

1950
April 17, 18,
19, 20 & 21
May 4 & 5
May 6

BETWEEN:

BARTON INC. and BARTON'S
BONBONNIERE INC.

APPLICANTS;

AND

MARY LEE CANDY SHOPPES
LTD. and BARTON'S BONBONS
LTD.,

RESPONDENTS.

Trade mark—Word mark—Petition to expunge—The Unfair Competition Act, 1932, 22-23 Geo. V. c. 38, ss. 2(h), 2(m), 3(b), 10(d), 44(2), 52(1)—“Bartons”—“Barton’s Bonbonniere”—Trade marks registered in the United States and widely used and advertised there and also known in Canada—It is not necessary to be the owner of a registered trade mark in Canada to be a “person interested” within s. 2(1) of the Act—Symbol becomes a trade mark upon becoming adapted to distinguish particular wares, by use—Prior use of mark before application for registration essential to its registrability—Registration of a trade mark adopted in contravention of s. 3(b) of the Act invalid—Defendants’ word mark ordered expunged from the Register.

Bartons Inc., manufacturers of candy and chocolates in New York City since 1940, were the owners of the trade mark “Barton’s Bonbonniere” registered in the United States, their principal trade mark, however, being the single word “Bartons”. Both trade marks were widely used and advertised there and were also “known” in Canada by reason of mail order sales, retail sales to residents of Canada visiting in New York and others who either sent or bought the chocolates in Canada by reason of advertisements having circulation there. Mary Lee Candy Shoppes Ltd., manufacturers of chocolates in Montreal,

P.Q. applied for registration of the word "Bartons" as a trade mark for their chocolates, giving as date of first user, September 2, 1947. The application was granted. The plaintiffs now bring this action, asking that the word mark "Bartons" be expunged. On the evidence the Court found that the word "Bartons" was not used by Mary Lee Candy Shoppes Ltd. as a trade mark at any time prior to the date of its application for registration and that the word had never been used by them as their trade mark within the meaning of "trade mark" as defined in s. 2(m) of the Unfair Competition Act, 1932, since it was never used on wares for the purpose of indicating to dealers or users that such wares were made or sold by them.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.

Held: That the plaintiffs fall within the definition of a "person interested" as defined in s. 2(h) of the Unfair Competition Act, 1932. By the registration of "Bartons" as its trade mark, Mary Lee Candy Shoppes Ltd. has narrowed the area of business open to its rivals, such as the plaintiffs. The possession of that registered trade mark excludes, or with reasonable probability would exclude, the plaintiffs from a portion of that trade into which they desire to enter. By reason of the registration and the existence of the mark, the applicants cannot lawfully do that which, but for the existence of the trade mark, they would otherwise lawfully do; and therefore they have a *locus standi* to be heard as "persons interested".

2. That the definition of a "person interested" as contained in s. 2(h) of the Act does not require that he must have a registered mark in Canada and must have used his mark there by making sales of his wares there or be in business there.
3. That a symbol cannot in Canada become a trade mark as defined in s. 2(m) of the Act until it has become adapted to distinguish particular wares from other wares, by use. Until it has become so adapted to distinguish it is not a trade mark entitled to registration. *Standard Brands Ltd. v. Staley* (1946) Ex. C.R. 615; *J. H. Munro Ltd. v. Neaman Fur Co. Ltd.* (1947) Ex. C.R. 1; *William Candy Co. v. Crothers* (1924) Ex. C.R. 183, referred to.
4. That there being no use of the mark "Bartons" prior to the application for registration, the mark lacked registrability, should not have been registered and the same must be expunged from the Register of Trade Marks;
5. That the trade mark also lacked registrability since it was adopted in direct contravention of s. 3(b) of the Act.

ACTION by plaintiffs herein to have defendants' trade mark expunged from the Register.

The action was tried before the Honourable Mr. Justice Cameron at Montreal.

H. Gerin-Lajoie, K.C. and *Edouard D. Angers* for applicants.

Isidore Popliger, K.C. and *A. H. Tanner, K.C.* for respondents.

The facts and questions of law raised are stated in the reasons for judgment.

1950
 CAMERON J. on the conclusion of the trial (May 6, 1950)
 BARTON INC. delivered the following judgment:

ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

In this matter the applicants asked for an order expunging from the register of trade marks the word "Bartons", which registration was applied for by Mary Lee Candy Shoppes Ltd., one of the respondents, in an application dated September 10, 1947, filed on September 26, 1947, and granted on December 18, 1947, as of the date of filing, for use of wares described as "candy (confections)" as a human food product.

The application to expunge is made under the provisions of sec. 52, subsection (1) of The Unfair Competition Act, 1932, which is as follows:

The Exchequer Court of Canada shall have jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of such application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

It follows from that section that unless the applicant be the Registrar he must be a "person interested". The status of the applicants herein is challenged by the respondents, who allege that neither of the applicant corporations comes within the definition of a "person interested" as found in section 2, subsection (h) of the Act; the part of that section which here has any relevancy being as follows:

"Person interested" includes any person directly affected by any breach of any provision of this Act; any person who, by reason of the nature of the business carried on by him and the ordinary mode of carrying on such business, may reasonably apprehend that the goodwill of such business may be adversely affected by any entry in the Register of trade marks, or by any act or omission or contemplated act or omission contrary to the provisions of this Act.

To determine the question thus raised it becomes necessary at once to record my impressions of the evidence adduced as to the nature of the businesses carried on by both applicants and respondents.

As to the applicants, certain facts are either admitted in the pleadings or completely unchallenged by the respondents. Both applicants are bodies incorporated under the laws of the State of New York, having their head offices in New York City. Bartons Inc. was incorporated on July 1, 1940, and Barton's Bonbonniere Inc. on September 30,

1940. The stock of both companies is owned by the same individuals and the officers, directors and shareholders are identical. Since its incorporation in 1940 Bartons Inc. has manufactured candy and chocolates which it sells to Barton's Bonbonniere Inc. and other affiliates which, in turn, retail them to the public. Following its incorporation in 1940 Barton's Bonbonniere Incorporated opened a number of retail stores in New York City, the number being gradually increased until in 1947 there were approximately seventeen, and at the present time, about thirty. They sell only chocolates manufactured by Bartons Inc., and that name appears on every box or package of merchandise to indicate that that firm is the manufacturer of the goods.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

Shortly after its incorporation, Bartons Inc. adopted certain trade marks for use on its products. Exhibit A is a certified copy of its registration of the trade mark "Barton's Bonbonniere" in New York State and dated August 22, 1940. Similar registrations were obtained in every State of the United States except one. The principal trade mark of Bartons Inc., however, was the single word "Bartons" as stated by the witness Tenzer, chairman of the board of both applicant corporations, and unchallenged by any other evidence. These two trade marks were very widely used by the applicants from 1940. On each moulded chocolate made by the first named applicant and sold by the second-named applicant the word "Bartons" appeared whenever it could be impressed thereon, or alternatively on the foil wrapping. On every box or package appeared the trade mark "Bartons" or "Barton's Bonbonniere". The same marks were used on the voluminous literature circulated by the applicants and in their advertisements and on their stationery and display cards. The retail shops of Barton's Bonbonniere were of a distinctive type and were called either "Bartons" or "Barton's Bonbonniere", the name being prominently displayed over the shop or, on occasions, by an electrical sign.

The applicants' sales of such chocolates became very substantial, reaching a figure of \$3,000,000 in 1945 and over \$5,000,000 in 1949. Sales were mainly in New York City, but there was a substantial mail order business operated by Barton's Bonbonniere Inc. for all its shops, and from

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

that department about eleven per cent of the total sales were made, the wares being so sold throughout the United States and many foreign countries and Canada. It is established that for the year 1947, the only year for which reasonably accurate figures are available, the mail order sales to points in Canada totalled about ten per cent of the total mail order sales in that year of the value of about \$33,000. As will be seen later, sales were also made since 1940 in the retail shops to residents of Canada visiting in New York and others who either sent or brought the boxes to Canada for consumption and distribution to friends and relatives in this country. Neither of the applicants has any place of business, agencies, branches or employees in Canada.

On March 21, 1949, prior to the commencement of these proceedings, Bartons Inc. applied to the Registrar of Trade Marks in Canada for registration of the trade mark "Bartons" as applied to confectioneries, candies and chocolates (Exhibit 46). In reply to that application the Registrar cited the prior registration of the respondents' mark now sought to be expunged, and the application is still pending.

Both respondent corporations are Canadian corporations having head offices in Montreal and carrying on business solely in Canada. Mary Lee Candy Shoppes Ltd. was incorporated in 1941, the business having been formerly carried on as a partnership. Since that date it has manufactured chocolates which it sold through its own chain of retail shops in Montreal called Mary Lee Shoppes and to other affiliates and agencies. The witness Berman, the president and director of both respondent companies and one of two individuals controlling Mary Lee Candy Shoppes Ltd., and who has been for forty years in the candy business in Canada, was in New York City about May 1947. There he saw the Bartons shops of the applicants, was impressed by their lay-out and design, purchased one of their boxes of chocolates, and took it with him to Montreal. That box, Exhibit D, was of a type widely used by the applicants, with its distinctive label bearing the word "Bartons" in large letters in a square, as well as the word "Bonbonniere" in an adjacent and overlapping square, and also the word "Monte Carlo", indicative of the special

assortment, as well as the words "Bartons Inc.", the name of the manufacturer. He liked the idea of the use of the word "Bartons" as a trade mark for chocolates, although he volunteered no reason for so liking it, and he conceived the idea of manufacturing chocolates under that trade mark. As I have stated, his company Mary Lee Candy Shoppes Ltd. applied for registration of the word as its trade mark by application dated September 10, 1947 and filed on September 26, 1947, giving the date of first user as September 2, 1947.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

It was also decided that a new company should be formed to be the principal retail outlet for the new Barton brand of chocolates. Accordingly, in November 1947 Mary Lee Candy Shoppes Ltd. caused an application to be made for the incorporation of a new company to bear the name "Bartons Inc.", the identical name of the first applicant herein. Upon some objection being taken, the name of the proposed company was changed to "Bartons Bonbons Limited"; and incorporation was granted under that name on January 10, 1948 (Exhibit B). Ninety-six shares of the stock were issued to Mary Lee Candy Shoppes Ltd. and the remaining four shares to individuals controlling that company. The first-named respondent therefore controls the second-named respondent. By resolution of Mary Lee Candy Shoppes Ltd., permission was given to Bartons Bonbons Limited to use the word "Bartons" as part of its corporate name. In March 1947 the second respondent opened two retail stores in Montreal, and since then has opened two additional ones, all using the word "Bartons" prominently displayed on the shop front and in a display card. It is admitted that since these shops were opened they have, with full knowledge and consent of Mary Lee Candy Shoppes Ltd., sold chocolates actually made by Mary Lee Candy Shoppes Ltd.—they sell no others—in boxes bearing the trade mark "Bartons" on the label of the box. Such boxes are all marked "Manufactured by Bartons Bonbons Limited," the first ones sold, however, being marked "Manufactured by Bartons Inc." On none of the boxes has it been stated that the manufacturer is Mary Lee Candy Shoppes Ltd.

In Kerly on Trade Marks, 6th edition, pages 324 to 331, the author reviews the decisions in the English courts as

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

to who are persons aggrieved or interested. He refers to the case of *Apollinaris Co.'s Trade Marks*, (1), where Fry J., in delivering judgment in the Court of Appeal, said:

Further, we are of opinion that, wherever one trader, by means of his wrongly-registered trade mark, narrows the area of business open to his rivals, and thereby either immediately excludes, or with reasonable probability will in the future exclude, a rival from a portion of that trade into which he desires to enter, that rival is an "aggrieved person".

Reference is also made in Kerly to the case of *Powell's Trade Mark* (2). In that case, Lord Herschell, in giving judgment, said:

Wherever it can be shown, as here, that the applicant is in the same trade as the person who has registered the trade mark, and wherever the trade mark, if remaining on the Register, would or might limit the legal rights of the applicant, so that by reason of the existence of the entry on the Register he could not lawfully do that which, but for the existence of the mark upon the Register he could lawfully do, it appears to me he has a *locus standi* to be heard as a person aggrieved.

Reference may also be made to *Crothers v. Williamson Candy Company* (3), which affirmed the judgment of this Court. The facts in many ways are similar to the instant case; and while that judgment was under the Trade Mark and Design Act, I do not think there is any material difference between the expression "any person aggrieved" as used in that act and "any person interested" as defined in the present Act so far as this case is concerned. In that case the headnote is as follows:

The Williamson Candy Company, manufacturers of confectionery in the United States, had the words "Oh, Henry" registered in the Patent Office at Washington as a trade mark for chocolate bars and advertised it extensively in American papers and magazines having a substantial circulation in Canada, but made no use of it there. The Crothers Company in the same business in Kingston, Ontario, registered these words in Canada as its own trade mark for the same goods.

Held, affirming the judgment of the Exchequer Court, (1924) Ex. C.R. 183, Idington J. dissenting, that the Williamson Candy Company, while the Canadian registration stands, is prevented from making any use of said words in Canada in connection with the sale of their product, and is deprived of the benefit here of their extensive advertising; it is, therefore, "a person aggrieved" within the meaning of section 42 of The Trade Mark and Design Act and entitled to bring an action to have them expunged from the Canadian registry.

Held also, that the trade mark of the Crothers Company was "calculated to deceive and mislead the public" and should be expunged from the Canadian registry.

(1) (1891) 2 Ch. D. 186.

(2) (1893) 2 Ch. 388;
 (1894) A.C. 8.

(3) (1925) S.C.R. 377.

Chief Justice Anglin, in that case, said in part (p. 379):

In May, 1922, an officer of the defendant, a manufacturing confectioner at Kingston, in Canada, attended a confectioners' convention in Chicago. He then learned of the plaintiff's trade mark and of its great vogue and success. The defendant promptly applied for registration of the words "Oh, Henry" as a specific trade mark in Canada for chocolate bars and biscuits made by it, and its application was granted on the 15th of June, 1922. In making the application there was filed a declaration of one of the defendant company's officers, in the form prescribed by sec. 31 of the statute, that the trade mark, registration of which was applied for, "was not in use to his knowledge by any person other than himself at the time of his adoption thereof." The existence of the plaintiff's United States trade mark and its user by them appears not to have been disclosed. A subsequent application by the plaintiffs for registration in Canada was refused.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 ———
 Cameron J.
 ———

And later on he said:

Although it may be that the failure of the plaintiffs to apply for registration in Canada within the time provided for by section 49 of the statute and the defendant's adoption and user of the words "Oh, Henry" as its trade mark will prove an obstacle to the plaintiffs' obtaining registration for themselves of these words as a trade mark even if the defendant's registration should be expunged, that registration, while it stands, prevents the plaintiffs making any use of these words in Canada in connection with the sale of their product and deprives them of the benefit in this country of their extensive advertising. In our opinion it is obvious that they are persons whose legal rights would or might be limited by the appellant's trade mark remaining on the register, and they are, accordingly, "persons aggrieved" within section 42 of the Trade Mark and Design Act and have a status to maintain this action. The learned President of the Exchequer Court regards the exercise of the discretion given the Minister by section 11 of the Act as subject to review by the Exchequer Court for the purpose of the jurisdiction conferred by section 42 of The Trade Mark and Design Act. In this view we agree. In re Vulcan Trade Mark (1915) 51 Can S.C.R., 411, at 413 and 414.

The learned President has held that the defendant's trade mark as registered is "calculated to deceive and mislead the public." That finding has not been successfully impeached. The evidence warrants it. It in turn fully supports the order made by the Exchequer Court that the defendant's trade mark should be expunged as a trade mark which the Minister in the exercise of his discretion could properly have refused to register.

In the instant case the applicants are in the same trade as Mary Lee Candy Shoppes Ltd., the registrant in Canada of the trade mark "Bartons", namely the manufacture and sale of chocolates and candy. The trade mark was adopted by Bartons Inc. and used in the United States, a country of the Union, by both applicants for some seven years or more prior to its adoption or use by either of the respondents, and was for about the same length of time "known"

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

in Canada by reason not only of the distribution of wares but also by reason of the advertisements thereof having a circulation in Canada. A certain amount of goodwill in Canada had therefore been established. It is in evidence that the applicants intended to establish agencies or branches in Canada for their goods when satisfactory conditions of supply existed.

Applying these facts to the principles laid down in the cases which I have cited, it seems clear to me that the applicants fall within the definition of a "person interested". By the registration of "Bartons" as its trade mark, Mary Lee Candy Shoppes Ltd. has narrowed the area of business open to its rivals, such as the applicants. The possession of that registered trade mark excludes, or with reasonable probability would exclude, the applicants from a portion of that trade into which they desire to enter. By reason of the registration and the existence of that mark, the applicants cannot lawfully do that which, but for the existence of the trade mark upon the register, they could lawfully do; and therefore, in my opinion, they have a *locus standi* to be heard as "persons interested".

I am unable to agree with the submissions by counsel for the respondents that a "person interested" must have a registered trade mark in Canada and must have used his mark in Canada by making sales of his wares in Canada or be in business in Canada. I find no such requirements in the definition of "a person interested" as contained in sec. 2(h) *supra* or in any other part of the Act.

I now turn to the merits of the case. The main attack on the registration is based on the allegation that the application for registration contained a false and material representation, in that it stated that the word had been first used by the applicant as a trade mark on September 2, 1947. It is submitted that in fact the applicant therefor had never used the word as a trade mark prior to the application for registration. If it be established that such is the case, the applicants are entitled to succeed.

Reference may be made to *Standard Brands Ltd. v. Staley* (1), where O'Connor J. made an order expunging a registered mark which the applicant therefor had stated had been used prior to the application for registration but

which in fact had not been so used. I concur with his opinion on that point, but need not here repeat the reasons given by him in reaching that conclusion. It is sufficient to say that in my opinion a symbol cannot in Canada become a trade mark as defined in section 2 (m) of the Unfair Competition Act until it has become adapted to distinguish particular wares from other wares, by use. Unless it has become so adapted to distinguish, it is not a trade mark entitled to registration.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 —
 Cameron J.
 —

Reference may also be made to *J. H. Munro Ltd. v. Neaman Fur Co. Ltd.* (1), where, at page 7, the President of this Court said:

If use of a trade mark was a prerequisite to its valid registration under The Trade Mark and Design Act, as, in my opinion, the weight of authority indicates, although there is some conflict of opinion on the subject, the plaintiff's registration of the words "Gold Medal Furs" as a trade mark was invalid on the ground that they had never been used as such.

Further reference may also be made to the opinion of the late President of this Court, Maclean J., in *Williamson Candy Co. v. Crothers* (2).

The evidence as to the first user of the trade mark by Mary Lee Candy Shoppes Ltd. is somewhat conflicting, but I find no great difficulty in deciding the point. Mr. Saul Berman above referred to was examined in another action between the parties hereto, now pending in the Superior Court of the Province of Quebec. At the trial of the case in which I am now concerned, certain questions put to him on that examination and his answers thereto were read to him, and he admitted that they were accurately reported. Upon that examination, which it may be noted was held prior to the commencement of these proceedings, he stated with no reservations whatever that neither of the respondent corporations had made any use whatever of the trade mark "Bartons" until the time of the application for incorporation of "Bartons Inc.", that is November, 1947, and he added that until that time no one in Canada, so far as he knew, had ever used that trade mark in Canada as applied to candies and confectionery. On his examination for discovery in these expungement proceedings he was asked to produce all boxes bearing the word "Bartons" as used at any time by either of the

(1) (1947) Ex. C.R. 1.

(2) (1924) Ex. C.R. 183.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

respondent corporations. He did so, and stated that Exhibit 14 then produced (now Exhibit 32) was the earliest of the boxes so used. It was definitely pointed out to him that the date of the application for registration was September 26, 1947, but he stated, "We did not use it previous." These statements, made as they were by a person most likely to know all the facts, would seem to conclude the matter; but at the trial, Mr. Berman, notwithstanding his previous sworn statements, endeavoured to support the date given in his application, that is September 2, 1947, and in fact to carry the date of first user back to August, 1947. He says that at the two previous examinations he was confused and mistaken. He now for the first time recalls the fact that in August, 1947, he had prepared about twenty-five to fifty boxes bearing the word "Bartons" in plain print, filled them with chocolates, and sold them over the counter in small lots as cash sales to friends and relatives, to get their reaction. He now says that, because of the small amount involved in these sales, he did not consider them to be in the category of sales, and that for that reason he made no mention of these sales at the examinations for discovery to which I have previously referred.

There is not the slightest credible corroboration of these statements. Mr. Berman was unable to produce any such boxes, alleging that they were all disposed of. No other witnesses saw them; and none of the alleged purchasers, said to have been relatives or friends, whose reaction was sought, and whose identity therefore would presumably be known, was called as a witness. In view of Mr. Berman's previous positive and unqualified statements, I must entirely reject his evidence in this regard. But, even if believed, the evidence would not be helpful to his case, as he stated, as I recall it, that the only word used thereon was "Bartons", and in the absence of any reference thereon to the name of the manufacturer it would not appear that the word had been used to indicate to purchasers that they were made or sold by Mary Lee Candy Shoppes Ltd.

Nor, in my opinion, does the evidence of Mr. Landan assist the respondents at all. In 1947 he was the manager of the Ideal Paper Box Company, which supplied boxes to Mary Lee Candy Shoppes Ltd. He is not now in its

employ. He stated that in August, 1947, he received the first order from Mary Lee Candy Shoppes Ltd. for Bartons boxes, and actually delivered some in that month. He identified Exhibit D as one of those boxes. That box has a label undoubtedly printed or reproduced from the cut produced by Standard Engraving Company at the request of Ideal Paper Box Company, and which, it is fully established, was first delivered to Ideal Paper Box Company on or about the 23rd of October, 1947. I refer to the evidence of Mr. W. B. Sharpe, the manager of Standard Engraving Company, and that of Mr. Lacouture, the employee of that company who secured the order for the cut from Ideal Paper Box Company, the latter having it approved by the paper box company and also by a representative of Mary Lee Candy Shoppes Ltd. These witnesses established that the order for the cut was not given until mid-October, 1947. Mr. Landan's evidence was given without reference to the books and records of Ideal Paper Box Company, was entirely dependent on his memory, and I am satisfied that his evidence was given with the sole purpose of endeavouring to assist Mr. Berman in establishing the first user as of August 1947,—a purpose in which he has completely failed. I reject his evidence entirely.

Moreover, such documentary evidence as exists would indicate that the first sale of Bartons was on December 4, 1947. Mr. Katz, the accountant for both respondents, produced Exhibit 111, an invoice for 5 lbs. of Bartons candies sold to Berkley Neckwear Company, and stated it was the first sale of Bartons chocolates of which there was any record. He also produced Exhibit 110, an invoice of Ideal Paper Box Company for 501 Bartons boxes, that being the earliest shipment of such boxes of which he could locate any record. It is dated November 7, 1947. From this evidence, and other parts of the evidence to which I need not specifically refer, but one conclusion can be reached, namely, that "Bartons" was not used by Mary Lee Candy Shoppes Ltd. as a trade mark at any time prior to the date of its application for registration, namely on September 26, 1947. The application, therefore, contained a false and material representation. There being no use of the mark prior to the application for registration, the

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

1950
 BARTON INC. mark lacked registrability and should not have been
 ET AL. registered, and an order will go expunging it from the
 v. Register.

MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.
 On this evidence it is possible to go even further, and to find, as I do, that "Bartons" has never been used by Mary Lee Candy Shoppes Ltd. as its trade mark within the meaning of "trade mark" as defined in section 2, subsection (m). Between October, 1947, and March 1948, it was used on boxes marked "Manufactured by Bartons Inc." From that date to the present it has been used on boxes marked "Manufactured by Bartons Bonbons Limited." It has never, therefore, been used on wares for the purpose of indicating to dealers or users that such wares were made or sold by Mary Lee Candy Shoppes Limited.

The finding which I have made is sufficient to dispose of the matter. But of the various other reasons advanced by the applicants as grounds for expungement I think it necessary to consider but one. It is submitted that on the facts disclosed the registration was invalid, as being in contravention of section 3(b) of the Act, which is as follows:

No person shall knowingly adopt for use in Canada in connection with any wares any trade mark or any distinguishing guise which . . .

(b) is already in use by any other person in any country of the Union other than Canada as a trade mark or distinguishing guise for the same or similar wares, and is known in Canada in association with such wares by reason either of the distribution of the wares in Canada or of their advertisement therein in any printed publication circulated in the ordinary course among potential dealers in and/or users of such wares in Canada.

It is alleged that the applicants' mark was already in use by the applicants in the United States, a country of the Union, as a trade mark for the same wares as the respondents' wares, and was known in Canada in association with such wares, both by reason of the distribution of the wares in Canada and also by reason of their advertisement therein in printed publications circulated in the ordinary course among dealers and users thereof in Canada prior to the adoption or any use of the mark "Bartons" by either respondent in Canada.

¹ I am of the opinion that the applicants have affirmatively established that such is the case. The user of "Bartons" by the applicants in the United States is not challenged in any way. It was both substantial and con-

tinuous since 1940. Counsel for the respondents points out that the applicants' registered mark in the United States was "Barton's Bonbonniere"; and that is so; but the applicants do not rely on the registered mark alone. They have established the fact that they also use "Bartons" most extensively and as their principal mark. It is also established that since 1940 individual purchasers from Canada have brought or had sent into Canada boxes of chocolates manufactured by the first-named applicant and bearing the Bartons trade mark. Moreover, through its mail order department Barton's Bonbonniere, incorporated in 1947, alone sent to Canada the boxes using the word "Barton's" as the trade mark, or the double word "Barton's Bonbonniere" as the trade mark, to the value of \$33,000. On its mail order list it had over sixteen hundred Canadian customers. It is shown also that with each box of chocolates so shipped to Canada, literature and advertisements were enclosed, all stressing the applicants' trade mark "Bartons". Advertisements appeared in the New York Times Magazine and the Herald-Tribune and other papers and journals, all of which, it is agreed, had a circulation in Canada. Many other articles also appeared in trade journals having possibly only a limited circulation in Canada to some of which at least, the respondents were apparently subscribers, some of them having been seen in Mr. Berman's office.

Nor can there be any doubt that Mary Lee Candy Shoppes Ltd. through its officers knowingly adopted the mark. Mr. Berman admits that he knew of its use in the United States, and that a few other friends whom he approached upon his return from New York in May, 1947, also knew of its use there. But he says that neither he nor such friends in Montreal had any knowledge of its use in Canada or that it was "known" in Canada: but that, in my opinion, is unimportant. He did know of its use in the United States; and it was "known", as I have said above, in Canada. The adoption of it therefore by Mary Lee Candy Shoppes Limited was knowingly made, and the respondents therefore cannot take advantage of the provisions of section 10, subsection (d). They were not in ignorance of the use of the trade mark in the United States, —the trade mark which was also known in Canada.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 Cameron J.

Nor was the name adopted by the registrant in good faith. With some knowledge of the extent of the applicants' user of the mark in the United States at least, Mr. Berman quite deliberately decided to adopt for his company's use a mark which, apart from the significance attached to it by the extensive user in the United States and elsewhere by the applicants, would confer no conceivable benefit on his company. He gave the label of the applicants to the Ideal Paper Box Company with instructions to copy it in every detail, including colour. He also marked his chocolates as made by "Bartons Inc.", and attempted to incorporate his new company under that name. In his advertisements in the Montreal papers in March, 1947, no mention was made of the name of the manufacturer of the wares, but in addition to stressing the trade mark as "Bartons" some of these advertisements stated that "Now for the first time the famous Bartons chocolates can be bought in Canada",—all at the time when his first Bartons shops were about to open. He denies responsibility for that part of his advertisements, attributing it to his advertising man, Walsh, who at the trial assumed responsibility in the main therefore. In that respect the advertisement was changed upon the instructions of Mr. Berman. The reason for the change may have been the warning letter sent to the respondents by the applicants' attorneys, and which was no doubt received about that time, although Mr. Berman alleges that that was not so. Walsh's evidence was so confusing and inconsistent that I formed the opinion that he was more concerned with assisting Mr. Berman than with relating facts of which he had any actual recollection.

In *Feingold v. Demoiselle Juniors Limited* (1), I had occasion to consider the case of a registrant who was not the first to use or make known his mark in Canada. I repeat in part what I then said, at page 125:

In my view, the problem is simplified if it is kept clearly in mind that in proceedings under section 52 of The Unfair Competition Act, consideration must be directed primarily to the rights of the registered owner, not to those of the applicants. It is the existing rights of the registered owner as they are defined or expressed in the Register that may be challenged, and not the merits or demerits of the party moving under section 52. The Registrar may move to challenge the validity of the registered mark, and so also may any person interested as defined in section 2, subsection (h). The person interested does not need to

have been himself the user of any mark similar to that of the registered owner: He has the necessary status if, by reason of the nature of the business carried on by him, and the ordinary mode of carrying on such business, he may reasonably apprehend that the goodwill of his business may be adversely affected by any entry in the register of trade marks. The authority of any "person interested" to institute proceedings under section 52, subsection 1, is not, I think, to be cut down by the somewhat obscurely expressed provisions of section 4, subsections 2 and 3. It is to be kept in mind that the tenor of the whole Act is to prevent unfair competition. Section 3 forbids the deliberate adoption of a mark similar to any trade mark in use, or in use and known as therein described. Section 4, subsection 1 gives exclusive use to one who first uses or makes known his mark in Canada, if registered. I can find no section of the Act which in clear terms gives any rights to one who was not the person to use or make known his mark in Canada. Section 4, subsection 3 does not, in my view, confer any rights on a later user who has registered his mark, but is a mere direction to the Registrar to take into account the condition of the register at the time an application is made under section 4, subsection 3, and to act accordingly.

Finding, as I have done, that the word "Bartons" registered by the Mary Lee Candy Shoppes Ltd. was adopted by it in direct contravention of the provisions of section 3, subsection (b) of the Act, it follows that it lacked registrability and should not have been registered. On this ground also the applicants are entitled to succeed.

Other grounds advanced by the applicants as establishing invalidity of the mark are: (a) that even if it had been used at any time by Mary Lee Candy Shoppes Limited, it has not been used since at least March, 1948, by that Company, and has in fact been used only by Bartons Bonbons Limited, stated on the boxes to be the manufacturer thereof, and that therefore it has lost its distinctive character as indicating the goods of the registered owner; (b) that, assuming the registration to have been valid originally, the mark has been transferred by the owner to Bartons Bonbons Limited which has used it without a concurrent assignment of the goodwill of the business of Mary Lee Candy Shoppes Limited in connection therewith, contrary to section 44, subsection 2 of the Act. However, in view of my finding declaring invalidity of the registration on the two main points advanced, I do not consider it necessary to reach any definite conclusion on these submissions, although much might be said in support thereof.

1950
 BARTON INC.
 ET AL.
 v.
 MARY LEE
 CANDY
 SHOPPES
 LTD. ET AL.
 ———
 Cameron J.

1950
BARTON INC. ET AL.
v.
MARY LEE
CANDY
SHOPPES
LTD. ET AL.
Cameron J.

The applicants are therefore entitled to an order expunging from the Register the registration of the trade mark "Bartons", such registration having been made on September 26, 1947, number NS-26364, register 102.

The applicants are entitled to be paid their costs after taxation.

Judgment accordingly.