

BETWEEN :

GARCY COMPANY OF CANADA LIMITED PLAINTIFF;

AND

ROSEMOUNT INDUSTRIES LIMITED ..DEFENDANT.

1958
 }
 Dec. 11

 1959
 }
 Jan. 13

*Practice—Application for injunction restraining use of industrial design—
 Design of recent registration and validity in issue—Injunction
 refused.*

Held: That an interlocutory injunction to restrain the use of an industrial design will not be granted where the registration of the design is recent and its validity is challenged.

MOTION for an interlocutory injunction restraining defendant from using an industrial design.

The motion was heard before the Honourable Mr. Justice Fournier at Ottawa.

A. B. R. Lawrence, Q.C. for the motion.

H. Gérin-Lajoie, Q.C. contra.

FOURNIER J.:—This is an application by the plaintiff for an interlocutory injunction restraining the defendant, its agents and employees from manufacturing, selling or distributing the ROSEMOUNT CLASSIC DE LUXE lighting fixture or other lighting fixtures in infringement of the plaintiff's registered industrial designs numbers 156/22009, 156/22010 and 156/22011.

On September 2, 1958, the above industrial designs were registered by the GARDEN CITY PLATING & MANUFACTURING CO., of the City of Chicago, State of Illinois, U.S.A., in the Register of Industrial Designs in accordance with the *Industrial Design and Union Label*

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Act, R.S.C. 1952, c. 150. On October 23, 1958, a certificate of assignment of the above registered industrial designs, bearing No. 2625, was issued to the plaintiff by the Commissioner of Patents. On October 29, 1958, a statement of claim was filed in this Court by the plaintiff and served on the defendant on November 12, 1958. A notice of the present application for an interim injunction was filed on November 10, 1958. The statement of defence and the particulars of objection were filed on December 8, 1958.

The plaintiff, a manufacturer of lighting fixtures, alleges to be the assignee of the registered industrial designs in dispute. It has been manufacturing and selling lighting fixtures according to these designs under the name of GARCY ULTRA-LUX. It states that the defendant, its servants and agents have been manufacturing and selling and are manufacturing and selling a lighting fixture in infringement of one or all of the plaintiff's designs under the name of ROSEMOUNT CLASSIC DE LUXE and that these fixtures are an exact copy of the above designs and an infringement of its rights in the said industrial designs.

The defendant in its defence admits that it has been manufacturing and selling and is manufacturing and selling fluorescent lighting fixtures, but denies the plaintiff's allegation wherein it is stated that these lighting fixtures are an exact copy of the plaintiff's fixtures. It further says that the registrations of the industrial designs in question are illegal, invalid, null and of no effect for the reasons given in its particulars of objections. These objections are that the designs lack originality, novelty and subject matter. They are identical to designs which have been in use for a great many years in the manufacture and sale of fluorescent lighting fixtures and are not designs that can be the object of registration as industrial designs. The registrations were not made in accordance with the provisions of the Act and the articles to which the designs have been applied are not properly marked according to the

statute. It also alleges that the plaintiff is not the registered proprietor of the designs. The facts stated in the defence and the particulars of objections are supported by the affidavit of the president of the defendant corporation which was filed on December 8, 1958.

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Most of the facts in this case are in dispute. I summarize. The defendant denies having imitated or copied the designs in question, though it admits having manufactured and sold fluorescent lighting fixtures under the name of ROSEMOUNT CLASSIC DE LUXE. It contends that the registered industrial designs are invalid for the following reasons: "lack of originality, novelty and subject matter; illegal delay between registration and publication of the designs; absence of proper marks on the articles to which the designs have been applied." The facts disclosed by the pleadings, procedures and exhibits filed herein are supported by sworn statements.

On this evidence and the provisions of the statute, as well as the decisions in similar matters, the Court must base its own decision as to whether it is just and convenient to grant or refuse the present application.

At the outset of my remarks, I have intentionally enumerated the proceedings in this case as closely as possible in their chronological order. Suffice it to say that the registrations of the industrial designs bear the date of September 2, 1958; the assignment to the plaintiff, October 23, 1958; the statement of claim, October 29, 1958; the present application for an interim injunction, November 10, 1958. It is quite evident that the registrations of the industrial designs are of a very recent date.

The rule as to the granting of interlocutory injunction in patent and design cases is clearly set out in the case of *Smith v. Grigg Ltd.*¹. I quote:

Held, by the Court of Appeal, that the recognised rule as to the grant of interlocutory injunction in the case of a patent, namely, that where the patent is a recent one and has not been established and there is a dispute as to validity the Court will not as a rule interfere by granting an interlocutory injunction, applies also to registered designs;

¹[1924] 41 R.P.C. 149.

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that in this case a serious question had been raised as to the validity of the registration of the Design, and that the case was not one in which an interlocutory injunction should be granted and that the question of a breach of contract was not before the Court. The appeal was allowed and the injunction was discharged, the Defendant undertaking to keep an account of articles sold to which the Design was applied.

This rule is applicable not only in patent cases but is followed in industrial design cases.

It seems to me that counsel for the plaintiff argued his application as if the registered design was not of recent origin but of long standing. If it had been registered for a substantial time, and acknowledged, there is no doubt that there would be a *primâ facie* presumption in favour of its validity, but it is not the case.

In 1929, Romer J. of The High Court of Justice, Chancery Division, dealt with the above question in the case of *Marshall and The Lace Web Spring Co. Ltd v. The Crown Bedding Co. Ltd.*¹ I quote:

. . . So far as I know, however, the only difference between a motion where the patent is old and a motion where the patent is new is this: in the latter case it is sufficient for the defendant's Counsel, if the plaintiff is rash enough to move for an interlocutory injunction, to state at the bar that he proposes to dispute the validity of the patent, and that the question of the validity of the patent will have to be decided at the trial. Where the patent is not of recent origin—apparently in cases where it is of more than six years of age—the Court has been in the habit of entertaining motions for interlocutory injunctions because in such a case there is a *prima facie* presumption in favour of the validity of the patent, and in such a case as that it is not sufficient for the defendant to state at the bar that he proposes to dispute the validity of the patent; . . .

Fox in his work *The Canadian Law of Trade Marks and Industrial Designs* (1940), p. 493, under the heading "Interlocutory Injunction", states:

The recognized rule governing the grant of an interlocutory injunction in patent cases, where validity is disputed, applies also to design cases. This rule is to the effect that, where the patent is a recent one and has not been established, and there is dispute as to its validity, the court will not, as a rule, interfere by granting an interlocutory injunction.

¹ (1929) 46 R.P.C. 267, 269.

Counsel for the applicant in support of the application cited the case of *Knowles v. Bennett*¹ in which the Court on an application for an interim injunction involving infringement of a design was more sympathetic to the owner of the design than to the imitator. It also found that the Register presents certain *primâ facie* evidence required by a plaintiff and referred to a section of the English Act similar to Section 7 (3) of our Act, which reads:

7. (3) The said certificate, in the absence of proof to the contrary, is sufficient evidence of the design, of the originality of the design, of the name of the proprietor, of the person named as proprietor being proprietor, of the commencement and term of registry, and of compliance with the provisions of this Act.

The important phrase in the section is: "in the absence of proof to the contrary". Where there is absence of proof the certificate is sufficient evidence of the design, but where there is some proof to the contrary the evidence is lacking. In the present case, in my opinion, the sworn statement of the president of the defendant corporation as to the veracity of the facts alleged in the defendant's defence and particulars of objections cannot summarily be set aside. It may not be irrefutable evidence, but sufficient for the Court to conclude that in all fairness to the parties, considering the provisions of the statute, the facts before the Court and the rule as to interlocutory injunction in recent registration of a design, the issuance of any injunction should be granted or denied at the trial on the merit of the case.

As was stated by counsel for the plaintiff, the considerations upon which applications for an interim injunction should be granted or refused relate to what is "just and convenient" whether or not the plaintiff appears to have a "*primâ facie*" case, preservation of the "*status quo*" and the "balance of convenience".

¹(1895) 12 R.P.C. 137.

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The refusal of the application, in my opinion, will in no way inconvenience the plaintiff. If what appears on the file is in accordance with the facts, the plaintiff's secretary-treasurer on October 30, 1958, seven days after the registration of the assignment of the registered designs, was advised that a certain party proposed to purchase the ROSEMOUNT CLASSIC DE LUXE lighting fixtures, though the architects' specifications required the plaintiff's fixtures. This would, in my mind, indicate that both parties were manufacturing lighting fixtures and offering them on sale before the registration of the designs in question or the assignment thereof to the plaintiff. I do not know if the sale of the said fixtures was completed before or after the service of the plaintiff's statement of claim on the defendant. But at all events, in its statement of claim the plaintiff prays for the issuance of an order for an accounting of the profits realized by the defendant on the sale of the fixtures to which the registered designs were applied. Were the plaintiff to succeed with its action in infringement of the designs, there is no doubt that the Court would order an accounting of the profits made by the defendant pending litigation.

This is a case where the Court can find no factual or legal ground to justify the granting or an interlocutory injunction and to ignore the rule applicable when registered industrial designs are of a recent date. I believe that in this instance an order to restrain should not be granted before the validity of the registered designs, after litigation, has been established by a judgment at law.

Therefore, the judgment of the Court is that the application for an interlocutory injunction until the trial or the disposition of the action is refused with costs in the cause.

Judgment accordingly.
