1922
April 22.

RODRIGUE GOULET.....PETITIONER;

VS.

IDA SERRE, DIT ST. JEAN, *et al*.....RESPONDENTS.

Trade-Marks—Expunging—Registration made upon a false declaration and one not disclosing all proprietors—Purity of Register.

In the interests of trade, public order and purity of the register of Trade-Marks, the Court will exercise its statutory discretion in ordering the removal from the register of any entry made therein without a sufficient cause, i.e., when the registration of a Trade-Mark was obtained upon a declaration not disclosing the names of all the proprietors of the mark, and falsely stating that the Trade-Mark was not in use by any other persons than those named in the application and declaration at the time of its adoption.

2 That whilst it might not be of strict necessity to order the expunging of a Specific Trade-Mark which has expired, by reason of its non-renewal within the statutory 25 years, yet with the object of obviating any difficulty that might hereafter arise under the circumstances of the case, such entry and registration should be expunged.

PETITION to have trade-marks "La Fortuna" and "Artiste" expunged from the register of Trade-Mark and Design and have the same registered in the name of petitioner and others named.

April 10th and 11th, 1922

Case now heard before the Honourable Mr. Justice Audette at Montreal.

A. Duranleau, K.C., for petitioner.

C. Laurandeau, K.C., for Ida Serre dit St. Jean.

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F. A. Béique, for Hermine Goulet and other heirs of Ludger Goulet.

Oscar Dorais, K.C. & *J. P. Lanctôt*, for Henri Goulet and heirs of Joseph Goulet.

The facts are stated in the reasons for judgment.

AUDETTE J. now (this 22nd April, 1922) delivered judgment.

The Petitioner, by the present proceedings, seeks to expunge from the Canadian Register of Trade-Marks, three "specific" trade-marks as applied to and in connection with the sale of cigars, and further that the same be registered in his favour and Ludger Goulet's estate jointly.

These three specific trade-marks consist of:

1. The words "La Fortuna" registered, on the 16th November, 1920, under Folio No. 27582.

2. The word "Artiste," with a coloured label which is described in the certificate of registration by the following words, viz.:—"avec étiquette de couleur, représentant un artiste assis sur un banc, peignant un rideau, à son côte un chien regardant le dit rideau, un paquet de tabac (en feuilles) une boîte de cigares et un pot de fleurs, tel qu'il appert par la demande et le patron ci-contre," and registered on the 4th November, 1920, under folio No. 27510.

3. The same word "Artiste" with the above described label, registered on the 17th December, 1883, under folio No. 2194.

The Exchequer Court of Canada is given jurisdiction over such matters both under sec. 23 of the Exchequer Court Act and under sec. 42 of the Trade-Mark and Design Act.

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Freeing myself from all unnecessary considerations and having regard only to the broad facts of the case, I find the important and controlling fact, (a fact disclosed by the evidence, and I think, conceded by all parties) that the petitioner had, in November, 1920, when Henri Goulet registered the trade-marks Nos. 27582 and 27510, an undoubted clear, individual and undivided right to, and interest in, the said trade-marks and has ever since had it; and moreover that when the said Henri Goulet registered the same no formal embodiment in writing was ever made by him of such known right and interest in him (the petitioner), either in his application or in the declaration for trade-marks.

As I have already had occasion to say in the *Billings & Spencer Case* (1), the Canadian Trade-Mark Act does not contain a definition of trade-marks capable of registration; but it provides by sec. 11 that the registration of trade-mark may be refused if the so-called trade-mark does not contain the essentials necessary to constitute a trade-mark properly speaking. *The Standard Ideal Co.* v. *The Standard Sanitary Mfg. Co.;* (2); *Partlo* v. *Todd* (3): This section 11 further provides that the *applicant should be undoubtedly* entitled to the exclusive use of the trade-mark. *Roger's Trade-Mark* (4); *The J. P. Bush Mfg. Co.* v. *Hanson et al* (5).

If by virtue of such registration Henri Goulet, or those he registers for are allowed to retain the exclusive use of the trade-mark the petitioner will be forever barred and excluded from using the same or in other words will have all rights, title and interest in the same wiped out by such registration. The applicant

(1) [1921] 20 Ex. C.R. 405 at p. 410.
(2) [1911] A.C. 78.
(3) [1888] 17 S.C.R. 196.
(4) [1895] 12 R.P.C. 149.
(5) [1888] 2 Ex. C.R 557.

for registration must use or intend to use the trade-mark, therefore, Henri Goulet,—or the estate in whose favour he registered, could not so use the trade-mark without leave of the petitioner or without using something in which the petitioner has a right and interest. Kerly, Law of Trade-Mark, pp. 114, 120, 140.

Then it is, by section 13, provided that the applicant may have his trade-mark registered upon forwarding a declaration that it "*was not in use to his knowledge by any* other person than himself at the time of the adoption thereof."

Section 42 (R.S.C. 1906, ch. 71) provides, among other things, for expunging, at the suit of an aggrieved person, the entry of any trade-mark, made on the register, *without sufficient cause*. The petitioner, whose rights have been frustrated by such registration is a person aggrieved within the purview of the Act. *Baker* v. *Rawson* (1); *The Autosales Gum & Chocolate Company* (2) and *Ball & Co's Trade-Mark* (3). The present registration of 1920 "without sufficient cause" which claims the mark, constitutes a cloud on the petitioner's title, and if he is the owner of or has an interest in the marks, he has a right to have that cloud removed.

The only conclusion one is forcibly led to upon the language of the declaration made by Henri Goulet when, *inter alia*, he says in registering "La Fortuna:" "La dite marque de commerce spéciale n'a été employée à ma connaissance par aucune autre personne que par les dits Joseph Goulet et Ludger Goulet, faisant affaires à Montréal, sous les noms de Goulet & Frères, avant d'avoir été choisie et adoptée par ces derniers."

(1) [1890] 8 R.P.C. 89 at p. 98. (2) (1913) 14 Ex. C. R. 302.
(3) [1898] 2 Ch. D. 432.

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is that, only part of the truth is therein disclosed, and amounts to more than an untruth, since he knew at the time he made his application to register, that the petitioner had rights and interests in the same, that he used the said trade-mark as a member of the partnership. Both the application and statutory declaration are silent upon this subject. Good faith, honesty and loyalty are expected in all transactions and a Court of justice is invested with due authority and is in duty bound to see that such principles are duly respected.

Now could a trade-mark be so registered in the name of two estates without disclosing the names of the persons forming part of such estates, is a very doubtful question which I find unnecessary to decide for the purposes hereof. However, following the decision in the *United States Steel Products* v. *The Pittsburg Perfect Fence Company* (1) it must be held that the *proprietor* of the trade-mark alone can register. If there are several owners, that must be disclosed. The latter case is authority for refusal to register, if it appears that the applicant is not the proprietor of the trade-mark; the Trade-Mark and Design Act providing for the registration in the name of the proprietor only.

It is inconceivable that any one could know better than Henri Goulet, when he made his declarations for the registration, that the petitioner had some rights and interest in the ownership of the trade-marks as a result of the petitioner's partnership owning the same and through which Henri Goulet claimed for the estates. By stating only part of the truth and repressing part of it—in not disclosing that the petitioner was part owner of the marks—he made statements amount-

(1) [1917] 19 Ex. C. R 474.

ing to misrepresentation and thereby obtained registration. Had he disclosed the whole truth and nothing but the truth, he would not have procured the registration. Part of the truth only is more treacherous and more difficult to meet than a glaring untruth.

Henri Goulet's conduct in obtaining registration under such circumstances and under such curtailed and guarded statement of facts was most reprehensible and all his claims cannot avail, because the help of the Court will not be extended to one who comes in court with unclean hands.

All thathas been said with respect to "La Fortuna" will equally apply to the other trade-mark "Artiste" with however this qualification.

The Trade-Mark "Artiste" was duly registered as a specific trade-mark on the 17th December, 1883. Under sec. 17 of the Act, such specific registration endures for a term of 25 years, and can only be renewed before its expiry, and the registration of such renewal must be registered before the expiration of the current term of twenty-five years.

This specific trade-mark "Artiste" registered in 1883 expired in 1908, and cannot, under the provisions of sec. 17 above referred to, be again registered in 1920, as was done by Henri Goulet. It would seem that this trade-mark has expired.

However, whatever might have been the merits or the demerits of the applicant Henri Goulet, the court in a matter of this kind, where the interests of trade, public order, and the purity of the register of trade-marks are concerned, shall and must always exercise its statutory discretion in ordering the removal from

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the register of such entry made *without sufficient cause*. *The Canada Foundry Co.* v. *The Bucyrus Co.* (1); *The Leather Cloth Co.* (2); *Baker* v. *Rawson* (3); *The Appollinaris Co.* (4); Kerly's Law of Trade-Mark, 318, 320; Sebastian, 236, 403, 520, 600.

Coming now to the second branch of the case, whereby the petitioner seeks for an order directing the registration of these trade-marks in both his favour and the said Ludger Goulet's estate jointly, it must be stated that it appears from both the evidence and the defendant's pleadings that the petitioner is apparently the sole owner of these trade-marks for having purchased them in June 1921, at a sale made of the same, under direction of the Superior Court of the District of Montreal, in an action of licitation for the partition of the assets of the above mentioned estates. The statement of claim has not been amended.

In consideration of this important fact and in the view the Court takes of the case, it becomes unnecessary to decide whether or not these trade-marks formed part of the partnership assets and ever passed to the estate without being first disposed of with the good-will of the partnership. Can a trade-mark be sold in gross, that is without the good-will? The cases of *The Trade-Mark "Vulcan"* (5) and *Gegg* v. *Bassett* (6), are authorities for the negative. See Hopkins on Trade-Mark, 3rd ed., pp. 28, 68, 161, 575. Could these trade-marks ever pass to the defendant's estates, without first being sold with the good-will of the

(1) [1912] 14 Ex. C. R. 35; 47 S.C.R. 484.
(2) [1865] 11 H. L. C. 523.
(3) [1890] 8 R.P.C. 89.
(4) [1890] 8 R.P.C. 137, at 160, 161 & 163.
(5) [1914] 15 Ex. C. R. 265; 24 D.L.R. 621.
(6) [1902] 3 O. L. R. 263

partnership? Would it not seem that these estates could acquire interest in the assets of the partnership, only upon the proceeds of the same having been realized from the sale of the good-will with the trade-marks? *Eiseman et al* v. *Scheffer et al* (1); *Independent Baking Powder Co.* v. *Boorman* (2); *Bowden Wire Co.* v. *Bowden Brake Co., Ltd.* (3). These are interesting questions which it becomes unnecessary to decide in the view I have taken of the case, and the consideration of the same would indeed carry us far afield.

There will be judgment ordering the expunging from the entry on the Canadian Trade-Mark Register of the Specific Trade-Mark "La Fortuna" registered on the 16th November, 1920, under No. 27582, and the further expunging of the Specific Trade-Mark "Artiste" registered on the 4th November, 1920, under No. 27510—in accordance with the Trade-Mark and Design Act.

While the necessity of expunging the Specific Trade-Mark "Artiste" registered on the 17th December, 1883, under Folio No. 2194, and expiring in 1908, as provided by sec. 17 of the Trade-Mark and Design Act, might not be of strict necessity, yet with the object of obviating any difficulty that might arise in reference to the title to the trade-marks registered in 1920, it is thought advisable, following the decision in *re Batt* (4) to order the expunging of the same. The continuance of such registration can answer no legitimate purpose and its existence is purely baneful to trade, as said by the Master of the Rolls, in *re Batt* (*ubi supra*).

(1) [1907] 157 Fed. Rep. 473.
(2) [1910] 175 Fed. Rep. 449.
(3) [1912] 30 R.P.C. 45 & 581; & 31 R.P.C. 385.
(4) [1898] 2 Ch. D. 432 at p. 439 [1898] 15 Rep. P.C. 534.

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The petitioner is aggrieved by maintaining the entry of the trade-mark, it is certainly embarrassing to say the least, and in his interest, it should be expunged, as the registered owner is not the proprietor thereof. Smart on Trade-Marks, 62-64.

There will be no order directing the registration of these trade-marks in favour of both the petitioner and the Ludger Goulet estate jointly, for the reason above mentioned that the petitioner would appear to be the sole owner of the same for having purchased them at a sale made under direction of the Superior Court of the District of Montreal; but without passing upon the rights of the said petitioner to register in his own personal name, he will now be at liberty to apply for the registration of the same, if he sees fit, The whole with costs against the contesting party Henri Goulet.

Judgment accordingly.