

1927
 May 2.
 May 12.

ADOLPH W. EPSTEIN.....PLAINTIFF;

AND

O-PEE-CHEE COMPANY, LIMITED.....DEFENDANT.

Trade-Marks—Expunging—Jurisdiction—Lapsing—Purity of Register

Held, that the Exchequer Court of Canada has sole original jurisdiction to entertain proceedings for expunging a registered industrial design, and should exercise such jurisdiction without concerning itself with proceedings begun in a provincial Court for the same purpose.

2. That notwithstanding that the industrial design herein had not been renewed under the provisions of sec. 30 of the Trade-Mark and Design Act, and therefore had lapsed, nevertheless as it was found to have been registered "without sufficient cause" the Court should order it to be expunged for the purpose of maintaining the purity of the Register. (*Billings et al v. Canadian Billings Co.* (1921) 20 Ex. C.R. 405 referred to.)

ACTION to expunge an industrial design registered in the name of the defendant.

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

R. S. Smart, K.C., for plaintiff.

René Chenevert for defendant.

The facts are stated in the reasons for judgment.

AUDETTE J., this 12th of May, 1927, delivered judgment.

This is an action to expunge from the Register of Industrial Designs the entry of registration, made on the 7th April, 1922, of the

Industrial Design of a

CARTON

consisting of the reproduction of a satchel.

The registration was made on the application of the Maple Crispette Company Limited, under the declaration of its general manager, that the design

was not in use to our knowledge by any other person than ourselves at the time of our adoption thereof,

the whole as required by sec. 24 of The Trade-Mark and Design Act, and also by sec. 34, before its amendment in 1923.

Now it has been established by uncontroverted evidence, by the testimony of witnesses who were not even cross-examined (*Brown v. Dunn* (1)) that the Maple Crispette Company was selling the carton in question as far back as November, 1921, and that between that date and the application for registration it had sold about 600,000 of these designs.

Moreover, the evidence discloses that, besides these sales in 1921, the design itself was not new and that it had been used by others long before registration. Witness Profanti, a salesman for the Maple Crispette Company from 1918 to 1921 (down to the winding up of the company), testified that he started selling the satchel in question in November, 1921, adding that it was a very old box, which must have been 20 to 25 years old. It had been used before. He saw the package containing biscuits, candies and different articles, practically the same as exhibit No. 1, but with different content. Christie Brown Company were selling biscuits in a satchel before Crispette Company started. When the latter started using it, the Crethen Candy Company were putting out candy in a satchel. Sometime in November, 1921, the plaintiff bought, at Fraser Viger's, St. James Street, Montreal, a carton made by Christie Brown Company, exhibit No. 4, and he gave it to the Manager of the Crispette Company who then put it on the market and sold it to dealers.

Prior user or publication has been abundantly established.

Moreover the Maple Crispette Company did not protect the design, as required by sec. 34 of The Trade-Mark and

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(1) (1894) 6 The Reports 67.

1927 Design Act, by placing the letters *Rd.* and the year of registration at the edge or upon any convenient part of the design.

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The President of the defendant company testified that in 1925 he acquired from the Liquidators of the Maple Crispette Company Limited, all the assets of the latter company, including the design in question. The plaintiff left the employ of the Crispette Company in October, 1925, when he started business for himself. Now the plaintiff, as one of the public is a person aggrieved if the wrong registration of this design prevents him from using it. The design has been registered after publication, and was used by the public before registration; it therefore belonged to the public and cannot be appropriated by wrong registration. See on this point Law of Trade-Marks, etc., by R. Smart, pp. 60, 61 *et seq.* *Billings et al v. Canadian Billings Co.* (1). Furthermore the registration of this design was made "without sufficient cause" since the registered proprietor is not the owner thereof. (See Smart's Law of Trade-Marks, etc., p. 62).

Now it is argued, on behalf of the defendant, that the plaintiff is estopped from attacking the industrial design registered by the Maple Crispette Company, Limited, because he was a shareholder in that company. The answer to this plea is that the plaintiff and the Maple Crispette Company Limited are two separate and distinct entities which must not be confused and that the court cannot concern itself with relations existing between the plaintiff and persons or entities not before the court. Nor should the plaintiff be prejudiced by *res inter alios acta*, or the defendant allowed to invoke a *jus tertii*. *Electrolytic Zinc Company v. French's Complex Ore Reduction Co.* (2).

The case should not be disposed of without mentioning that it appeared at trial that there was an action pending in the Superior Court, at Montreal, for, among other things, expunging the industrial design in question; but as the Exchequer Court of Canada is the only court having jurisdiction, under sec. 42 of the Trade-Mark and Design Act, to entertain proceedings for expunging a registered industrial design, it should proceed to exercise such jurisdiction

(1) (1921) 20 Ex. C.R. 405.

(2) (1926) Ex. C.R. 5 at p. 7

without concerning itself with irregular proceedings begun in another tribunal.

The Industrial design registered on the 7th April, 1922, has not been renewed, as provided by sec. 30 of the Trade-Mark and Design Act, and has therefore lapsed and expired on the 7th April, 1927. However, as it should never have been registered there should be an order to expunge it, were it only for the purpose of maintaining the purity of the Register. See the *Billings* case (*ubi supra*).

Therefore, in view of the considerations to which I have adverted, I do order that the Industrial Design in question in this case, registered on the 7th April, 1922, in the Register of Industrial Design No. 24, Folio 5392, be expunged from the said Register. The whole with costs.

Judgment accordingly.

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