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 Jan. 31

THE PREST-O-LITE COMPANY¹.....PLAINTIFF.

AND

THE PEOPLE'S GAS SUPPLY COMPANY
 DEFENDANT.

Trademark—Jurisdiction—Infringement—Passing off—Registrable words.

The Exchequer Court of Canada has no jurisdiction in "passing off" cases; its jurisdiction is limited purely to cases of infringement of trademarks. Utilizing the containers of the product of a process patent after covering or obliterating the trademark thereon, by one having the right to use the process, does not constitute an infringement.

The word "Prest-O-Lite" may be validly used as a trademark in connection with the distribution of acetylene gas for lighting motor vehicles.

Kirstein v. Cohen, 39 Can. S.C.R. 286, distinguished.

ACTION to restrain the infringement of a trade mark. Tried before the Honourable Mr. Justice Cassels, at Ottawa, November 15 and 16, 1916.

F. H. Chrysler, K.C., for plaintiff; *R. V. Sinclair*, K.C., for defendant.

CASSELS, J. (January 31, 1917) delivered judgment.

This action is brought by the plaintiffs to restrain the defendants from infringing the trade mark of the plaintiffs. The plaintiff company is an incorporated company having its head office at the City of New York, in the State of New York, one of the United States of America. The defendants are a corporation with their head office at Ottawa, in the Dominion of Canada.

The contention of the plaintiffs is shortly, as follows : Apparently, in the United States patents were issued to them which covered not merely the process patent, but also the tank in which the product of the process was stored. In Canada the only patent which the plaintiffs have is a patent for the process. There was no patent in Canada protecting the tank.

¹ Affirmed by the Supreme Court of Canada: 55 Can. S.C.R. 440, 38 D.L.R.

The Prest-O-Lite Company are manufacturers and distributors of acetylene gas for lighting automobiles and other vehicles. The plaintiff stores its gas in portable steel cylinders lined with asbestos, which absorbs a quantity of acetone which in turn is saturated with acetylene gas introduced under pressure, the outflow for consumption being valve controlled.

It is conceded that the defendants have by virtue of the second section of Chapter 103, of the statutes of 1913, the right to manufacture, use or sell the said process product in Canada. Their rights in this respect are not contested. It is also conceded by the plaintiffs that the tanks manufactured and sold by them have become the property of the purchasers; and it was stated by Mr. Chrysler, on the argument of the case, the purchasers might utilize these tanks in any manner in which they chose, provided the trade mark "Prest-O-Lite" was removed from the tank. In other words, if it were feasible to remove the trade mark, plaintiffs concede that the defendants have a perfect right to fill the tank with the acetylene gas manufactured by them and to sell the same.

The contention, however, is that the defendants have no right to fill the gas into tanks containing the trade mark of the plaintiffs, and to sell them to others with the trade mark "Prest-O-Lite" on the tank.

Two classes of cases arise. One are cases in which the purchasers from the Prest-O-Lite Company in the United States take their tanks to the defendants to be refilled. This comprises the larger number of what the plaintiffs contend are infringements of their trade mark. The other class of cases, are cases in which the defendants purchase the tanks out and out with the name Prest-O-Lite on them, refill them and sell them to others or give them in exchange for empty tanks for a consideration.

The plaintiffs contention is that the defendants are infringers of their trade mark.

Since the argument I have gone very carefully through all the authorities cited to me, and numerous other authorities, and have come to the conclusion that the plaintiffs' action fails. The cases are so numerous and the principles so clearly settled that it would be useless labour to comment in detail on these authorities.

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It has to be clearly understood that the Exchequer Court has no jurisdiction in what are called "passing off" cases. The jurisdiction is limited purely to questions of infringement of trade mark. This is conceded by counsel for the plaintiffs. It is also, as I have stated, conceded that the defendants have an absolute right to use the process and sell the product described in the Canadian patent.

It is proved before me clearly that in no case except one or two of trifling importance, have the defendants ever refilled any of the tanks and let them go from their premises without the word "Prest-O-Lite" being completely covered over. A notice is posted over the word "Prest-O-Lite," this notice showing on its face that the tank so-refilled was refilled by the Ottawa Company.

The contention is that the defendants have covered them over with a substance which might be removed by a wrongdoer. In point of fact no evidence has been adduced to show any such erasures of the covering placed on the tanks by the defendants, and I am not prepared to adopt the reasoning of some of the American authorities cited before me, in which comment is made upon the fact that the wrapper placed over the word "Prest-O-Lite" is capable of being removed.

As I have said, "It has to be kept clearly in mind this is not the case of 'passing off,' or wrongfully attempting to steal the trade of the plaintiffs."

In the cases in the United States, it is quite evident that the court were influenced by the fact that the defendants were endeavouring to steal the plaintiff's trade.

In one case, the *Searchlight Gas Co. v. Prest-O-Lite Co.*¹ before the Circuit Court of Appeals, Baker J., at page 696, uses the following language: "Appellee is entitled to have 'its lifeblood saved from leeches and its nest from cuckoos.'"

The Judges in these cases do dwell upon trade mark, but it is so mixed up with the passing off, that evidently from a perusal of these particular cases the court was much influenced by the fraud of the defendants in seeking to rob the plaintiffs of the benefit of their trade. There is nothing in the case before me corresponding in any way to the facts of these cases.

¹215 Fed. Rep. 692 at 696.

The defendants as far as they can effectually covered the word "Prest-O-Lite," when refilling the tanks and sending them out of their premises. There is no evidence whatever of any combination between the parties bringing the tanks to be refilled and the defendant company. Under the patent law there may be cases where a defendant may become what is commonly known as a contributory infringer. The term is a misnomer. If the circumstances are such that it is proved the party connives with another to defraud the patentee, he becomes an infringer, but to be an infringer he must be a party to inducing another to break a contract or inducing him to infringe a patent. The law on the subject is very fully discussed by the late Mr. Justice Burbidge in the case of *Copeland-Chatterton Co. v. Hatton*.¹ This case was taken to the Supreme Court of Canada,² and the judgment of the Exchequer Court was affirmed. The question there discussed was the right of a patentee to enter into a bargain for the use of a patented article. The point of contributory infringement does not seem to have been discussed, but evidently the views of the learned Judge were sustained.

In the case before me there is no pretence whatever of any dealings on the part of the defendants similar to the dealings in the *Copeland-Chatterton* case, referred to. I find no law under the Trade Mark Acts which refers to contributory infringement.

It has to be borne in mind that the case before me is not brought for infringement of a patent. Some point is made that some of the tanks which were brought to the defendant or filled by the defendant, had the word "patented" on them. No doubt these were American tanks, and probably very rightly had this stamp upon them. It is of no consequence, and has no bearing as far as I can see on the case before me.

In the Ontario Courts the case of *Prestolite Co. v. London Engines Supplies Co.*³ came up before Chief Justice Falconbridge. This case was taken to the Court of Appeal.⁴ As far as the reasons would show this case rested to a very great extent on passing off. The contention was that

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¹ 10 Can. Ex. 224.
² 37 Can. S.C.R. 651.

³ 10 Ont. W.N. 454.
⁴ 11 Ont. W.N. 225.

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there was unfair competition. I have looked at the pleadings in this case, and the claim of the plaintiff was not confined to passing off but the plaintiffs in that action also relied upon the infringement of their trade mark Prest-O-Lite.

I am unable to bring my mind to a conclusion that what the defendants have done, having regard to the circumstances as detailed in the evidence, amounts to an infringement of the plaintiffs trade mark. One or two trifling instances have occurred in which the defendants may have sold the tank filled by them without obliterating the name. There is considerable doubt about this. In any event the amount is trifling.

No claim has been pressed that the tanks have not been sold out and out. Any notice such as is set out in the defence is a notice under the American patents not in force in Canada.

It was argued by Mr. Sinclair that the word "Presto-O-Lite" is not the subject matter of a trade mark, but that it became the generic name of the article sold. I cannot agree with this contention. The trade mark was adopted for use by a company other than the company which had the patents under which the tanks and the compound in question was manufactured. It was the trade mark first used by a company with another name—this company subsequently changing its corporate name into the name of the Prest-O-Lite Company. It is open to argument that the name may not be susceptible of a valid trade mark under the principles laid down in the case of *Kirstein v. Cohen*.¹ My own personal view is that it is a valid trade mark and not governed by the principles decided in the *Kirstein* case. It is, however, unnecessary to follow up this line of thought as after the best consideration I can give to the case I am of opinion that the plaintiffs are not entitled to succeed for the reasons I have given.

The action is dismissed with costs.

Action dismissed.

Solicitors for plaintiff: *Chrysler & Higgerty.*

Solicitor for defendants: *R. V. Sinclair.*

¹39 Can. S.C.R. 286.