February, 1907, upon an application which reads as follows:—

“To the Minister of Agriculture,

“(Trade Mark and Copyright Branch)

Ottawa, Ont.

“We, Canadian Billings & Spencer, Limited, a company incorporated under the Ontario Companies Act, with head office at the town of Brockville, in the county of Leeds, and province of Ontario, hereby furnish a duplicate copy of a specific trade-mark to be applied to the sale of machinery, tools and forgings in accordance with sections 4 and 9 of “The Trade Mark and Design Act” *which we verily believe is ours on account of having been first to make use of same.*”

“The said specific trade-mark consists of an equilateral triangle with a large letter ‘B’ inside of same and we hereby request the said specific trade mark to be registered in accordance with the law.

“We forward herewith the fee of \$25.00 in accordance with section 10 of the said act.

“In testimony whereof we have caused our manager and treasurer (being the duly authorized officers for the purpose) to sign in the presence of the two undersigned witnesses at the place and date hereunder mentioned, and to attach our corporate seal hereto.

“Dated at Brockville this 7th day of February, 1907.

“Witnesses

(Sgd.) R. Bowie,

Treas.

“(Sgd.) W. S. Buell,

“(Sgd.) J. H. Botsford. (Sgd.) J. Gill Gardner,

Mgr.”

(Seal).

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It will be noticed that the application is made upon the representation by the company that they "verily believe (the trade-mark) is ours on account of having been *first* to make use of same."

In support of their application they also filed a letter reading as follows:

"Hartford, Conn., Jan. 29th, 1907.

"To the Minister of Agriculture,
Ottawa, Canada.

Trade-mark

Dear Sir:—

"This is to advise you that we have no objection to the Canadian Billings & Spencer, Limited, registering in Canada the trade-mark used by this company in our business, and as shown by the above letter head.

Yours respectfully,

"The Billings & Spencer Company,
"F.C. Billings, V.P. and Supt.

"Patent and Copyright Office,
"(Copyright and Trade Mark Branch)

"Ottawa, Canada, this 6th day of
January, A.D. 1921.

"Attested,

"Geo. F. O'Halloran,
"Commissioner of Patents.

This document does not bear the seal of the company, and the vice-president and superintendent who signs it, does not show any authority of the company by resolution to F. C. Billings to make this waiver of objection to the defendant company's registration of the mark in dispute. This officer, assuming to represent the American company, was also receiving

as a bonus, a number of shares in the Canadian company. This placed him in the equivocal position of having to decide between his duty and his interest. This document is no more formal than any letter which an officer of the company might have written to a customer relating to the sale or purchase of goods manufactured by the company.

The rights and powers exercisable by the executive officers and servants of a company would appear to end where the exclusive rights and powers of the company, as a corporate body, begin which are only exercisable by by-laws and resolution.

The officers of a company may extend their bounty and benevolence only to the extent authorized by the nature of their mandate as such officers; they cannot bind the company by anything done in excess of their express or reasonably implied powers. They cannot bind the company by their personal act in a matter where the company, as a corporate body, can alone speak—that is to say, by by-laws and resolutions. In this view it would be idle to contend that an officer of a company,—(a vice-president in the present case)—could *ex mero motu* and without a resolution and a document of transfer under the seal of the company sell the company's trade-mark and good will.

However, it is not necessary, in respect of the letter of consent, exhibit "B," to do more than repeat what witness Ritchie—heard on behalf of the objecting parties,—said at the trial, that he would have registered the trade-mark without that letter. The letter was not necessary since the applicants asserted "the trade-mark was theirs on account of having been first to make use of same." That last allegation was in compliance with the requirements of the law. The letter had nothing to do with the registration.

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The Canadian Trade-mark Act does not contain a definition of trade-marks capable of registration, but provides by sec. 11, that the registration of a trade-mark may be refused if the so-called trade-mark does not contain the essentials necessary to constitute a trade-mark properly speaking (1). This same sec. 11 further provides, that the applicant should be undoubtedly entitled to the exclusive use of the trade-mark (2).

Sec. 13 of the Act provides that the applicant may have his trade-mark registered upon forwarding a declaration that it "was not in use to his knowledge by any other person than himself at the time of his adoption thereof."

Then sec. 42 (R.S.C. 1906, Ch. 71) provides, among other things, for expunging, at the suit of any aggrieved person, the entry of any trade-mark, on the register, *without sufficient cause*.

It was alleged at bar that the petitioners were not persons aggrieved. With that view I cannot agree. The petitioners had been using their trade-mark both in Canada and the United States for a great many years, to distinguish their goods; and if such registration is allowed to stand the Canadian Company would be the ostensible owners of the mark with the right to the exclusive use of the same. Surely the petitioners under such circumstances would be "persons aggrieved." That is the conclusion at which I have arrived, and I think my conclusion is in conformity with the following decisions of *Baker v. Rawson* (3), the *Autosales Gum & Chocolate Company* (4), and *Batt & Co's Trade-mark* (5).

- (1) *The Standard Ideal Co. vs. The Standard Sanitary Manufacturing Co.*, C.R. (1911) A.C. 259. (3) 8 R.P.C. 89, at 98.
(2) *Rogers' Trade Mark*. 12 R.P.C. 149; and *Bush Manufacturing Co.*, 2 Ex. C.R. 557. (4) 14 Ex. C.R. 302.
(5) [1898] 2 Ch. D. 432.

Now, whatever may be said upon numerous other questions raised at bar, I have come to the conclusion that when the Canadian Billings and Spencer Co., Limited, filed their application for registration, they were guilty of making a misrepresentation of fact when they stated to the Minister of Agriculture that "they verily believed that the mark was their own on account of having been first to make use of same." It is inconceivable that one knew better than they did that such a statement was untrue, because they were in the most intimate relations with the petitioners during the considerable period that the mark had been used both in Canada and the United States by the petitioners (1). The very document with which they accompanied their application (Ex. B) is cogent proof of this.

They obtained the registration of this trade-mark through false statements and misrepresentation. Their conduct in doing so was most reprehensible and all arguments at bar invoking equity cannot avail, because he who seeks equity must come into court with clean hands.

Whatever might have been the demerits of the applicants, the court in a matter of this kind where the interests of trade, public order, and the purity of the register of trade-marks are concerned, should always exercise its discretion to order the removal from the register of the entry made "without sufficient cause." (2).

(1) *Smith v. Fair*, 14 Ont. R. 729. (2) *The Canada Foundry Co. v. The Bucyrus Co.*, 14 Ex. C.R. 35; 47 S.C.R. 484; *The Leather Cloth Co.*, 11 H.L.C. 523; *Baker v. Rawson*, 8 R.P.C. 89; *The Appollinaris Co.*, 8 R.P.C. 137, at 160, 161 and 163, *Kerly's Law of Trade Mark*, 318, 320; *Sebastian*, 236, 403, 520, 600.

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Having come to the conclusion that the discretion of the court should be exercised in the manner above set forth which gives effect to the statutory requirement of ownership as an indispensable condition of the right to register, it becomes unnecessary to labour many questions raised at bar, and such as to whether or not the fact of this mark having been used in Canada by both parties, to their respective knowledge, did not thereby dedicate the trade-mark to the public (1).

There will be judgment ordering to expunge from the Canadian Register the trade-mark in question registered by the Canadian Billings & Spencer Co., Limited, on the 27th February, 1907, under No. 48, folio 11715,—the whole with costs.

Judgment accordingly.

(1) 5 Official Gazette, U.S. 337-338.