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May 11.

BETWEEN :

THE CREAMETTE COMPANY.... PLAINTIFF;

AND

FAMOUS FOODS LIMITED, PETER }  
TOSI, DOING BUSINESS UNDER THE }  
FIRM, NAME AND STYLE OF P. TOSI } DEFENDANTS.  
& COMPANY, AND THE SAID P. TOSI }  
AND COMPANY..... }

*Trade-mark—Infringement—Motion to strike out certain defences—  
—Impertinent or Irrelevant defence—Defence tending to prejudice,  
embarrass or delay a fair trial of action.*

In an action for infringement of trade-mark the defendants pleaded *inter alia* (1) that the plaintiff company not being registered or licensed under the laws of any of the Provinces of Canada or under the laws of the Dominion of Canada has no right to protection of its trade-mark against imitation thereof; (2) that the plaintiff company by using the said trade-mark in connection with its products has done so in violation of the provisions of the Food and Drugs Act of Canada, and the regulations made thereunder.

On motion under Rule 114 to strike out the said defences as being impertinent or irrelevant and as tending to prejudice, embarrass or delay a fair trial of the action it was held:

1. The Dominion Companies Act does not require a friendly alien, either a natural or an artificial person, to take out a licence before asserting any legal right in Court.
2. The Canadian Naturalization Act (R.S., 1927, c. 138, Part III, sec. 20) provides that an alien may take, acquire, hold and dispose of real and personal property of every description in the same manner in all respects as a natural born British subject.
3. The provisions of the *International Convention for the Protection of Industrial Property* as revised at Washington in 1914 recognize the right of the plaintiff to institute this action as freely as a Canadian owner of a trade-mark.
4. At common law the alien has such a right.
5. This Court in a civil action has no jurisdiction to try the issue raised by pleading the Dominion Food and Drugs Act.

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MOTION by plaintiff to strike out under Rule 114 certain paragraphs of the statements of defence herein.

The motion was argued before the Honourable Mr. Justice Maclean, President of the Court, in Chambers.

*E. G. Gowling* for Plaintiff.

*Ainslee Greene, K.C.*, for Defendants.

THE PRESIDENT (May 11, 1933) rendered the following judgment:

This was a motion on behalf of the plaintiff company to strike out certain paragraphs in both of the defences filed herein.

Famous Foods, Limited, in paragraphs 14 and 15 of its defence, and the other defendants, in paragraphs 8 and 9 of their defence, alleged that because the plaintiff company is not registered or licensed under the laws of any of the provinces of Canada or under the laws of the Dominion of Canada, it is not entitled to carry on business in any of the provinces of Canada, and is not capable of being the registered owner of the trade mark and designs in question, and has not acquired any right to the use of the said trade marks and designs within the Dominion of Canada and has not acquired any right to protection against imitation thereof. Furthermore, the defendants allege that the plaintiff company is now carrying on business in violation of the laws of the provinces of the Dominion, and by reason there-

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of has not and cannot acquire rights within the Dominion of Canada.

In paragraph 16 of the defence of Famous Foods, Limited, and in paragraph 9 of the defence of the other defendants, it is alleged that by using the said trade mark and designs in connection with macaroni and other paste products the plaintiff company is now and continuously has been in violation of the provisions of the Food and Drugs Act of the Dominion of Canada, and amendments thereto, and of the regulations made by authority of the said Act and amendments.

The plaintiff company by its motion seeks to strike out, under the provisions of Rule 114, the paragraphs mentioned from the defences filed as being impertinent or irrelevant and as tending to prejudice, embarrass or delay a fair trial of the action herein.

As to the effect of the alleged failure of the plaintiff company to register or obtain a licence on its capacity to maintain the present action, I think the defendants in raising the question have confused the assertion of a right of ownership in a trade mark or a design with the enforcement of a right arising from a business transaction. If the plaintiff was seeking to assert a claim of the latter nature in the courts of this country it may well be, although I have some hesitation upon the authorities in so deciding were such a question properly before me, that a licence or registration would be necessary in order to ground a capacity to sue. But in seeking a remedy in this Court for the infringement of a trade mark registered here a foreign corporation is in no worse position than a corporation created under provincial or Dominion legislation in Canada. I can find no provision in the Dominion Companies Act requiring a friendly alien, either a natural or an artificial person, to take out a licence before asserting any legal right in this Court; and, apart from the common law privileges accorded to an alien, the Canadian Naturalization Act (R.S., 1927, Chap. 138, Part III, Sec. 20) provides that:

Real and personal property of every description may be taken, acquired, held and disposed of by an alien in the same manner in all respects as by a natural born British subject.

The provisions of the *International Convention for the Protection of Industrial Property* as revised at Washington in 1914, also recognize the right of the plaintiff to institute

this action as freely as a Canadian owner of a trade mark. Article II thereof reads as follows:

The subjects or citizens of each of the Contracting Countries shall, in all the other countries of the Union, as regards patents, utility models, industrial designs or models, trade-marks and trade names, indications of origin, and the suppression of unfair competition, enjoy the advantages that their respective laws now grant or may hereafter grant to their own subjects or citizens. Consequently, they shall have the same protection as the latter, *and the same legal remedy against any infringement of their rights*, provided they observe the conditions and formalities imposed on native subjects or citizens. No obligation as to the possession of a *domicile or establishment* in the country where protection is claimed shall be imposed on those who enjoy the benefits of the Union.

Then, the alien's common law right is affirmed in *Kerly on Trade Marks*, 6th Edition, p. 438, as follows:—

An alien, not being the subject of a country actually at war with England, if he is the proprietor of a trade-mark which exists as such in this country, may sue in the English Courts in respect of infringements in England.

To the same effect is Halsbury, 2nd Ed., Vol. 1, p. 449. So that the contention of the Defendants that the Plaintiff must be registered or licensed to do business in this country before acquiring a right to sue for the infringement of its trade-mark and designs must be treated as irrelevant as a matter of defence.

Turning now to paragraph 16 of the defence of the Famous Foods Limited and paragraph 10 of the defence of the other defendants which allege that by using the trade mark and designs in question in connection with macaroni and other paste products the plaintiff is now and has been continuously in violation of the provisions of the Dominion Food and Drugs Act, it is abundantly clear that to set up such an issue by way of defence to an action in this Court for infringement of a trade mark is to plead impertinent or irrelevant matter or matter which tends to prejudice, embarrass or delay the fair trial of the action within the meaning of Rule 114 of the practice of this Court. I do not think that this Court has jurisdiction in a civil action such as this to try such an issue. To allow these paragraphs to stand as framed in the defences might compel the plaintiff to "come to trial with a body of evidence to prove the validity (of his mark and designs) which would be entirely thrown away", to quote the language of Bowen, L.J. in *Liardet v. Hammond Electric Light and Power Co.* (1).

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If the plaintiff has violated the provisions of the Dominion Food and Drugs Act there are proper proceedings to be taken on behalf of the Crown for punishing any such violation. And even if the plaintiff were guilty of the acts alleged in the defences it would not have the effect of destroying the validity of its trade mark or designs.

There will be an order directing the aforesaid paragraphs in the two statements of defence filed to be struck out, and that paragraph 17 of the defence of Famous Foods, Limited, and paragraph 11 of the defence of the other defendants, be amended by striking out the words "constitutes a violation of the said Foods and Drugs Act, and of the regulations made pursuant thereto and," as the same appear therein.

The costs of and incidental to this application will be costs to the plaintiff in any event of the action.

*Judgment accordingly.*

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