

SPILLING BROTHERS PLAINTIFF;

1903

Feb. 14.

AND

C. A. RYALL DEFENDANT.

Trade-mark—Cigars—Infringement—Representations of the King and the Royal Arms—Validity—User before registration—R. S. C. c. 63, s. 8—Declaration signed by agent.

A label, as applied to boxes containing cigars, bearing upon it "in an oval form a vignette of King Edward VII., with a coat of arms on one side, and a marine view on the other surmounted by the words 'Our King', and with the words 'Edward VII.', underneath," constitutes a good trade-mark in Canada, and may be infringed by the impression, upon boxes containing cigars, of a fac-simile of the Royal Arms surmounted by the words "King Edward."

2. The English rule prohibiting the use of the Royal Arms, representations of His Majesty, or any member of the Royal Family, of the Royal Crown or the national Arms or Flags of Great Britain, as the subjects of trade-marks, is not in force in Canada.
3. It is not essential to the validity of a trade-mark registered in Canada that the person registering the same should have used it before obtaining registration. The registration must, however, in such a case, be followed by use, if the proprietor wishes to retain his right to the trade-mark. In this respect there is no difference between the law of Canada and the law of England.
4. The declaration required from the proprietor of a trade-mark by section 8 of *The Trade-Mark and Design Act*, R. S. C. c. 63, may be signed by his duly authorized attorney or agent.

THIS was an action to restrain the infringement of a trade-mark.

The facts are stated in the reasons for judgment.

January 12th, 1903.

The case was heard at Toronto.

R. G. Code, for the plaintiffs, contended that the defence must be confined to the issue of infringement.

1903
 SPILLING
 v.
 RYALL.
 —
 Argument
 of Counsl.
 —

Partlo v. Todd (1). The question of prior user is not in controversy. The two trade-marks resemble each other so closely as to deceive the public; the word "King" is the essential feature of both marks. (*Kerly on Trade-marks* (2); *Sebastian on Trade-marks* (3); *Orr, Ewing & Co. v. Johnston & Co.* (4); *Smith v. Fair* (5); *Thompson v. Montgomery* (6).

The "Royal Arms" may be used in Canada as a part of a trade-mark. The prohibition of the use of these arms, or of representations of the Sovereign, is a local English rule, and does not extend to the colonies unless the legislature enacts it. The Canadian Act does not do so, nor do the regulations made thereunder.

The damages sustained by the plaintiffs do not warrant an application for an order of reference.

A. H. Clarke, K.C. for the defendant, contended that the English rule prohibiting representations of the Royal Arms, or of the person of the Sovereign to be used as trade-marks, prevailed in Canada. This is conformable to the American practice, also. The plaintiffs' trade-mark is therefore invalid. (*Browne on Trade-marks* (7).

Again, the plaintiffs had not used their mark prior to registration; this is fatal to its validity. *Browne on Trade-marks* (8); *Hogg v. Maxwell* (9).

The declaration required by section 8 of *The Trade-mark and Design Act* was not made by the proprietor. The statute does not contemplate the making of this declaration by an agent.

R. G. Code replied.

(1) 17 S. C. R. 196.

(2) 2nd ed. pp. 240, 242, 360.

(3) 4th ed. p. 131.

(4) 28 W. R. 330.

(5) 14 Ont. R. 729.

(6) 41 Ch. D. 35.

(7) 2nd ed. s. 29.

(8) 2nd ed. s. 840.

(9) L. R. 2 Ch. 307.

THE JUDGE OF THE EXCHEQUER COURT now (February 14th, 1903) delivered judgment.

The action is brought to restrain the infringement by the defendant of two specific trade-marks that the plaintiffs have registered under *The Trade-Mark and Design Act* (1), to be used in connection with the sale of cigars, and for damages for such infringement.

The plaintiffs carry on the business of manufacturing and selling cigars, and have their chief place of business at the City of Toronto, in the Province of Ontario. The defendant carries on the business of a cigar manufacturer at Leamington in the said province.

One of the two specific trade-marks mentioned consists, according to the description used in the certificate of registration, of a label bearing in an "oval" form a vignette of King Edward VII with a coat of arms on one side, and a marine view on the other surmounted by the words 'Our King' and with the words 'Edward VII' underneath." On some of the boxes used by the defendant and in which he sells cigars there is impressed a fac-simile of the Royal Arms surmounted by the words "King Edward," and one of the questions that arises in the case is whether or not that constitutes an infringement of the plaintiffs' registered trade-mark. That question should, I think, be answered in the affirmative.

There is evidence to justify the conclusion that cigars sold in or from boxes bearing the plaintiffs' registered trade-mark came to be known as "Our King" or "The King" or "King" cigars and are purchased by that description. That is what one would expect, and that being the case the use on cigar boxes of a mark consisting of a fac-simile of the Royal Arms surmounted by the words "King Edward" would, I think, constitute an infringement. In both cases the

1903
 SPILLING
 v.
 RYALL.
 ———
 Reasons
 for
 Judgment.
 ———

1903
 SPILLING
 v.
 RYALL.
 —
 Reasons
 for
 Judgment.
 —

cigars sold from such boxes would come to be known as "The King" or "King," and many persons might, I think, be deceived or misled into purchasing the one for the other.

It is contended for the defendant, however, that the plaintiffs' registered trade-mark is not good because it contains a representation of His Majesty, and also of the Royal Arms. That contention is based upon the English practice in such matters. By the thirtieth paragraph of the instructions to persons who wish to register trade-marks under the Act of Parliament of the United Kingdom, it is provided that where the mark had not been used before the 13th of August, 1875, no trade-mark will be registered if it, or a prominent part of it, consists of "The Royal Arms, or Arms so nearly resembling them as to be calculated to deceive; representations of Her Majesty the Queen, or of any member of the Royal Family; representations of the Royal Crown or the National Arms or flags of Great Britain." (*Sebastian's Law of Trade-Marks*. (1). But that rule or prohibition is not in force in Canada. It is not one of the grounds on which under the Canadian Statute (2), as amended by 54-55 Vict. c. 35, the Minister of Agriculture may refuse to register a trade mark; and even if it were thought that such a regulation could be made without an amendment of the Act (3), no regulation has been made. In the absence of any such provision as that referred to the objection fails.

Then it is said that the plaintiffs' action ought not to be maintained because they are not entitled to the exclusive use of the trade-mark in question; that the allegation in the declaration by which registration was procured that they believed it to be theirs because

(1) 4th ed. 335, 468.

(2) R.S.C. c. 63, s. 11.

(3) R.S.C. c. 63, s. 6.

they had first made use of it was not true. With respect to this ground of defence, the facts appear to be that in June, 1890, the plaintiffs commenced to sell cigars of their own manufacture in boxes on the covers of which were impressed the words "Our King Cigar." On the under side of the cover were the words in large letters "Royal Crown" surmounting a Crown and other representations below which appeared the words "The King of 10c. cigars." These marks were used until the end of the year 1902, but were never registered. In 1897, anticipating that Her late Majesty's reign was drawing to a close, and that She would be succeeded by His Majesty, the plaintiffs caused to be prepared certain designs to be registered as specific trade-marks to be used in connection with the sale of cigars, one of which, omitting the words "Edward VII." was that which has been described. The words "Edward VII" were added when it was known what title His Majesty would take, and this design, with the addition mentioned, was registered on the 5th of February, 1901, the Queen having died on the 22nd of January of that year. It also appears that sometime in the year 1899, or early in 1900, Gustav A. Moebs & Company, of the City of Detroit, commenced to put up cigars manufactured by them in boxes with labels having on them a representation of His Majesty surmounted by the words "King Edward VII." They also had a brand of cigars that they sold as "King Albert" cigars. These facts appear from the evidence of the witness John A. Campbell, who resides at the City of Windsor, in Ontario, and is engaged in the business of manufacturing cigar boxes. Of cigars put up by Moebs & Company with the "King Edward VII." label, Campbell brought two boxes to Canada and sold them to cigar dealers here. One of these boxes he sold on the 22nd of January, 1901, to George

1903
 SPILLING
 v.
 RYALL.
 —
 Reasons
 for
 Judgment.
 —

1903
 SPILLING
 v.
 RYALL.
 —
 Reasons
 for
 Judgment.
 —

McKee, of Windsor, who put them in his show-case and sold them. Campbell himself buying some of them. The other box he sold in May, 1902, to one Frank Giradot, a cigar dealer; but where the latter did business does not, I think, appear. Apart from these two instances there has been, so far as appears, no sales in Canada of Moebs & Company's "King Edward VII" cigars. In addition to what has been stated, Campbell, in March, 1900, registered in the Canadian Cigar and Tobacco Journal Trade-Marks Registration Bureau a specific trade-mark to be "applied to the sale of cigars," consisting of "the words or title King Edward." This he did under an arrangement with Moebs & Company, and with an intention, never carried into execution, of manufacturing cigars to be sold in Canada under that name. The plaintiffs, when they applied to the Minister of Agriculture to register the trade-mark in question here, knew of Campbell's registration of the words "King Edward" in the Registration Bureau mentioned. It does not appear that they knew of the use by Moebs & Company of the "King Edward VII" label. The plaintiffs, since registering the trade-mark in the Register of Trade-Marks kept at the Department of Agriculture, have made use of it in their business of manufacturing and selling cigars. Campbell has not been in the business of manufacturing or selling cigars, and has not made any use of the mark that he registered in the Canadian Cigar and Tobacco Journal Trade-Marks Registration Bureau. The defendant first used the label or impression complained of in March, 1902. Now it may be that the plaintiffs' position would have been stronger than it is and less open to attack if, when they came to register their trade-mark, they had registered one more closely resembling that which they used from 1890 to 1902. It is only in respect of the matters in

which they departed from that mark that their trademark is now open to attack. It seems to me, however, that the important thing about all these marks is that cigars sold from boxes bearing any of such marks come naturally to be known as "Our King," or "The King," or "King" cigars. The words "Our King Cigar" were first used no doubt in some such way as a manufacturer might use the words "Our Star Cigar," and without reference to, or any suggestion of, any King. But the result it seems to me is the same, and, whatever the reference or suggestion may be, the cigar comes to be known as a "King" cigar. So far, then, as respects the use in connection with the sale of cigars of a mark that would result in that word being used to briefly designate the cigar that the purchaser wished to buy, the plaintiffs were the first to use such a mark. Moebs & Company are not before the court, and I refrain as far as possible from saying anything that would appear like passing on any question that might arise between them and the plaintiffs. But we may, I think, put aside as not being material to the decision of the case the things that Campbell did. The plaintiffs knew nothing of the sale in Canada of the two boxes of Moebs & Company's cigars of which he spoke; and the matter is in itself of too little importance to be taken into account here against any rights that the plaintiffs have. It would be trifling with the subject to hold that the selling in Canada of two boxes of cigars bearing certain marks constituted or proved, a use in Canada of such marks. Then with reference to his registration of the words 'King Edward', in the Canadian Cigar and Tobacco Journal Trade-Marks Registration Bureau, the registration was neither preceded nor followed by any use of the mark. At best it only showed an intention to use it, and gave notice of that intention. But there was no use of the

1903
 SPILLING
 v.
 RYALL.
 —
 Reasons
 for
 Judgment.
 —

1903
 ~~~~~  
 SPILLING  
 v.  
 RYALL.  
 ———  
 Reasons  
 for  
 Judgment.  
 ———

mark, and the plaintiffs' registered trade mark is not defeated because of anything done in that matter.

That leaves only the questions arising upon the use by Moebs & Company in the United States of their "King Edward VII" label. As to that the plaintiffs were, as has been seen, the first to use in connection with the sale of cigars a mark of which the most important feature or characteristic is the word "King." Then with respect to the later design in which the words "Our King Edward VII" occur, the plaintiffs formed the intention of adopting it before Moebs & Company used their mark, but they waited to see what title His Majesty, on succeeding to the throne, would take. Moebs & Company did not wait for the death of Her late Majesty, but taking their chances with the two marks "King Edward VII" and "King Albert" were happy enough to hit upon that which His Majesty adopted. But Moebs & Company do not, so far as appears, sell their cigars in Canada, and on the other hand the plaintiffs' cigars are not sold in the United States. So there is no conflict, and no one is liable to be deceived or misled. The mark is not public property, and it is not open to anyone to use it. As against the defendant and the general public the plaintiffs are, in Canada, entitled to the exclusive use of the trade-mark. If Moebs & Company should attempt to put their "King Edward VII" cigars on the Canadian market, or if they should attack the plaintiffs' registration of the marks used by them it may be that some questions would arise that need not now be considered. So long as matters stand as they are I do not see any difficulty, or anything to affect the plaintiffs' right to the exclusive use in Canada of the trade-mark in question.

Another objection urged against the plaintiffs' trade-mark is that the use of it did not precede the registra-



tion; but that I think is not necessary. The Act provides that a mark adopted for use by any person in his trade for the purpose of distinguishing his goods may be registered for his exclusive use (1), and it is clear that one may adopt a mark without first using it. The registration must, of course, in such a case be followed by use, if the proprietor wishes to retain his right to the trade-mark. In that respect there is, I think, no difference between the law of Canada and the law of England (2).

It is also objected that the registration of the plaintiffs' trade-mark in question here was not good because the application or declaration on which it was obtained was not signed by the plaintiffs personally but by their attorneys or agents. The eighth section of *The Trade-Mark and Design Act* (3) provides that the proprietor of a trade-mark may have it registered on forwarding to the Minister of Agriculture, among other things, a declaration that the same was not in use to his knowledge by any other person than himself at the time of his adoption thereof; and the question is whether the application in which that declaration occurs may be signed for the applicant by his agent. I see nothing in the statute to lead one to suppose that the legislature intended anything special as to the signature to be attached to such a declaration or statement, and if that be the correct view of the statute the signature by the agent or attorney would be sufficient. The agent or attorney pledges, no doubt, the applicant's knowledge and belief as to the facts stated, but I do not see why if he is duly authorized he may not do that. In *Jackson v. Napper* (4). Mr. Justice Stirling, discussing a question similar to that

1903  
 SPILLING  
 v.  
 RYALL.  
 —  
 Reasons  
 for  
 Judgment.  
 —

(1) R. S. C., c. 63, s. 3.

(3) R. S. C., c. 63.

(2) See Kerly on Trade-Marks, 2nd ed., pp. 118-120.

(4) 35 Ch. D. at p. 172.

1903  
 SPILLING  
 v.  
 RYALL.  
 —  
 Reasons  
 for  
 Judgment.  
 —

raised here, said :—“I take it that, subject to certain well-known exceptions every person who is *sui juris* has a right to appoint an agent for any purpose whatever, and that he can do so when he is exercising a statutory right no less than when he is exercising any other right.” In support of that view he relied upon *In Re Whitely* (1), in which a question as to the validity of the signature by an agent of a subscriber to a memorandum of association under *The Companies Act, 1862*, arose, and in which it was held that the ordinary rule applied that signature by an agent is sufficient.

The defendant did not in any way seek to put off his goods for those manufactured by the plaintiffs, or in any way to gain any trade advantage at the expense of the plaintiffs, and the latter abandon their claim to damages. They are entitled to the injunction that they ask for and to their costs, to be taxed, and there will be judgment accordingly.

*Judgment accordingly.*

Solicitors for plaintiffs : *Code & Burritt,*

Solicitors for defendant : *Clarke, Cowan, Bartlet & Bartlet*